

# Annual Report

2021/**2022**

**Egmont Group**  
of Financial  
Intelligence Units



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# Incoming Chair Remarks



**Xolisile Khanyile,**  
Chair of the Egmont  
Group of Financial  
Intelligence Units

## Effective collaboration strengthens our path to the future

As your current Chair of the Egmont Group (EG), I write these remarks for the 2021-2022 EG Annual Report with immense pride. I hold this position dear and realize it comes with an enormous responsibility to the EG team, our member FIU countries, and citizens worldwide. With this in mind, I remain acutely focused on fighting money laundering and terrorist financing (ML/TF).

Since taking office in July 2022, my intent has been on implementing the 2022-2027 EG Strategic Plan, so our organization and member FIUs are recognized at the centre of increasing the efficiency and effectiveness of global anti-money laundering and counter-terrorist financing initiatives.

Experience shows that to be more impactful, we cannot work secluded or in silos. Our stakeholders, partners, and others relying on the EG's work need involvement in its mission, awareness of its benefits and value, and knowledge of its contributions to fighting financial crime, especially the organization's role in combating ML/TF and corruption.

During this reporting period, most member FIUs actively raised awareness of their purpose among stakeholders. Not highlighting FIUs' work and achievements often contributes to

authorities failing to fully grasp the importance of optimally capacitated FIUs. In some instances, this leads to a lack of tenure security for Heads of FIU. We must all take responsibility for influencing and promoting FIUs' usefulness, effectiveness, and unique role in fighting financial crime. If we do not, the void could be filled with negative narratives, and governments and society will remain ignorant of what FIUs do and the outcomes they help to achieve.

The Financial Action Task Force (FATF) Stocktake report, based on 100 countries that underwent the fourth round of mutual evaluations, reveals the low usage of financial intelligence produced by FIUs to combat ML/TF. We must do what we can to drive change and influence this narrative; our relevance premises on trusting FIUs to be independent, autonomous, and functioning with integrity. The EG's well-researched paper on FIU autonomy and independence should be publicized regularly to advocate for a clear understanding of our principles.

In my previous role as EG Vice-Chair, and now as Chair, I undertook numerous international engagements to foster the EG's strategic objectives that included promoting cooperation, the critical roles of public-private partnerships (PPPs) and public-public collaborations' (PPCs) in fighting financial crime, the usefulness of FIUs' financial intelligence, and the benefits of law enforcement utilizing financial intelligence to help address corruption.



My first engagement as the new Chair was an EG leadership meeting with the President of the FATF, Raja Kumar. We focused on joint project collaborations that aligned with the President's priorities. I also seized this excellent opportunity to share the EG Strategic Plan with the FATF President.

Toward the end of 2022, the EG imposed unprecedented restrictions on FIU Russia. After much deliberation, the Egmont Committee reached this decision, which was further discussed in the Heads of FIUs meeting. Our members' interests and the EG's integrity and reputation were paramount in arriving at the final decision, and the Egmont Committee continues to monitor the situation.

I want to use this opportunity to thank my predecessor, Hennie Verbeek-Kusters (FIU-the Netherlands), for her continuous support and encouragement and the excellent example she set for me to follow while holding office as EG Chair. I also say a heartfelt thank you to all the Egmont Committee members who work closely and tirelessly each year to share knowledge, expertise, and experience. The 2021-2022 fiscal year leaves an invaluable legacy upon which we will continue to build.

A special thank you to the EG Executive Secretary, Jérôme Beaumont, for diligently supporting and guiding me and sharing his expertise to assist me in navigating my term thus far.

To my Vice-Chairs, Anne-Marie Kemna (FIU Curaçao) and Elżbieta Franków-Jaśkiewicz (FIU Poland), thank you for your counsel, contributions, and dedication to the EG and me. I look forward to continuing our work and collaborating with you to ensure the EG Strategic Plan's successful implementation and garner even more momentum for the future.

A big thank you also to the EG team, who work steadfastly supporting me behind the scenes in my role as Chair of the Egmont Group. All our successes and achievements thus far resulted from this fantastic team.



# Outgoing Chair Remarks



**Hennie Verbeek-Kusters,**  
Outgoing Chair of the  
Egmont Group of Financial  
Intelligence Units

Everything comes to an end, even my chairmanship of the Egmont Group (EG). I have had the unique pleasure of serving the EG for a second term as Chair. Once again, I have done so with great pleasure, and I am proud of what we have achieved together even in this particular period, a period of the COVID pandemic and a war on the European continent.

For that, I am grateful to all of you for your cooperation. I want to thank all the Heads of FIU, the Regional Groups, and the Working Groups. But also to all our partners in the fight against money laundering and terrorism financing (ML/TF). With your dedication, we are where we are today in tackling ML/TF worldwide.

Time has flown by again, and I am happy to reflect on two humbling years filled with pride. In a turbulent world, we have demonstrated the strong connection between the EG and financial intelligence's importance and added value. We have made great strides in our professional development as an organization.

In 2020, shortly after our meeting in Mauritius, the COVID-19 pandemic shut the world down, and we all had to adjust to new ways of working. I am proud that ECOFEL supported us all by organizing round tables and sharing best practices among FIUs. Also, the EG adapted quickly, and we adjusted to virtual meetings and communicating out-of-session. Even more proud I am that despite these circumstances, FIUs managed to keep exchanging information and

have been particularly valuable in addressing COVID-19-related forms of fraud.

During my chairmanship, ECOFEL, in particular, has continued to develop. I welcomed the launch of the eLearning platform and eLearning courses, the Mentorship Program, targeted assistance of FIUs and several operational training courses. Much work has also been done in the working groups despite the pandemic. A sampling of the multitude of projects completed:

- ▶ Conclusions from Large-Scale Cross-Border Money Laundering schemes – The Case Book (Project Work Stream III)
- ▶ Trade-Based ML – Trends and Developments (jointly published by the Egmont Group and FATF)
- ▶ Trade-Based ML – Risk Indicators (jointly published by the Egmont Group and FATF)
- ▶ E-Catalogues on FIUs Asset Recovery Powers
- ▶ Money Laundering of Serious Tax Crimes: Enhancing Financial Intelligence Units' Detection Capacities and Fostering Information Exchange
- ▶ White Paper on The Role of FIUs in Combatting Illicit Finance Associated with Human Trafficking



Furthermore, I would like to emphasize how much work has been done on the renewal of Egmont Secure Web that started in 2021, an important step in the EG's further development as a professional and independent organization. We also still have much work to do, but I am confident that we are on the right track as an organization with this project.

Despite the difficult circumstances, I am proud that we still acquired three new FIUs for our organization: Buthan, Botswana and Montenegro. We also established a new, valuable partnership with the World Customs Organization (WCO) that resulted in the publication of a Customs-FIU Cooperation Handbook and the EG becoming a WCO observer.

When the world was finally returning to normal after the pandemic, the European continent was rocked by Russian military aggression against Ukraine. The consequences thereof also influenced FIUs' work worldwide. As an operational group, it is essential that we, as EG, were able to formulate a joint response to protect the EG's integrity, reputation, and mutual trust among our members. My thoughts are with Ukraine and our colleagues of the State Financial Monitoring Service of Ukraine (FIU of Ukraine) in their ongoing hardship.

All these results could not have been achieved without the extraordinary efforts of the Egmont Committee members and my Vice Chairs, Anne-Marie Kemna and Xolisile Khanyile.

Thank you for your hard work and support. It was with great confidence that I handed over my Chairmanship to Xolisile. Furthermore, I would like to express my gratitude to FIU Latvia for hosting the 2022 EG Plenary. How well organized it was, and wonderful to finally meet again in person! Finally, I would like to express my special thanks to the Egmont Group Secretariat for being supportive and accommodating during my journey as Chair. I could not have done it without their hard work, good advice, and cheerful presence. Thank you to Jerome Beaumont, for your excellent leadership as Executive Secretary and for keeping me sharp.

Serving as your Chair was my pleasure. Until we meet again!

# Executive Secretary Remarks



**Jérôme Beaumont,**  
Executive-Secretary of the  
Egmont Group of Financial  
Intelligence Units

As we reflect on these 12 months, I must express my pride in our organization's resilience in the face of a pandemic, the progress we have made toward achieving our goals despite various challenges, and the EG's seamless transition back to in-person events at the 2022 EG Plenary in Riga, Latvia.

This report comprehensively overviews our achievements throughout the 2021-2022 fiscal year and outlines our plans. It is a testament to the hard work and dedication of the Heads of FIUs (HoFIU), Egmont Committee (EC), Working and Regional Group members, and the EG Secretariat (EGS), who ensure our continued success.

Some notable organizational achievements from this reporting period include:

- ▶ The FIU – FinTech Cooperation and Associated Cybercrime Typologies and Risks report,
- ▶ The Asset Recovery – The Role of FIUs report,
- ▶ The report on FIUs' Role in the Fight Against Money Laundering of Corruption Proceeds (Within the Context of the COVID-19 Pandemic),
- ▶ The report on Digital Transformation of AML/CFT for Operational Agencies,
- ▶ The report on Conclusions from Large-Scale, Cross-Border Schemes (Laundromats) Project,
- ▶ The eCatalogue on Regulated VASPs,
- ▶ Contributing to the recently issued International Monetary Fund Counter Terrorist Financing Handbook,
- ▶ Presenting and participating in G20 Anti-Corruption Working Group meetings, and
- ▶ Further developing the EG's IT Renewal project.

This reporting period also saw the completion of the 2022-2027 EG Strategic Plan, which outlines four Thematic Areas of Action, providing the framework for coordinating the EG's activities over the next five years:

1. Enhance the framework for effective information exchange between FIUs,
2. Strengthen cooperation with international partner organizations,
3. Develop and promote knowledge on new or emerging AML/CFT methods and trends, good practices, and EG requirements, and
4. Enhance support to EG members and candidate FIUs.

The ECOFEL also continued to assist FIUs in striving towards excellence and leadership through their eLearning platform and in-house production of several new eLearning courses and workshops, including their new:

- ▶ Financial Flows of Online Child Sexual Exploitation
- ▶ FIU Communication Strategy and Planning
- ▶ External FIU Communication
- ▶ Introduction to Virtual Assets





I begin my acknowledgements by commending outgoing EG Chair Hennie Verbeek-Kusters, for dedicating thousands of hours of her energy and time to our organization on top of her job as the Head of FIU-the Netherlands. In July 2017, Mrs. Verbeek-Kusters became the first woman to assume the role of EG Chair and graciously stepped in as Interim Chair in January 2020 before being selected for a second term in July 2020. Her natural leadership, profound engagement, and dedication to our cause led to a successful second term as Chair of the EG. It was a pleasure to watch Mrs. Verbeek-Kusters raise the EG's international profile and elevate the reputation of our organization.

Next, I congratulate Advocate Xolisile Khanyile, Director of the FIC of South Africa and past EG Vice-Chair, on being selected as the new Chair of the EG in July 2022. Adv. Khanyile's experience as a career prosecutor for over 20 years, representing the FIC and the Government of South Africa at various international events, and conducting national and international training sessions for prosecutors and investigators will significantly benefit our organization. I look forward to supporting her as she succeeds in her strategic priorities as EG Chair.

Gratitude must also be expressed to the EC members who dedicate considerable time to EG initiatives and the HoFIU for their assistance and constant support. Such passionate leaders motivate the organization and inspire colleagues in our field to contribute themselves.

I also want to thank my colleagues at the EGS, whose collective efforts and exceptional teamwork advance the EG's initiatives, helps the organization achieve great results and makes a real impact in the global anti-money laundering and counter-terrorist financing field.

Lastly, FIU information exchanges are key, effective, and ongoing daily: EG members send and receive 23 000 information requests annually. The ambition to fight both ML and TF has been endorsed by jurisdictions worldwide. However, achieving results requires resources, and I would like to share some figures with you: G20 countries represent USD 54 Trillion and 56% of the 2021 Global GDP (World Bank). However, G20 FIUs aggregate 3,350 FTE (Full Time Equivalent), less than one global financial institution's compliance resources, underlining the critical issue of FIUs being under resourced.

As we look ahead, the EG remains committed to delivering value and exceptional service to its member FIUs. I am confident that with our organization's strong foundation and extraordinary representatives and members, we will continue to achieve success and growth for many years.



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# Egmont Group of Financial Intelligence Units

2021-2022 Highlights

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## Work Completed

### **The FIU – FinTech Cooperation and Associated Cybercrime Typologies and Risks report**

explores the current level of cooperation between FIUs and FinTech companies, including the level of STR/SAR reporting, the existing regulatory frameworks for FinTech entities in different jurisdictions, how FinTech companies are identified, etc. The report also identifies common typologies reported by FinTech and red-flag indicators related to cyber-enabled crime, ML and TF.

### **Glossary of key Egmont Group terminology –**

While drawing strength from the diversity of its membership, the Egmont Group acknowledged that divergent interpretations of terminology used in financial intelligence exchanges, may negatively impact international cooperation between FIUs. Consequently, the organization set to develop a Glossary of key EG terminologies in the context of bilateral and multilateral information sharing. The Glossary will bring further clarity to the core EG documents (i.e. Charter, Principles for Information Exchange, Operational Guidance) and enhance cooperation between FIUs by removing barriers caused by divergence in understanding EG terminology.

### **Addressing impediments to bilateral and multilateral information sharing –**

The experience gained by the Egmont Group through its operational work has showed that there are still impediments inhibiting information exchange between FIUs, particularly as it relates to multilateral exchange and dissemination of information. To make it more difficult for criminals to hide their assets or finance terrorism through the global financial system, the Egmont Group looked into these impediments and came-up with a number of recommendations for members FIUs to overcome the identified impediments to information sharing of FIUs and to form a long-lasting solution.

### **Asset Recovery – The Role of FIUs report**

presents key lessons, best practices, and representative case examples to enhance FIUs' role within the asset recovery process at national and international levels. The document assists in establishing national strategies and facilitates effective cooperation between FIUs and law enforcement and with judicial authorities and asset recovery offices.

Within this project, the IEWG also produced an **eCatalogue** and **Casebook**. The eCatalogue is compiled from Egmont Biennial Census data regarding relevant FIU powers, including the powers to suspend financial transactions upon foreign FIUs' request. The Casebook is a compilation of best practices, examples of successful cases and efficient cooperation between national and international parties.

### **The Report on FIUs' Role in the Fight Against Money Laundering of Corruption Proceeds (Within the Context of the COVID-19 Pandemic)**

presents a corruption-related risk environment snapshot during the COVID-19 pandemic's first year. It considers how FIUs' efforts contributed to overcoming its challenges.

### **The joint EG/FATF Report on Digital Transformation of AML/CFT for Operational Agencies**

assists FIUs in leveraging technology to strengthen their operational capability. It focuses on detecting suspicious activities and analyzing financial intelligence.

### **The Conclusions from Large-Scale, Cross-Border Schemes (Laundromats) Project**

aims to better understand the transactional behaviour of past ML networks and derive possible insights and patterns for identifying suspicious transactions in the future. The Project defined 44 transactional indicators and tested these on a risk-based sample of transaction data.

**The eCatalogue on Regulated VASPs** serves as an FIU reference to know what information can be obtained from virtual asset service providers (VASPs) and whether postponement/freezing of transactions is possible. If kept up to date, it will significantly increase the effectiveness of financial investigations involving virtual assets for the global AML/CTF community of practice.

### **Counter-Terrorist Financing (CTF) Research with a Specific Focus on International Cooperation within the Pre-Investigative Phase (e.g., International Monetary Fund CTF Handbook):**

The EG contributed to the recently issued IMF CTF Handbook by supporting the drafting process and reviewing the International Cooperation Chapter (Chapter 6) of the CTF Handbook.



## Work Completed *continued*

**Phase I of the FIUs' Capabilities and Involvement in the Fight Against the Financing of Extreme Right-Wing Terrorism** - In response to the significant rise in right-wing terrorist attacks, the EG concluded a report to evaluate the amount and relevance of information available to Financial intelligence units (FIUs) concerning Extreme Right-Wing Terrorism Financing (ERWTF), to assess the domestic and international position of FIUs vis-a-vis ERWTF, and to gather relevant cases that FIUs have investigated.

**The Flexible, Consistent Information Exchange Standards.** These standards enable FIUs to send/receive queries through a standardized form for ease of transmission/receipt amongst FIUs.

**EG/WCO/INTERPOL project "Operation TENTACLE" in Latin America, the Middle East, and North Africa regions.** The IEWG supported this project to raise awareness of and the capacity to combat customs-centric ML and TF amongst the WCO Members, national police services and FIUs.

The IEWG presented and participated in meetings of the **G20 Anti-Corruption Working Group (ACWG)** and supported the **EG IT Renewal project.**

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## Work In Progress:

**Use of Open-Source Intelligence in FIU Operational and Strategic Analysis.** The project assesses to what extent open-source intelligence affects (priorities/operative core) or influences the operational and strategic analysis. The project's objectives are to understand the techniques used, identify the key points to verify the reliability of public information, and determine how FIUs can use open-source intelligence to improve the quality of intelligence reports.

**Detecting Trade-Based Money Laundering (TBML) and Abuse of Corporate Structures.** Through FIU collaboration, the project's objective is to jointly develop knowledge and build a common approach to enhancing TBML detection by identifying shell companies, an alternative to traditional strategies that involve comparisons between trade and financial data to detect possible anomalies.

**Phase II of the FIUs Capabilities and Involvement in the Fight Against the Financing of Extreme Right-Wing Terrorism.** As a second phase of the ERWTF Report, this project aims to establish a "modi operandi" for joint analytical teams to examine the ERWTF networks. The project team explores international financial connections within and between ERW groups, similarities in the financial "modi operandi" within financially or organizationally connected groups, including

virtual asset abuse for ERWTF purposes, similarities in operational activities of both international and domestic groups, and shared facilitation networks enabling such activity/capabilities.

**Abuse of Virtual Assets for Terrorist Financing Purposes.** This project aims to understand the TF risks that EG members face concerning the abuse of virtual assets, collect and analyze case studies to identify best practices and illustrate the sophistication of virtual asset use, and understand red-flag indicators, including new and emerging ones.

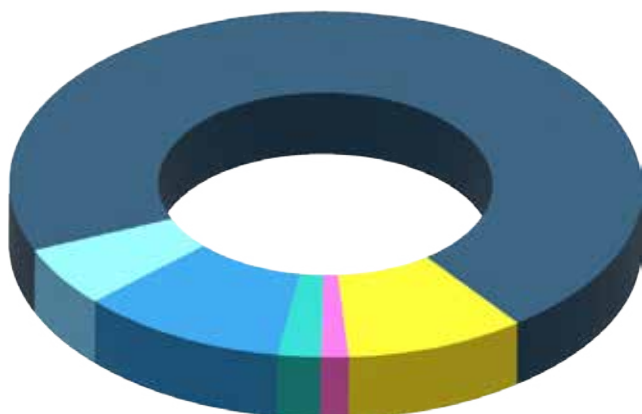
**FIUs' Role in the Fight Against the Abuse of Non-Profit Organizations for Terrorist Financing Activity.**

This project conducts an overview of existing, new, and emerging risks of NPO abuse for TF. The project will also examine the FIUs' role in identifying at-risk for abuse from terrorist entities and FIU cooperation with domestic law enforcement, other government actors, and NPOs to increase awareness of the methods and risk of TF abuse, domestically and internationally.

The IEWG also supports the **EG's IT Renewal project, WCO/INTERPOL projects/operations TENTACLE and OCTAGON, FATF RTMG projects** (on Enhancement the Capabilities of ARIN and CARIN Networks; and the Countering Ransomware Financing project); and **G20 Anti-Corruption Working Group** discussions.

## Types of FIUs:

The top five authority types from which FIUs can collect information are the **Police, Public Prosecutor's Office, Tax Authorities, Registry of Companies, and Registry of Natural Persons.**



**117** Administrative FIU

**15** Hybrid (Administrative/Law Enforcement)

**2** Judicial

**4** Hybrid (Judicial/Law Enforcement)

**17** Law Enforcement

**9** Other (not specified)

*\*Data derived from the 2021 Egmont Biannual Census*

## Operations in Numbers\*:

**223,022,204**

Cash transaction reports (i.e., reports filled out by FIs or DNFBPs where a customer requests to deposit or withdraw a cash transaction above a fixed amount)

**515,585**

Reports on cross-border movement of cash or BNIs (bearer negotiable instruments)

**373,738**

Reports/disclosures received from other national public authorities (such as the ministry of finance treasury supervisory authorities etc.) when there is a suspicion of ML/TF or a predicate crime

**393,966,770**

Threshold reports (i.e., reports filled out by FIs or DNFBPs where a customer requesting to make a wire transfer conduct a real estate or securities transaction etc., above a fixed amount)

**23,518**

Information requests sent by EG member FIUs to other EG member FIUs

**15,773,126**

STR/SAR/UTR received by EG members

**398,718**

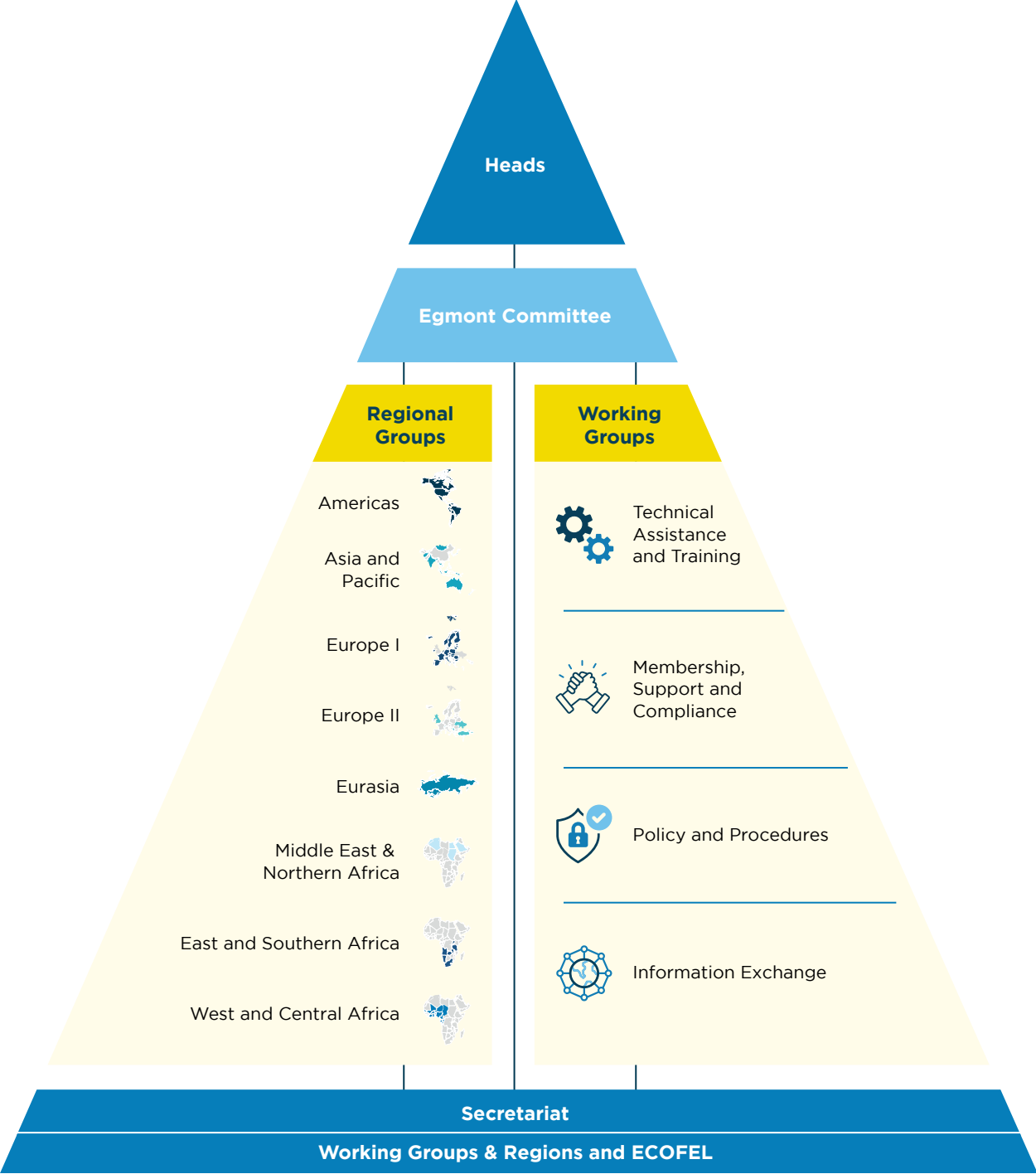
Number of all sent and received spontaneous disclosures and information exchanges with foreign FIUs and competent authorities from other countries

**614,413,453**

Other reports received by members

*\*Numbers based on survey results from number of respondents within the reporting period.*

# Structure

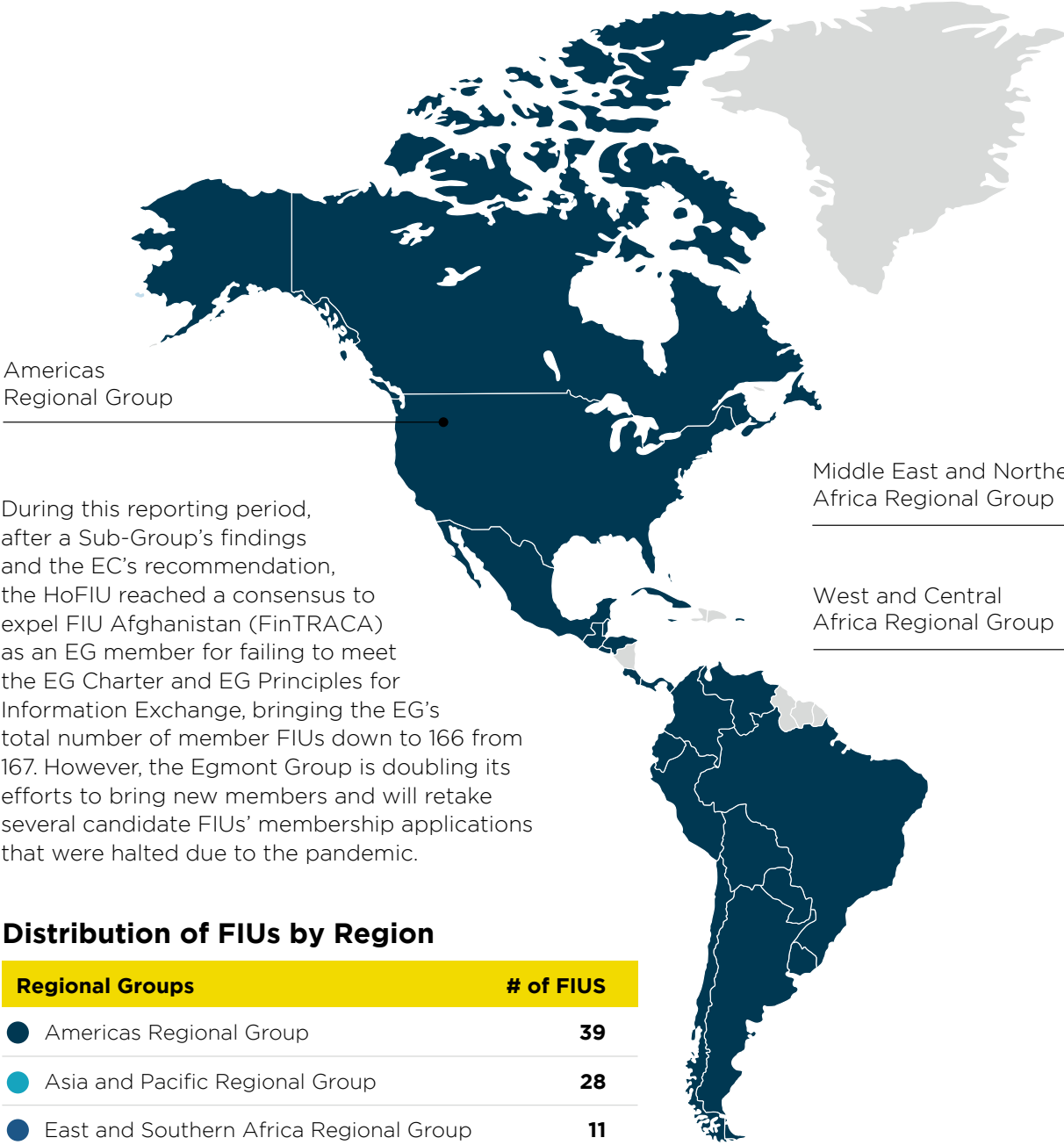




# Mandate

<p><b>The Heads of Financial Intelligence Units (HoFIU)</b></p> <p>Governing Body</p>	<p>The HoFIU establish the organization’s mandate and priorities and decides on any developments affecting the EG’s membership, structure, budget, and principles. The HoFIU may delegate specific authorities to expedite certain decisions, enhance effectiveness, and streamline issues before HoFIU consideration.</p>
<p><b>The Egmont Committee (EC)</b></p> <p>Advisory Body</p>	<p>Comprised of the EG Chair, Vice-Chairs, Working Group Chairs, Regional Representatives, ESW Representative, and Executive Secretary, the EC consults and coordinates for the HoFIU, Regional Groups, and Working Groups. The EC is the decision-maker in specific areas designated by the HoFIU and ensures the EG’s work is horizontally and vertically cohesive.</p>
<p><b>Working Groups (WGs)</b></p> <p>Operational Bodies</p>	<p>Created by the HoFIU upon the EC’s recommendation, the WGs activities are mandated by the EG Strategic Plan.</p>
<p><b>Regional Groups (RGs)</b></p> <p>Regional Representation</p>	<p>The RGs support member FIUs in their respective regions and represent their members in the EC regarding compliance matters and other important issues.</p>
<p><b>The Egmont Group Secretariat (EGS)</b></p>	<p>The EGS provides strategic, administrative, and technical support to the HoFIU, EC, WGs, and RGs. The EGS assists with content management in open areas of the ESW.</p> <p>The EGS is led by the Executive Secretary, whose appointment is endorsed by the HoFIU and reports directly to the EG Chair.</p>
<p><b>The Egmont Centre of FIU Excellence and Leadership (ECOFEL)</b></p>	<p>The ECOFEL is fully integrated into the EG and organizationally part of the EGS.</p> <p>The ECOFEL implements FIU Capacity Building Programs.</p>
<p><b>Egmont Group Secure Web (ESW)</b></p>	<p>The ESW is a secure electronic communications system that provides an encrypted platform for EG members to share financial intelligence and other information of interest. The ESW is critical to the EG’s functioning.</p>

# Membership



Americas Regional Group

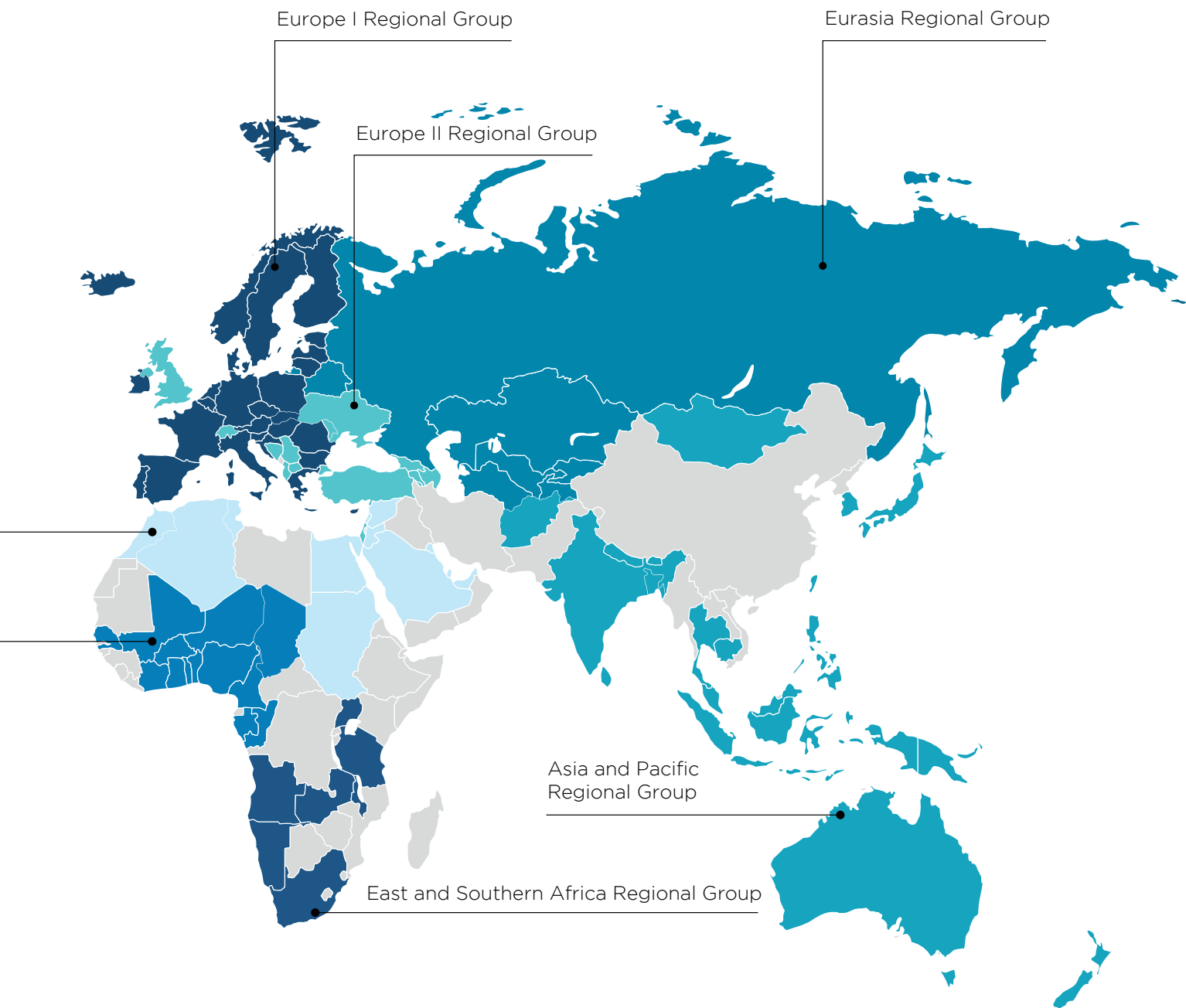
During this reporting period, after a Sub-Group’s findings and the EC’s recommendation, the HoFIU reached a consensus to expel FIU Afghanistan (FinTRACA) as an EG member for failing to meet the EG Charter and EG Principles for Information Exchange, bringing the EG’s total number of member FIUs down to 166 from 167. However, the Egmont Group is doubling its efforts to bring new members and will retake several candidate FIUs’ membership applications that were halted due to the pandemic.

Middle East and Northern Africa Regional Group

West and Central Africa Regional Group

## Distribution of FIUs by Region

Regional Groups	# of FIUS
Americas Regional Group	39
Asia and Pacific Regional Group	28
East and Southern Africa Regional Group	11
Eurasia Regional Group	7
Europe I Regional Group	29
Europe II Regional Group	24
Middle East and Northern Africa Regional Group	14
West and Central Africa Regional Group	14
<b>TOTAL</b>	<b>166</b>



## AREAS OF FOCUS

With **166 members**, the EG has become a truly global organization. However, more work is necessary to reach FIUs in Africa and Asia that would benefit from becoming EG members.

Through outreach and the ECOFEL's activities, the EG supports candidates with training and technical assistance throughout the application process.





# 2

# Strategic Plan

## Egmont Group Strategic Plan 2018-2021

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The EG Strategic Plan 2018-2021 was approved during the 25th Egmont Group Plenary in September 2018. The Plan outlines the EG's vision, focusing on global reach, effective information exchange, and strong member capabilities.

# Vision, Mission, and Values

## The EG is:

- ▶ Based on a foundation of mutual trust, fairness, and reciprocity
- ▶ Focused on the proactive exchange of operational and strategic information
- ▶ Sustained by members' free commitment
- ▶ Innovative in its ability to anticipate and prepare for emerging challenges
- ▶ Flexible in its use of policy instruments at national and international levels
- ▶ Proud of its member diversity

## Strategic Objectives

- ▶ Bilateral and Multilateral Information Exchanges: Increase volume and quality, emphasizing exchange mechanisms.
- ▶ Develop New Partnerships: Leverage non-traditional partnerships to increase knowledge and influence.
- ▶ Strengthen FIUs' Capabilities: Promote excellence and leadership through the ECOFEL.
- ▶ Expand the EG's Field of Knowledge: Keep the EG updated on the evolving financial landscape.

## Strategic Initiatives: Four Areas of Focus

<b>1</b> <b>ECOFEL</b> We are equipped to improve our members' performance.	<b>2</b> <b>Africa and Asia</b> More outreach is required to FIUs who would benefit from joining the EG.
<b>3</b> <b>Technology</b> A needs assessment to improve the current EG technology.	<b>4</b> <b>WG Thematic Work</b> The EG will continue integrating our WG's thematic work.

# Strategic Plan in Action 2021–2022

## Strategic Objective 1 - Facilitate Bilateral and Multilateral Exchanges of Information

The IEWG produced the following to facilitate bilateral and multilateral information exchanges:

- ▶ **eCatalogue on Regulated VASPs.** The eCatalogue is a reference for FIUs to understand what information can be obtained from VASPs and whether postponement/freezing of transactions is possible. It may significantly increase the effectiveness of financial investigations involving VAs for the global AML/CTF community of practice should the catalogue be updated.
- ▶ **Addressing impediments to bilateral and multilateral information sharing** – The project’s purpose was to remove barriers to international information exchange between FIUs. The project team came up with a list of recommendations that have already partly been set into action. For example, to increase recognition and adherence to the EG Core documents, they are now a permanent fixture on the EG public website’s homepage and the ESW homepage in the “Spotlight” section, and principle 26 of the Principles for Information Exchange has been updated.
- ▶ **Asset Recovery – The Role of FIUs report (including the eCatalogue on FIU powers and the Casebook).** The document facilitates effective cooperation between FIUs, law enforcement, judicial authorities, and asset recovery offices.
- ▶ The **FIU – FinTech Cooperation and Associated Cybercrime Typologies and Risks** report. The document explores the current level of cooperation between FIUs and FinTech companies, including the level of STR/SAR reporting, the existing regulatory frameworks for FinTech entities in different jurisdictions, how FinTech companies are identified, etc.
- ▶ The **Flexible, Consistent Information Exchange Standards.** These standards enable FIUs to send/receive queries through a standardized form for ease of transmission/receipt amongst FIUs.
- ▶ **Egmont Biennial Census (EBC) 2021 Overhaul:** The EGS conducted a new round of information collection using the revised EBC Questionnaire. The 2021 EBC data provides EG members with a shared understanding of individual member FIUs’ operational capabilities, modality, and legal frameworks in context with the Egmont Standards (EG Charter, EG Principles and Support and Compliance Process).



**Strategic Objective 2 -  
Strengthen FIUs' Capabilities**

Report on **Digital Transformation of AML/CFT for Operational Agencies**: The FATF and EG adopted this report focusing on detecting suspicious activities and analyzing financial intelligence to assist FIUs in leveraging technology to strengthen their operational capability and resilience. The ECOFEL launched products and services to strengthen FIUs' capabilities, such as the mentoring program, eLearning platform, online courses, and operational training sessions.

**Strategic Objective 3 - Expand the  
Group's Field of Knowledge**

- ▶ Report on the **FIU's Role in the Fight Against Money Laundering of Corruption Proceeds (Within the Context of the COVID-19 Pandemic)**. The report presents a corruption-related risk environment snapshot during the COVID-19 pandemic's first year and considers how FIU efforts contributed to overcoming its challenges.
- ▶ **Phase I of the FIUs Capabilities and Involvement in the Fight Against the Financing of Extreme Right-Wing Terrorism** – In response to the significant rise in right-wing terrorist attacks, the EG completed a report to evaluate the amount and relevance of information available to FIUs concerning extreme right-wing terrorism financing (ERWTF), to assess the domestic and international position of FIUs vis-a-vis ERWTF, and to gather relevant cases that FIUs have investigated.

#### Strategic Objective 4 - Develop New Partnerships

- ▶ The EG actively contributed to the **G20 Anti-Corruption Working Group's** (ACWG) important work by participating in the ACWG meetings and written submissions. The EG aims to strengthen collaboration with the G20 ACWG and become the reference point for AML/CTF technical experts in G20.
- ▶ The EG granted **observer status** to the **United Nations University – Centre for Policy Research** (UNU-CPR), represented in the Egmont Group by the Finance Against Slavery and Trafficking Initiative (FAST), in March 2022.
- ▶ The **EG, WCO, and INTERPOL** continued to participate in the ongoing **Operation TENTACLE** project dedicated to fighting bulk currency, gems, and precious metals smuggling focused first on African regions and then on Latin America and the Middle East before the rest of the world.
  - ▶ EG member FIUs that decided to join Operation TENTACLE project were encouraged to use the received customs information in their operational analysis as much as possible and disseminate it to competent LEAs to investigate sources or intended cash use.
  - ▶ The EG and WCO jointly developed the Financial Intelligence Analysis Training Compendium to support the TENTACLE project to enhance the FIUs and Customs officials' knowledge and capabilities of the core functions, powers, accessible databases, the characteristics and partnership of critical counterparts, and analytical skills.

**Strategic Objective 4 -  
Develop New Partnerships**

*continued*

- ▶ The EG started its collaboration with the **Fight Against Slavery and Trafficking Initiative (FAST)** under the United Nations University - Centre for Policy Research through the TATWG in two folds: an operational training on “the role of FIUs to end labour exploitation and human trafficking - case studies, good practices and lessons learned” and an online training certificate course.
- ▶ The **IEWG** finalized its work with the **FATF** on the following **projects** of common interest:
  - ▶ Asset Recovery - The Role of FIUs,
  - ▶ E-Catalogue on Virtual Assets Service Providers (VASPs), and
  - ▶ Digital Transformation for AML/CFT purposes.
- ▶ The **IEWG** contributed to the **IMF CTF Handbook** by supporting the drafting process and reviewing the International Cooperation Chapter (Chapter 6) of the CTF Handbook.

# Strategic Initiatives in Action:

## Strategic Initiative 1: ECOFEL

The **ECOFEL** delivered a wide range of **products** and **projects**, including:

- ▶ Maintaining the eLearning platform and developing eLearning courses
- ▶ Continued development of the Mentoring Program
- ▶ Specialized operational training courses
- ▶ International Financial Intelligence Taskforces
- ▶ Support and Assistance Mechanism
- ▶ The ECOFEL website
- ▶ Targeted assistance





## Strategic Initiative 2: Africa and Asia

- ▶ On November 8, 2022, the first **Summit of the Forum of FIUs of GIABA Member States** on Terrorism Financing was held.
- ▶ Five **candidate FIUs' membership applications** were revitalized with support from the EU-funded OCWAR project.
- ▶ FIU-Nigeria received the **World Bank/UNODC StAR award** at the 2022 EG Plenary in Latvia.
- ▶ Online workshop hosted by the World Bank Group on a **National Risk Assessment** Toolkit on Money Laundering and Terrorist Financing.
- ▶ Regional Workshop on Compliance with **International** and **EU Requirements** Concerning FATF Recommendation 8.
- ▶ **ICRG Jurisdiction Preparation** training conducted by FATF Secretariat.
- ▶ CFT Regional Hybrid **Workshop** for the **NPO Regulators** and **Supervisors**.
- ▶ The FIC South Africa played a leading role in two far-reaching international information and communications technology (ICT) collaboration efforts, the **EG IT Renewal Project** and the development of the ground-breaking **ESAAMLG Information Exchange Platform** for swift and safe information sharing among ESAAMLG members.
- ▶ During 2021, the **EG IT Renewal Project** was initiated to answer FIU requirements for modern, future-proof, timely, and effective international information exchange. FIUs were invited to be part of a pool of experts for different project phases. As a start, the FIC South Africa nominated two resources, a senior systems analyst, and an ICT security manager, to be part of the project's different phases and tasks and is committed to supporting and seeing this project's implementation. FIU Nigeria and India also heavily supported the project with IT expertise, where necessary.

## Strategic Initiative 2: Africa and Asia

*continued*

- ▶ Several countries are **reviewing** their AML/CFT **statutes** and **institutional capacity** to implement measures consistent with international standards and identified risks.
- ▶ As co-sponsors, FIUs of Kenya, Rwanda, Zimbabwe, the Kingdoms of Lesotho, and Eswatini could not finalize the EG membership application process during 2020-2021. Consequently, the FIC of South Africa prolonged its sponsorship of these FIUs and continued to provide them with technical assistance throughout the year under review. However, the sponsors commenced their activities as soon as possible, and **Zimbabwe's application was discussed during the July 2022 EG meeting for adoption in January 2023**. At that point, the EG application will also be addressed.
- ▶ **FIU Afghanistan was expelled** from the EG membership in June 2022 for failing to meet the EG Charter and EG Principles for Information Exchange. In the future, if this FIU demonstrates that Afghanistan enforces AML/CFT laws and regulations and that the FIU meets all EG membership requirements, it may reapply. This decision reduced the Asia and Pacific Regional Group to 28 members.
- ▶ The **Asia and Pacific region has 14 countries that are not yet Egmont members**. The regional members were encouraged to consider co-sponsoring the Federated States of Micronesia, Kiribati, Nauru, Palau, and Tuvalu.

### Strategic Initiative 3: Technology

- ▶ To enhance EG support of member FIUs, work on the large-scale **IT Renewal Project** continued. This project aims to understand the EG IT infrastructure's state and articulate effectiveness and efficiency improvements.

### Strategic Initiative 4: WG Thematic Work

#### HoFIU Webinars:

The EG organized a series of live HoFIU webinars on the topic of the **Risk-Based Approach (RBA) in FIU Operations** in July 2022:

- ▶ FIUs and the RBA: an environmental scan and implementation
- ▶ Process and data protection

Making a difference, the TATWG also organized an International Webinar on **Beneficial Ownership** on March 15 and 16, 2022, jointly with GAFILAT.

The TATWG continued to organize three **operational trainings** during the 28th Egmont Group Plenary in Latvia.

- ▶ Extreme Right Wing Terrorist Financing (ERWTF)
- ▶ The role of FIUs to end labour exploitation and human trafficking - case studies, good practices, and lessons learned
- ▶ How to achieve a higher level of effectiveness on asset recovery?

To leverage the value of the **Best Egmont Case Award (BECA)**, the TATWG published the second BECA book in August 2021, collecting 26 case studies submitted in 2014-2021 and upgraded its BECA project to BECA plus(+) to organize a BECA workshop - learning and sharing with the finalists on July 13, 2022.

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# Measuring Success

## Biennial Census 2021

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The 2021 EBC is critical for supporting international cooperation and information exchange between EG member FIUs. Conducted every two years, this EBC iteration covers January 2020-2021.



# 2021 Egmont Biennial Census Highlights:

The top five authority types from which FIUs can collect information are:

1. Law Enforcement Authority
2. Registry of Natural Persons (Passport Database)
3. Bank Regulation / Supervision Authority
4. Customs Service
5. Insurance Regulation / Supervision Authority

## Operations in Numbers:

**23,518**

Information requests sent by EG member FIUs to other EG member FIUs

**15,773,126**

STR/SAR/UTR received by EG members

**398,718**

Number of all sent and received spontaneous disclosures and information exchanges with foreign FIUs and competent authorities from other countries

**614,413,453**

Other reports received by EG members

## Non-STR/SAR/UAR Types of Reports Received by EG Members:

Report Type	Volume Received
Cash transaction reports (i.e., reports filled out by FIs or DNFBPs where a customer requests to deposit or withdraw a cash transaction above a fixed amount)	223,022,204
Reports on cross-border movement of cash or BNIs (bearer negotiable instruments)	515,585
Reports/disclosures received from other national public authorities (such as the ministry of finance treasury supervisory authorities etc.) when there is a suspicion of ML/TF or a predicate crime.	373,738
<b>Total</b>	<b>614,413,453</b>

# Operational Outcomes: Egmont Group Publications

**Project:** Phase I of the FIUs Capabilities and Involvement in the Fight Against the Financing of Extreme Right-Wing Terrorism

**Description:** In response to the significant rise in right-wing terrorist attacks, the EG concluded a report to evaluate the amount and relevance of information available to FIUs concerning Extreme Right-Wing Terrorism Financing (ERWTF), to assess the domestic and international position of FIUs vis-a-vis ERWTF, and to gather relevant cases that FIUs have investigated.

**Project:** [Asset Recovery – The Role of FIUs: Public Summary](#)

**Description:** This public summary presents sanitized, non-sensitive key lessons, best practices, and representative case examples extracted from the main report to enhance FIUs' role within the asset recovery process at national and international levels. This summary should assist in establishing national strategies and facilitating effective cooperation between FIUs, law enforcement, judicial authorities, and asset recovery offices.

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**Project:** The FIU – FinTech Cooperation and Associated Cybercrime Typologies and Risks report

**Description:** The document explores the current cooperation level between FIUs and FinTech companies, including the level of STR/SAR reporting, the existing regulatory frameworks for FinTech entities in different jurisdictions, how FinTech companies are identified, etc. The report also identifies common typologies reported by FinTech and red-flag indicators related to cyber-enabled crime, ML and TF.



**Project:** Joint EG and FATF Report on Digital Transformation of AML/CFT for Operational Agencies

**Description:** To assist FIUs in leveraging technology to strengthen their operational capability and resilience, the FATF and EG adopted a report on Digital Transformation of AML/CFT for Operational Agencies in October 2021, focusing on suspicious activity detection and financial intelligence analysis. This report for government authorities focuses on “how” and “when” to find the right digital tools, introduce and optimize them for AML/CFT purposes, and overcome practical and operational challenges arising throughout different stages and processes in operating agencies’ daily work.

**Project:** [Best Egmont Cases – Financial Analysis Cases 2014-2020](#)

**Description:** This publication is the second BECA book comprising 26 cases that illustrate the exceptional financial analytical capabilities of the FIUs involved in uncovering various money laundering schemes and predicate offences worldwide.

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**Project:** [The Report on the FIU’s Role in the Fight Against Money Laundering of Corruption Proceeds \(Within the Context of the COVID-19 Pandemic\)](#)

**Description:** The report provides detailed information, including detected corruption-related risks and associated mitigating measures, relevant case examples and lessons learned, and emerging best practices and future challenges.





# 4

## Looking Back and Looking Ahead

Over the past 26 years, the EG has accomplished a great deal. The EG membership has increased to 166 member FIUs, covers eight regions across the globe, and has four working groups and the ECOFEL. It is vital to look at where we started to celebrate where the EG is now.



# Looking Back:

Before sharing EG key milestones from the past 26 years, it is essential to note the contributions of past EG Chairs:

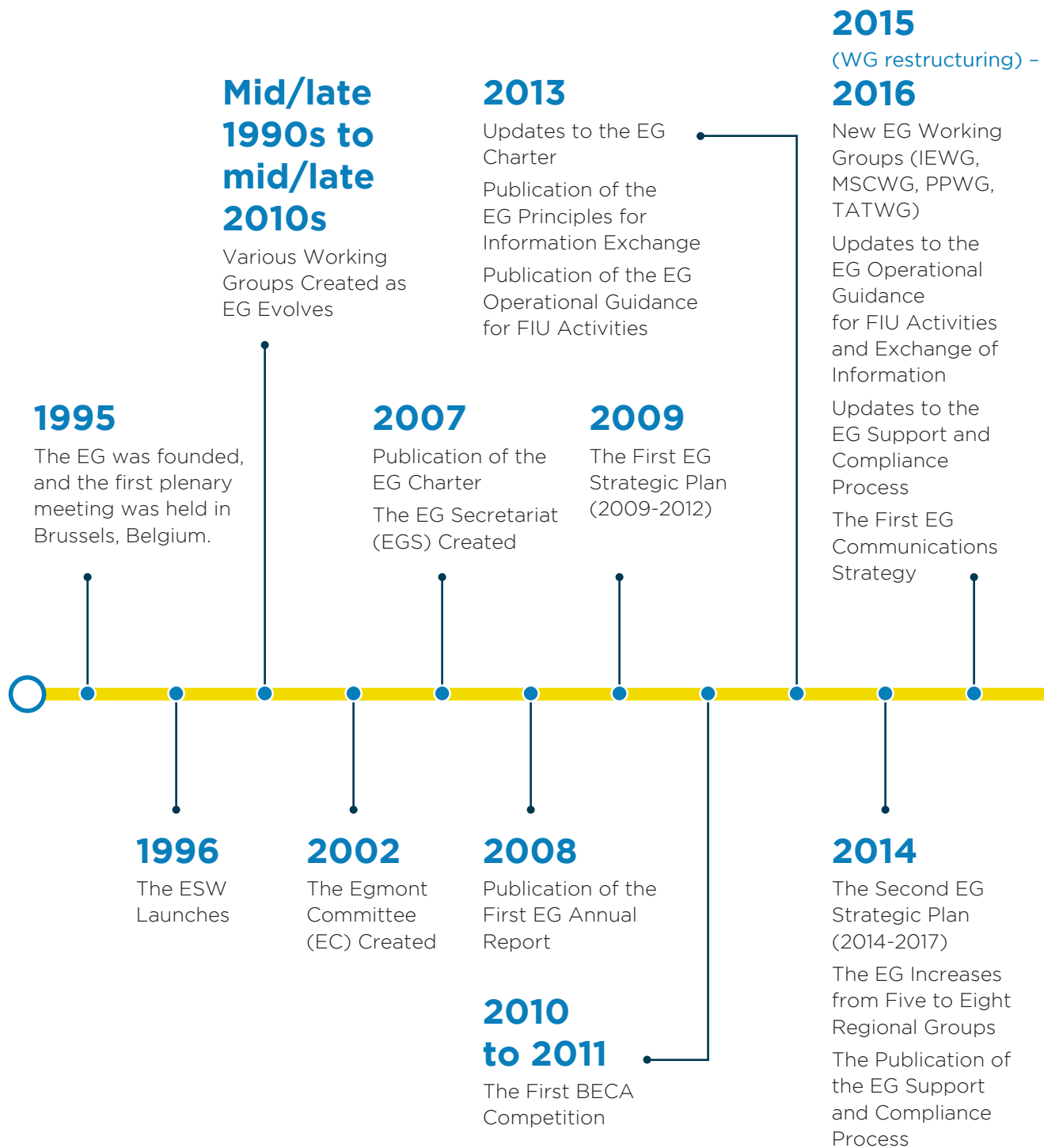
- ▶ William (Bill) F. Baity (2002 - 2008; FinCEN, USA)
- ▶ Neil Jensen (2008 - 2009; AUSTRAC, Australia)
- ▶ Luis Urrutia Corral (2009 - 2010; FIU-Mexico)
- ▶ Boudewijn Verhelst (2010 - 2013; CTIF-CFI, Belgium)
- ▶ Murray Michell (2013 - 2015; FIC, South Africa)
- ▶ Sergio Espinosa (2015 - 2017; UIF-Peru)
- ▶ Hennie Verbeek-Kusters (2017 - 2019; FIU-the Netherlands)
- ▶ Mariano Federici (2019 - 2020; UIF-AR, Argentina)
- ▶ Hennie Verbeek-Kusters (2020 - 2022; FIU-the Netherlands)
- ▶ Xolisile Khanyile (2022 - 2024; FIU, South Africa)

The contributions of the EG's Executive Secretaries must also be acknowledged:

- ▶ Bronwyn Somerville (2007 - 2012)
- ▶ Kevin Mark Stephenson (2012 - 2016)
- ▶ Jérôme Beaumont (2016 - present)



# Egmont Group Milestones:



## Membership Increases:

<b>1995:</b> 13	<b>2007-2008:</b> 108	<b>2010-2011:</b> 127	<b>2013-2014:</b> 147	<b>2017-2018:</b> 159	<b>2020-2021:</b> 167
<b>2002:</b> 69	<b>2008-2009:</b> 116	<b>2011-2012:</b> 131	<b>2014-2016:</b> 151	<b>2018-2019:</b> 164	<b>2021-2022:</b> 166
<b>2004:</b> 84	<b>2009-2010:</b> 120	<b>2012-2013:</b> 139	<b>2016-2017:</b> 156	<b>2019-2020:</b> 165	

## 2018

The ECOFEL Starts Operations  
New Succession Planning Guidelines for the EG  
The Third EG Strategic Plan (2018 - 2021)  
Updates to the EG Charter  
ECOFEL paper on Understanding FIU Operational Independence and Autonomy

## 2020

Conclusions from Large-Scale Cross-Border ML schemes - The Case Book  
Combatting Online Child Sexual Abuse and Exploitation: Analysis and Application of Financial Intelligence  
ML of Serious Tax Crimes: Enhancing FIUs' Detection Capacities and Fostering Information Exchange  
White Paper on The Role of FIUs in Combatting Illicit Finance Associated with Human Trafficking  
Customs - FIU Cooperation Handbook (joint EG/WCO publication)  
Live EG FinTech webinars that focus on Virtual Assets and Mobile Payment Services.  
Arabic, French, Russian and Spanish translations of the EG Charter and EG Support and Compliance Process became available.  
The ECOFEL's eWorkshop Series on Financial Investigations in Wildlife and Forestry Crime

## 2022

The Publication of:  
Asset Recovery - The Role of FIUs: Public Summary  
FIU's Role in the Fight Against Money Laundering of Corruption Proceeds (Within the Context of the COVID-19 Pandemic)  
Glossary of Key Egmont Group Terminology  
FIU FinTech Cooperation and Associated Cyber-crime Typologies and Risks  
Conclusions from Large Scale, Cross-Border ML Schemes project

## 2017

Updates to the EG Operational Guidance for FIU Activities and Exchange of Information

## 2019

Updates to the EG Support and Compliance Process  
The Second EG Communications Strategy  
The ECOFEL eLearning Platform Launches

## 2021

The Publication of:  
FIU's Capabilities and Involvement in the Fight Against ERWTF: State of Play and Perspectives  
Best Egmont Cases-Financial Analysis Cases 2014-2020  
HoFIU - EG Webinar Compendium on the Implementation of the Risk-Based Approach in FIU Operations (July 2021)  
ECOFEL's COVID-19 Best Practices for Financial Intelligence Units Paper  
eCatalogue on Asset Recovery powers of FIUs  
eCatalogue on Regulated VASPs  
ECOFEL's Financial Investigations into Wildlife Crime Report  
Digital Transformation of AML/CFT for Operational Agencies (Joint EG/FATF report).

# Looking Ahead:

## Information Exchange Working Group (IEWG):

During the July 2022 meeting in Riga, Latvia, the IEWG approved its Annual Business Plan 2022-2023. The IEWG's primary goal is to achieve the Business Plan's objectives, including:

- ▶ Successful finalization and adoption of ongoing IEWG projects
- ▶ Further enhancement of cooperation with key international partners, such as FATF, WCO, INTERPOL, and IMF, including through joint projects and operational activities
- ▶ Coordination with other EG working groups, especially with the TATWG and PPWG, closely liaising with ECOFEL and Egmont Regions to ensure that IEWG products are promoted, fully utilized, and always oriented towards the final needs of its membership
- ▶ Consideration and launch of new IEWG projects that would contribute to the 2022-2027 EG Strategic Plan's objectives and EG Chair's priorities

## Membership Support and Compliance Working Group (MSCWG):

Following the end of the reporting period, the MSCWG will:

- ▶ Recommend more membership applications to the HoFIU, mainly from FIUs in the Africa, Asia and Pacific, and MENA regions
- ▶ With the PPWG, propose a new or amended Support and Compliance Process to better serve the EG members' purposes and expectations
- ▶ Finalize the review cases under Trigger 1 of the Support and Compliance Process (formal complaint)

## Policy and Procedures Working Group (PPWG):

In the new 2022-2024 PPWG Business Plan, four projects are being pursued:

- ▶ Revision of the Support and Compliance Process
- ▶ Dissemination strategy options for EG documents & the respective visualization
- ▶ Guidelines for MOUs between FIUs-LEAs
- ▶ IndiE - Understand better the FIU Boards - context, opportunities, and challenges

New projects have also been included:

- ▶ FIU funding models
- ▶ MOU multilateral information exchange
- ▶ IT Renewal - Policy
- ▶ Creating a provision for the EG to protect its interest against geopolitical incidents
- ▶ Inclusion of reference to FATF Rec. 40 in the Egmont Group Charter



## Technical Assistance and Training Working Group (TATWG):

Following the end of the reporting period, the TATWG will:

- ▶ Develop its Business Plan 2022-2024 to support the EG Strategic Plan 2022-2027
- ▶ Update the Tactical/Operational Analysis Course training package
- ▶ Develop new training courses related to cybercrime and cryptocurrencies/cryptocurrencies supervision and tracking for FIUs, fighting the laundering of the proceeds of corruption, and illegal mining
- ▶ Continue to organize the BECA competition and the partnership with StAR, which offer additional recognition to a BECA case involving corruption and successful asset recovery
- ▶ Continue to organize the annual BECA Workshop
- ▶ Organize an international training webinar on Virtual Assets Supervision and Investigation on September 6-7, 2022
- ▶ Continue cooperation with the UNODC on TBML and Cash Smuggling e-learning courses
- ▶ Continue collaboration with UNFAST to develop an online training certificate course on “The Role of Financial Intelligence Units in Combating Modern Slavery.”
- ▶ Deliver the EG-WCO joint training in Financial Intelligence and Analysis related to TBML in the East and Southern Africa Region

## The Egmont Centre of FIU Excellence and Leadership (ECOFEL):

Following the end of the reporting period, the ECOFEL will:

- ▶ Continue developing eLearning courses
- ▶ Organize virtual and in-person workshops dedicated to various AML/CFT topics like improving STR/SAR quality, cooperation between FIUs and law enforcement authorities and supervisory authorities, financial investigations, and core FIU functions (such as strategic and operational analysis, etc.)
- ▶ Continue offering targeted capacity-building activities for FIUs
- ▶ Continue supporting current International Financial Intelligence Taskforces and establishing new Taskforces
- ▶ Continue supporting the Heads of FIUs through their involvement in its Mentoring Program and through the Support and Assistance Mechanism

# 5



## Working Group Developments

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## Information Exchange Working Group (IEWG)

The IEWG builds opportunities for FIUs to share operational intelligence, develop technical solutions for effective information exchange, and work collaboratively to address emerging ML/TF risks and vulnerabilities.

Throughout 2021-2022, the IEWG finalized and approved many projects and notable achievements and continued to focus on ongoing priority discussions on central issues, topics, and efforts.

On January 31, 2022, the IEWG held its fourth virtual meeting since the pandemic began and updated on completed projects, approved several important reports and deliverables, updated on the state of play regarding Operation TENTACLE and the joint EG/WCO/Interpol project, and discussed new projects for its 2021-2022 ABP. The IEWG, led by **Chair Sarah**

**Paquet** (FINTRAC), also selected its **2022-2024 Vice-Chairs: Mohammad Jiya** (FIU Nigeria), **Sonja Corstanje** (FIU the Netherlands), **Alistair Sands** (AUSTRAC), and **Chaitanya Shukla** (FIU India).

In July 2022, the IEWG met in person during the 2022 EG Plenary, looked at projects finalized between January and June 2022 and provided updates on the IEWG IT Professionals Meeting outcomes, the new 2022-2027 EG Strategic Plan, the EG IT Renewal Project, and ongoing projects. The IEWG also shared FIU experiences, presented ML/TF case studies, and discussed cooperation with external partners, including an IMF CFT Handbook presentation, IFCACC and FIU Connectivity Initiative presentation, and collaboration with the FATF and G20 ACWG.

In addition, the IEWG approved the concept note for the IEWG Abuse of NPOs for TF Purposes project and the 2022-2023 IEWG ABP.

## Membership Support and Compliance Working Group (MSCWG)

The MSCWG ensures that EG's high standards and membership criteria are applied to new and existing member FIUs. The EG's governing body, the HoFIU, mandated the MSCWG to assess whether applicant FIUs fulfil the EG's legal and operational membership criteria.

Additionally, the MSCWG must maintain these high standards among EG members, who hold and exchange highly sensitive information to detect and prevent ML/TF by implementing the *Support and Compliance Process* (SCP).

During the reporting period, the **MSCWG** was led by **Manoj Kaushik** (FIU India), who served as **Chair** and was supported by two **Vice-Chairs, Fuad Aliyev** (FIU Azerbaijan) and **Abdelsattar Elnajar** (FIU Egypt).

Considering that many jurisdictions lifted their travel restrictions, and with the crucial support of MSCWG sponsors and legal experts, the MSCWG

retook several candidate FIUs' membership applications. The MSCWG discussed and approved the membership application of one candidate FIU that will be recommended to the HoFIU during the 2023 Plenary meeting.

The MSCWG concluded its review of different Membership Process documents. With the approved targeted amendments, the MSCWG will enhance the process to expand the EG community with new FIUs that are fully compliant with Egmont membership criteria.

Under the *Support and Compliance Process*, the MSCWG continued monitoring the implementation of action plans with three FIUs to help them overcome non-compliance issues. With these initiatives, the MSCWG monitors and helps all member FIUs meet Egmont membership criteria and enhance their AML/CFT cooperation.

With the PPWG, the MSCWG also started a comprehensive and holistic review of the *Support and Compliance Process* in light of the current issues identified during its implementation. The aim is for the MSCWG and PPWG to propose a new or amended version.

## Policy and Procedures Working Group (PPWG)

The PPWG is responsible for identifying important operational policy and strategic issues affecting the EG and coordinating its responses, sometimes, with partner organizations.

During the reporting period, the PPWG was led by Chair **Anne Mette Wadman** (FIU Norway) until the end of her term on January 15, 2022, when the current Chair, **Elvira Kross** (FIU-Aruba), stepped into the role. Two **Vice-Chairs** also support the PPWG and the Chair **Anne Marie Kemna** (FIU-Curacao) and **Elvira Kross** (FIU-Aruba) served as PPWG **Vice-Chairs** until January 15, 2022, when their terms ended, and **Patricia Kordesch** (FIU-Germany) and **Najwa Benmanadi** (FIU-Morocco) assumed the positions.

The PPWG completed the following projects during this reporting period:

- ▶ Recommendations to address impediments regarding information exchange between FIUs
- ▶ Glossary of Key Egmont Group Terminology

- ▶ The PPWG is also starting or continuing work on several projects, including:
  - ▶ A joint project with the MSCWG to revise the *Support and Compliance Process*
  - ▶ Follow up on recommendations to address impediments to information exchange between FIUs
  - ▶ Dissemination strategy for EG documents and the respective visualization (Icon Project)
  - ▶ Understanding FIU Boards
  - ▶ Developing an MOU template for multilateral information exchange
  - ▶ Guidelines for MOU between FIUs and LEAs
  - ▶ FIU funding models



## Technical Assistance and Training Working Group (TATWG):

The TATWG is responsible for identifying and developing technical assistance and training for FIUs, prioritizing EG members and candidate FIUs. The TATWG also provides a forum to increase EG members' effectiveness by providing opportunities to enhance skills, knowledge, and expertise through broad-based training, research, and other capacity-building initiatives.

The TATWG was led by Chair **Dr. Amr Rashed** (FIU Egypt) and supported by Vice-Chairs, **Meriton Shoshi** (FIU Kosovo) and **Maria E. Holguín López** (FIU Dominican Republic).

The TATWG completed the following work during the reporting period:

- ▶ Best Egmont Group Case Award 2022
- ▶ Publication of the "BEST EGMONT CASES Financial Analysis Cases 2014-2020"
- ▶ The organization of the first BECA workshop *Sharing and Learning with Finalists*
- ▶ Cooperated with UNODC to peer review a series of e-learning courses on TBML and bulk cash smuggling. During the reporting period, the TATWG supported the peer review of two TBML modules, "Introduction to TBML" and "Stakeholders in Combating TBML," and two modules related to bulk cash smuggling.

- ▶ Organized three Operational Training Sessions during the 28th Egmont Group Plenary in Riga, Latvia, including:
  - ▶ Extreme Right Wing Terrorist Financing (ERWTF)
  - ▶ The Role of FIUs to End Labour Exploitation and Human Trafficking - Case Studies, Good Practices, and Lessons Learned
  - ▶ How to Achieve a Higher Level of Effectiveness in Asset Recovery

The TATWG also continued work on current and ongoing projects, including:

- ▶ Best Egmont Group Case Award
- ▶ Publication of the Best Egmont Cases and BECA Workshop
- ▶ The global rollout of a training course on Corporate Vehicles and Financial Products (CORFIN) for the remaining regions
- ▶ Cooperating with UNODC to peer review an e-learning course on Bulk Cash Smuggling.

Following the completion of the EG-WCO joint Financial Intelligence Analysis training package related to TBML, the TATWG, in collaboration with the ECOFEL and WCO, will continue to deliver the training for Americas and African Regions and, in collaboration with UNFAST, develop the training course on "The Role of Financial Intelligence Units in Combating Modern Slavery."



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# The Egmont Centre of FIU Excellence and Leadership (ECOFEL)

Key deliverables and  
outcomes during the  
reporting period

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## New eLearning Course Development

- ▶ Financial Flows of Online Child Sexual Exploitation
- ▶ FIU Communication Strategy and Planning
- ▶ External FIU Communication
- ▶ Introduction to Virtual Assets

## ECOFEL Workshop series and training courses:

- ▶ Information Sharing between FIU, LEAs, and Supervisory Authorities:
  - ▶ Europe II region in October 2021
  - ▶ East and Southern Africa region in November 2021
  - ▶ Middle East and Northern Africa region in February 2022
  - ▶ Americas region in September 2022
  - ▶ Financial Investigative Techniques:
    - ▶ Middle East and Northern Africa region in November 2021
    - ▶ Asia and Pacific region in April 2022
- ▶ Cooperation and Information Sharing between FIUs, LEAs and Prosecutors:
  - ▶ Asia and Pacific region in October 2021
- ▶ Improving STR/SAR Quality:
  - ▶ Americas region in August 2021
  - ▶ Middle East and Northern Africa in October 2021
- ▶ Corporate Vehicles and Financial Products (CorFin) course:
  - ▶ Asia and Pacific region in August 2021
  - ▶ East and Southern Africa region in October 2021
- ▶ Virtual assets workshop
  - ▶ Europe II region in February 2022
- ▶ Strategic Analysis Course:
  - ▶ Asia and Pacific region in February 2022

## International Financial Intelligence Taskforces

- ▶ Four task forces: Baltics region, Lake Chad region and Eastern Europe region
- ▶ Baltics region's task force successfully concluded its operation.
- ▶ Significant efforts to increase information sharing among task force members.
- ▶ In-person operational meetings to discuss related matters

## HoFIU Support and Assistance Mechanism (SAM)

- ▶ The SAM was launched in August 2021
- ▶ The first request was received in October 2021
- ▶ The ECOFEL SAM expert provided necessary assistance to the requesting Head of FIUs



# Regional Group Developments

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## Americas Regional Group

The Americas Regional Group comprises FIUs from North America, South America, Central America, and the Caribbean. The Americas Region FIUs are members of the Financial Action Task Force (FATF), the Caribbean Financial Action Task Force (CFATF), and the Financial Action Task Force of Latin America (GAFILAT).

During the reporting period, 39 FIUs were Americas Regional Group members, and it included the following Regional Representatives: **Anne-Marie Kemna** (FIU Curacao), **Santiago Nieto** (FIU Mexico), and **Carla Mera** (FIU Ecuador).

### Reporting Period Regional Group Highlights:

#### Training and Events:

- ▶ March 16th. Egmont Group, GAFILAT y UAFE. International Webinar: “Beneficial Ownership”
- ▶ September 14th. Workshop “Information Sharing between FIUs/Supervisory Agencies/LEAs”

#### Regional Developments:

- ▶ The Americas members discussed the project “On the Trail of Illicit Gold Proceeds: Strengthening the Fight Against Illegal Mining Finances.” Document on typologies of ML associated with illegal mining, prepared by the Department Against Transnational Organized Crime (DTOC) of the Organization for the Americas States (OAS).
- ▶ Americas members discussed the Project on artificial intelligence (AI) developed jointly between the FIU Peru and the German Agency for International Cooperation (GIZ).
- ▶ Americas members discussed the participation of some of its FIUs in the World Customs Organization’s Operation TENTACLE Latin America.
- ▶ Americas members Cuba and México volunteered for the IT Renewal functional testing.
- ▶ IVE-Guatemala nominated a Senior IT Officer for the EG IT Renewal Project who has been cooperating in the EG Policy and Technical Teams in different project phases since February 2022 to date.



## Asia and Pacific Regional Group (APRG)

The Asia and Pacific Regional Group comprises 28 FIUs from the Asia / Pacific Group on Money Laundering (APG) member jurisdictions.

During the reporting period, this Region was led by **Nuralia Rahim** (FIU Brunei Darussalam) and **John Moss** (FIU Australia), who stepped into the role of interim Regional Representative from August 2021 – July 2022.

### Reporting Period Regional Group Highlights:

#### Training and Events:

- ▶ With ECOFEL's support, FIUs Maldives, Pakistan, India, Sri Lanka, Nepal, Bangladesh, Bhutan, Cambodia, Indonesia, Mongolia, and Thailand attended the Corporate Vehicles and Financial Products (CORFIN) virtual training on August 2-6, 2022. The other CORFIN course will be scheduled for Pacific members in 2023.
- ▶ The group attended an online ECOFEL workshop on Cooperation and Information Sharing between Financial Intelligence Units, Law Enforcement Authorities and Prosecutors on October 20 and 21, 2021. FIU Nepal and FIU Bangladesh presented their experiences at this workshop.
- ▶ FIU Taiwan funded the development of a Strategic Analysis Course for the APRG region.

#### Regional Developments:

The Region initiated a project to share existing success stories between the APRG members to create a knowledge bank, which:

- ▶ Enables regional members to celebrate their successes and share best practices with their peers across a variety of work streams
- ▶ Encourages collaboration with other FIUs across areas of operational alignment
- ▶ Connects regional counterparts who may wish to collaborate to build a knowledge bank on the EG community page for FIUs to access.



During the APRG meeting in Latvia in July 2022, the following APRG members shared their success stories, which received positive feedback from their regional peers:

- ▶ FIU Malaysia: Combating the prevalence of telecommunication fraud activities through Public Private Partnership (PPP).
- ▶ FIU Thailand: A case study on asset confiscation arising from bribery offences.
- ▶ FIU Taiwan: FIU's value-added analysis capabilities and partnerships with LEAs to achieve results in criminal cases concerning fraud and stock price manipulation.
- ▶ FIU Australia: Implementing NexusXplore for all FININT analysts (an enhanced open-source, web-based platform for analysts) and the regional rollout of TAIPAN, an IT platform created by AUSTRAC to enable analysts to detect suspicious financial patterns.

The Region also had a roundtable discussion where FIU Japan shared their NRA experience regarding virtual assets, predicate offences, counter-proliferation, and its efforts to establish a committee focusing on BO. Thailand presented a Joint Taskforce between Thailand and Cambodia: Call Center Gang. FIU Taiwan also debriefed the Group about its important work to enhance operational/strategic analysis capabilities, communicate with competent authorities, develop PPP mechanisms, and train personnel.



## Eurasia Regional Group

The Eurasia Regional Group comprises seven members from jurisdictions within the Eurasian Group for Combating ML/TF (EAG) and the Commonwealth of Independent States (CIS).

**Yury Korotkiy** (FFMS, Russian Federation) led the Eurasia Regional Group during the reporting period and was re-elected as Regional Representative in July 2021.

### Reporting Period Regional Group Highlights:

#### Training and Events

- ▶ In July 2021, the Regional Group held a training on “Practical Exchange of Experience on Detecting and Countering TBML schemes,” which focused on exchanging expertise and best practices in identifying and disrupting TBML schemes. The Eurasian FIUs, supervisory, and LEAs explored challenges and ways of regulating illicit use of the trade sector. The FIUs of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan shared their experiences of effective cooperation with LEAs and the private sector in financial investigations of TBML cases.
- ▶ In August 2021, the Regional Group held a workshop on “Open-Source Intelligence for AML/CFT Purposes,” covering methods of gathering, analyzing, and exploiting open-source intelligence (OSINT) within the financial investigation process. The lecturer presented available basic, specialized OSINT tools and provided information on search techniques for database information, search engines, social networks and Darknet. The participants reviewed anonymization techniques used by hackers and other criminals and how to identify fakes.
- ▶ In June 2022, the Regional Group held a workshop on “Terrorist Financing Risk Assessment in the Non-Profit Organization (NPO) sector.” Participants reviewed the NPO sector’s principal risks and analyzed their transactions and approaches to producing TF national risk assessments (NRAs) in the context of NPOs. A Rosfinmonitoring lecturer also presented practical experience for combatting the misuse of NPOs and ensuring a risk-based approach and risk-based supervision for such organizations.



### Regional Developments:

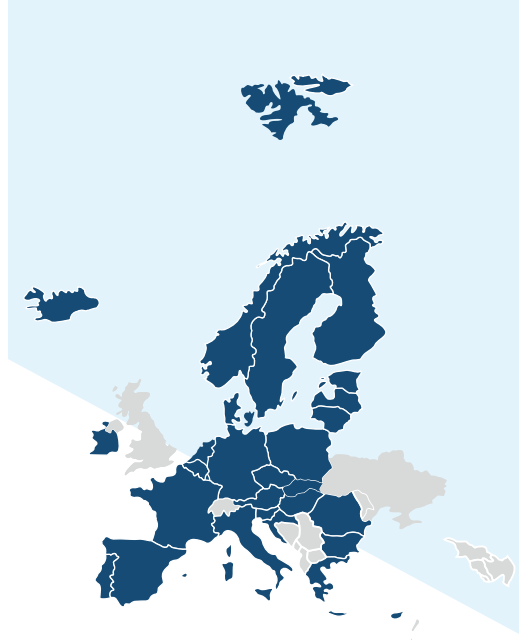
- ▶ A set of measures were implemented in the second half of 2021 on the Afghan track to identify potential terrorist threats within the Commonwealth of Independent States (CIS) countries with a focus on members of international terrorist organizations from Central Asia.
- ▶ In May 2022, the 36th Eurasian Group (EAG) Plenary was held and adopted the Mutual Evaluation Report of Uzbekistan. The EAG concluded that the country and specifically its FIU met all the relevant criteria of FATF Recommendations 29 and 40 (R. 29 – Compliant, R. 40 – Largely compliant due to insufficient fulfilment of criterion 40.16).
- ▶ The Regional Group members reached a consensus on the impermissibility of reducing or terminating information exchanges due to political or other grounds unrelated to non-compliance with the *Egmont Charter or Principles for Information Exchange Between FIUs* during their meetings on June 28 and July 13, 2022. The RG members also agreed to promote the concept of hybrid EG meetings to broaden their assistance and increase effectiveness.
- ▶ As of August 2022, the Eurasia Regional Group members were able to fully exploit the Platform for Information Exchange (PIE) of the Council of HoFIU of CIS Members States. The PIE enables confidential information exchanges within interagency preventive special operations to combat terrorism, illegal drug trafficking, and illegal migration. The Platform is also used for disseminating baseline data, outcomes of the strategic analysis and risk indicators gathered and produced within the International Risk Assessment Center (IRAC) among its members.



## Europe I Regional Group

The EG Europe I Regional Group comprises 29 FIUs from member jurisdictions of the FATF and the Council of Europe Committee of Experts on the Evaluation of AML/TF Measures (MONEYVAL). All EG Europe I Region FIUs are either of the EU member states or the EEA countries.

Throughout this reporting period, Europe I Regional Representatives included **François Magnaud** (TRACFIN, France) and **Paolo Costanzo** (UIF-Italy), who served until 2022.



### Reporting Period Regional Group Highlights:

#### Training and Events:

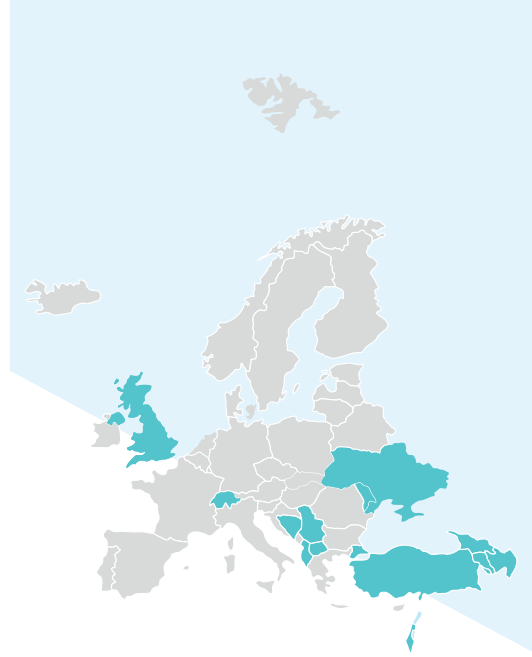
- ▶ The region's FIUs coordinated on the impacts of FIU-to-FIU cooperation from military conflict, focusing on relationships with non-EU FIUs and FIUs' role in implementing and enforcing targeted financial sanctions in their increased articulation and complexity.
- ▶ An overview of the EU AML Package's contents and impacts focusing on discussion and coordination among FIUs to contribute to, and improve, legislative proposals that will overhaul the EU AML/CFT framework. To that aim, the Regional Group's FIUs extensively analyzed the EU FIUs' Platform and issued several proposals considered in the legislative procedure.
- ▶ Analyses of the forthcoming EU legislation on the use of Artificial Intelligence systems focused on the possible impacts of new measures and controls on advanced IT tools may have on FIUs' analyses and their capacity to ensure data security and confidentiality. In this context, the Regional Group's FIUs discussed the use and usefulness of A.I. systems to support their activities, the development of such systems for analytical purposes (still at an early stage but developing rapidly), and the expected implications of future EU regulation.

#### Regional Developments:

- ▶ The completion of FIU.net's migration from Europol to the European Commission, accompanied by significant IT, governance, and functional updates.
- ▶ A 2021 presentation of the EU Commission's "AML Package," with four proposals for new legislation to fundamentally change and improve the EU AML framework, including regarding FIUs and their cooperation.

## Europe II Regional Group

The EG Europe II Regional Group comprises 24 members from jurisdictions within the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) and the FATF.



### Reporting Period Regional Group Highlights:

#### Training and Events:

- ▶ In September 2021, the region took part in training with the ECOFEL on Practical Aspects of Cooperation and Information Exchange between the FIU and LEAs
- ▶ In February 2022, the region conducted a virtual meeting followed by a training session on Virtual Assets with presentations from IMPA Israel and GIFI Poland and the kind support from ECOFEL; the training session was well received, and more training sessions shall follow
- ▶ SPCSB Moldova participated in the Best Egmont Case Awards (BECA) 2022

#### Regional Developments:

- ▶ The Region managed to complete 95% of its initiatives included in the Regional Plan, e.g. Exploring the usefulness of the different sources/mechanisms for accessing the information on beneficial ownership and PEPs, developing a framework for conducting strategic analyses regarding laundering proceeds of corruption and exploring the regional implications of the EU legislation among others
- ▶ The Region kept focused on regional updates and representation of the regional position within the EG IT renewal project
- ▶ The Region remains dedicated to coordinating with other Regional Groups, specifically with Europe I. One of the deliverables completed within the Europe II Regional Plan, the open-source register's database, was shared with Europe I
- ▶ Monaco and UKFIU provided financial contributions to the ECOFEL budget

## East and Southern Africa Regional Group (ESA)

The ESA Regional Group comprises 11 FIUs from the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) member jurisdictions.

During the reporting period, **Francisca Brito**, (UIF-Angola), served as Regional Representative (RR) from July 2021 to April 2022 before **Fikile Zitha** (FIC South Africa), stepped into the role as interim RR from April 2022 – July 2022. In July 2022, **Julius Lyimo** (FIU Tanzania), was selected and began his term as the RR for the group.

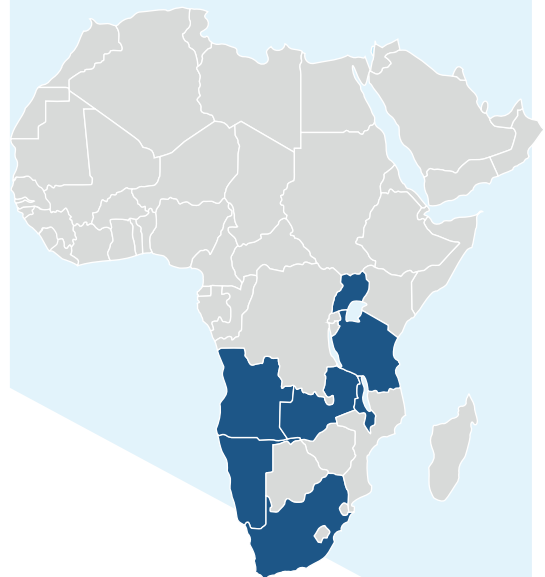
### Reporting Period Regional Group Highlights:

#### Training and Events:

- ▶ Online workshop hosted by the World Bank Group on a *National Risk Assessment Toolkit on Money Laundering and Terrorist Financing*
- ▶ Regional Workshop on *Compliance with International and EU Requirements Concerning FATF Recommendation 8*
- ▶ International Country Risk Guide (ICRG) Jurisdiction Preparation training conducted by FATF Secretariat
- ▶ CFT Regional Hybrid Workshop for the NPO Regulators and Supervisors.

#### Regional Developments:

- ▶ The FIC South Africa played a leading role in two far-reaching international information and communications technology (ICT) collaboration efforts, the EG IT Renewal Project and the development of the ground-breaking ESAAMLG Information Exchange Platform for swift and safe information sharing among ESAAMLG members.
- ▶ During 2021, the EG IT Renewal project was initiated to answer FIU requirements for modern, timely, and effective international information exchange. FIUs were invited to be part of a pool of experts for different project phases. As a start, the FIC South Africa nominated two resources, a senior systems analyst, and an ICT security manager, to be



part of the project's different phases and tasks and is committed to supporting and seeing this project's implementation.

- ▶ As an EG Vice-Chair, Adv Xolisile Khanyile, FIC South Africa, was a member of the EG's Governance, Corporate Planning and Development Reference Group, the ECOFEL Reference Group, and the External Relations and Communications Reference Group until the end of July 2022 when she was selected as EG Chair. As part of these reference groups, she oversaw the 2022-2027 EG Strategic Plan's preparation and development and contributed to finalizing and approving the EG Communications Guidelines and the 2020-2021 EG Annual Report.
- ▶ The systems and policies for combating ML/TF in the region's countries are still developing.
- ▶ Several countries are reviewing their AML/CFT statutes and institutional capacity to implement measures consistent with international standards and identified risks.
- ▶ As co-sponsors, FIUs of Kenya, Rwanda, Zimbabwe, the Kingdoms of Lesotho, and Eswatini could not finalize the EG membership application process during 2020-2021. Consequently, the FIC of South Africa prolonged its sponsorship of these FIUs and continued to provide them with technical assistance throughout the year under review. However, the sponsors commenced their activities as soon as possible, and Zimbabwe's application was discussed during the July 2022 EG meeting for adoption in January 2023. At that point, the EG application will also be addressed.



## Middle East and Northern Africa (MENA) Regional Group

The MENA Regional Group comprises 14 FIUs from member jurisdictions of the Middle East and North Africa Financial Action Task Force (MENAFATF). **May Al Khalifa** (FID-Bahrain) served as Regional Representative during the reporting period.

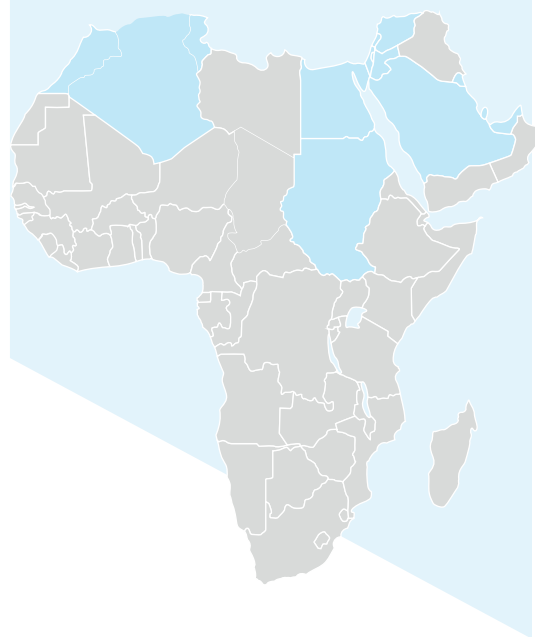
### Reporting Period Regional Group Highlights:

#### Training and Events:

- ▶ Region-wide brainstorm sessions were conducted virtually twice, on December 6, 2021, and March 28, 2022, with constructive discussions on *Operational and Strategic Analysis* and various aspects of *International Cooperation* and *Information Exchange*.
- ▶ With ECOFEL's coordination, three workshops were conducted and attended by the Regional Group's member FIUs and non-member FIUs on *Improving STR Quality, Financial Investigation Technique, and Information Sharing between FIUs, supervisory agencies, and LEAs*
- ▶ The 2022 BECA had two FIUs participate, with submissions from FIU Tunisia and FIU Bahrain, while a member of FIU Bahrain served as a judge.

#### Regional Developments:

- ▶ A strong initiative to bolster the MENA EG member roster, subsequently included as a 2022-2027 EG Strategic Plan Goal.
- ▶ Three Regional Group members were elected to EG Working Group positions:
  - ▶ Amr Rashed (FIU Egypt) as Chair of the Technical Assistance and Training Working Group (TATWG),
  - ▶ Najwa Benmadani (FIU Morocco) as Vice-Chair of the Policy and Procedures Working Group (PPWG), and

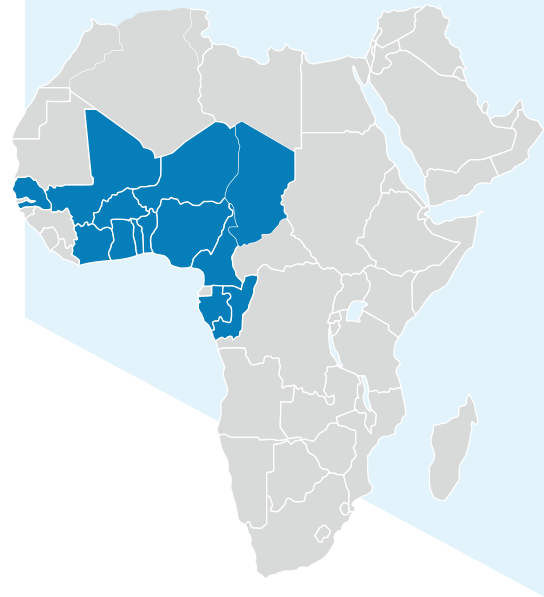


- ▶ Tarek Zahran (FIU Lebanon) as Vice-Chair of the Membership, Support and Compliance Working Group (MSCWG).
- ▶ FIU Saudi Arabia and FIU UAE provided financial contributions to the ECOFEL budget, while FIU Saudi Arabia also contributed to the EG Working Group and Regions budget.
- ▶ MENAFATF adopted an updated typology study on the Coronavirus Pandemic (COVID-19) and its impact on AML/CFT systems in the MENA Region.

## West and Central Africa Regional Group (WCA)

The WCA Regional Group comprises 14 FIUs from member jurisdictions that are part of the Inter-Governmental Action Group against ML in West Africa (GIABA) or the Task Force on ML in Central Africa (GABAC).

During this reporting period, the WCA Regional Group was represented by **Ramatoulaye Gadio Agne** (CENTIF, Senegal) until March 2022, when **Mohammed Shahid Ahmed** (FIU Nigeria) began his term as Regional Representative.



### Reporting Period Regional Group Highlights:

#### Training and Events:

- ▶ On February 8, 2022, a virtual meeting was held to discuss updates on Regional Plan activities and the progress of membership applications from candidate FIUs in the region
- ▶ On July 12 and 13, 2022, in-person meetings were held in Riga, Latvia, during the EG Plenary that included discussions on the new EG Strategic Plan, the development of the further *EG Support and Compliance Process* and presentations from UNU-CPR (FAST)
- ▶ In September 2022, the region's FIUs participated in the Forum of Francophone FIUs in Rabat Morocco
- ▶ On November 8, 2022, the first Summit of the Forum of FIUs of GIABA Member States on Terrorism Financing was held.

#### Regional Developments:

- ▶ Five candidate FIUs' membership applications were revitalized with support from the EU-funded OCWAR project
- ▶ FIU-Nigeria received the World Bank/UNODC StAR award at the 2022 EG Plenary in Latvia



8

# Best Egmont Case Award (BECA)

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# 2022 BECA Winner: Financial Intelligence Unit of Latvia (FIU)

## CASE: Institutionalized Money Laundering in a Major Latvian bank

### Background

In February 2018, Country A published a notice of proposed rulemaking against Bank A, finding it a bank of primary money laundering concern. In June 2018, Bank A initiated voluntary liquidation procedures, and its license was revoked. At that time, EUR 2.4 billion was still to be paid to the bank's creditors. The Latvian financial supervisory authority approved the liquidation methodology that required a thorough assessment of each creditor and their source of funds. As FIU Latvia began assessing the bank's transactions and clients, it became evident that Bank A had systematically engaged in money laundering offences, and laundered EUR millions through the Latvian financial system.

### Initial analysis

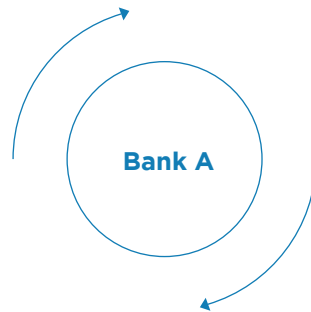
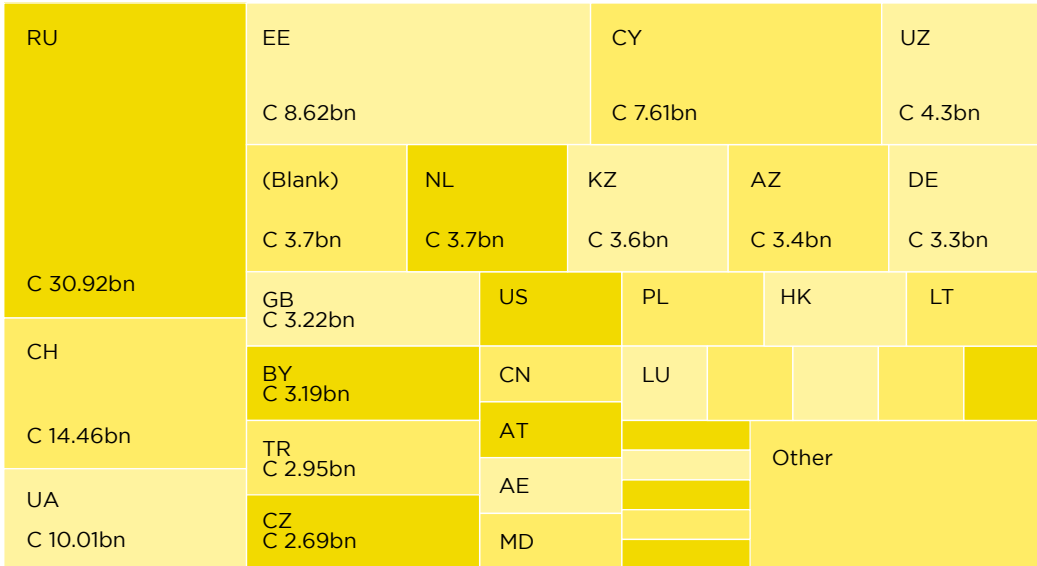
Between 2013 to 2018, over EUR 300 billion in funds were transferred through Bank A. The transfers went to dozens of jurisdictions linked to money laundering schemes facilitated by Bank A. FIU Latvia received full access to all transactions made by customers of Bank A from 2013 to 2018, as well as a list of IP addresses of transaction parties and complete customer KYC data. Between 2018 and 2022, FIU Latvia has frozen assets related to Bank A customers more than 250 times for at least EUR 440 million. Through international and domestic cooperation, FIU Latvia processed and analyzed the largest amount of financial intelligence data ever connected to a single case.

Initial analysis of creditors revealed a variety of money laundering typologies (Scheme 2, Scheme 3):

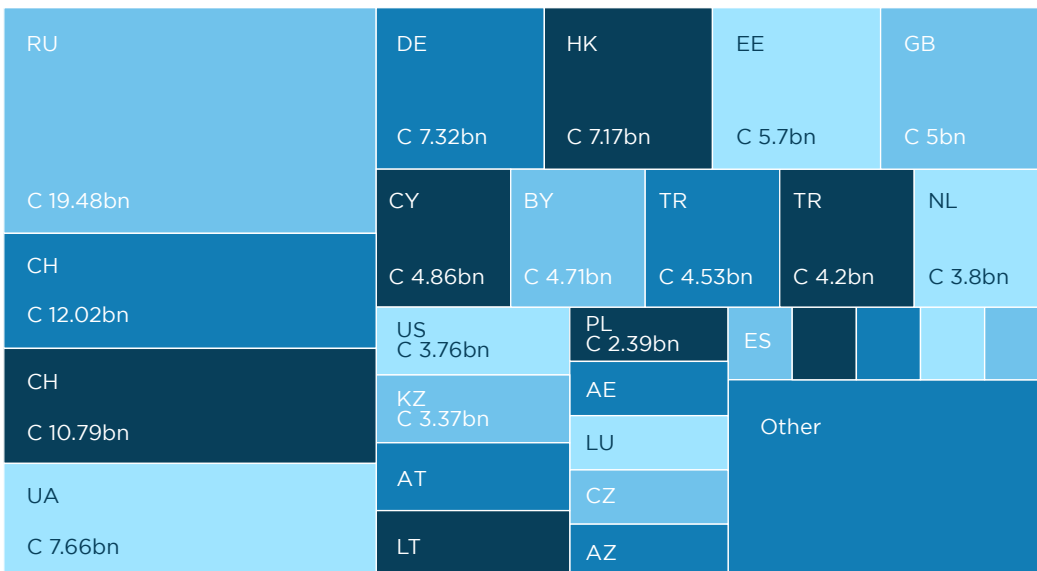
- ▶ Large sums of funds received in Bank A originated from foreign accounts held by non-resident legal entities, which were part of laundromat schemes,
- ▶ Transactions made between the bank's non-resident customers showed signs of transit operations with no economic purpose, and
- ▶ Many bank customers were considered shell companies with declared non-resident UBOs.

**Scheme 1:** Transactional data analysis: Bank A as a conduit between 2013-2018

Incoming - 161.5 billion

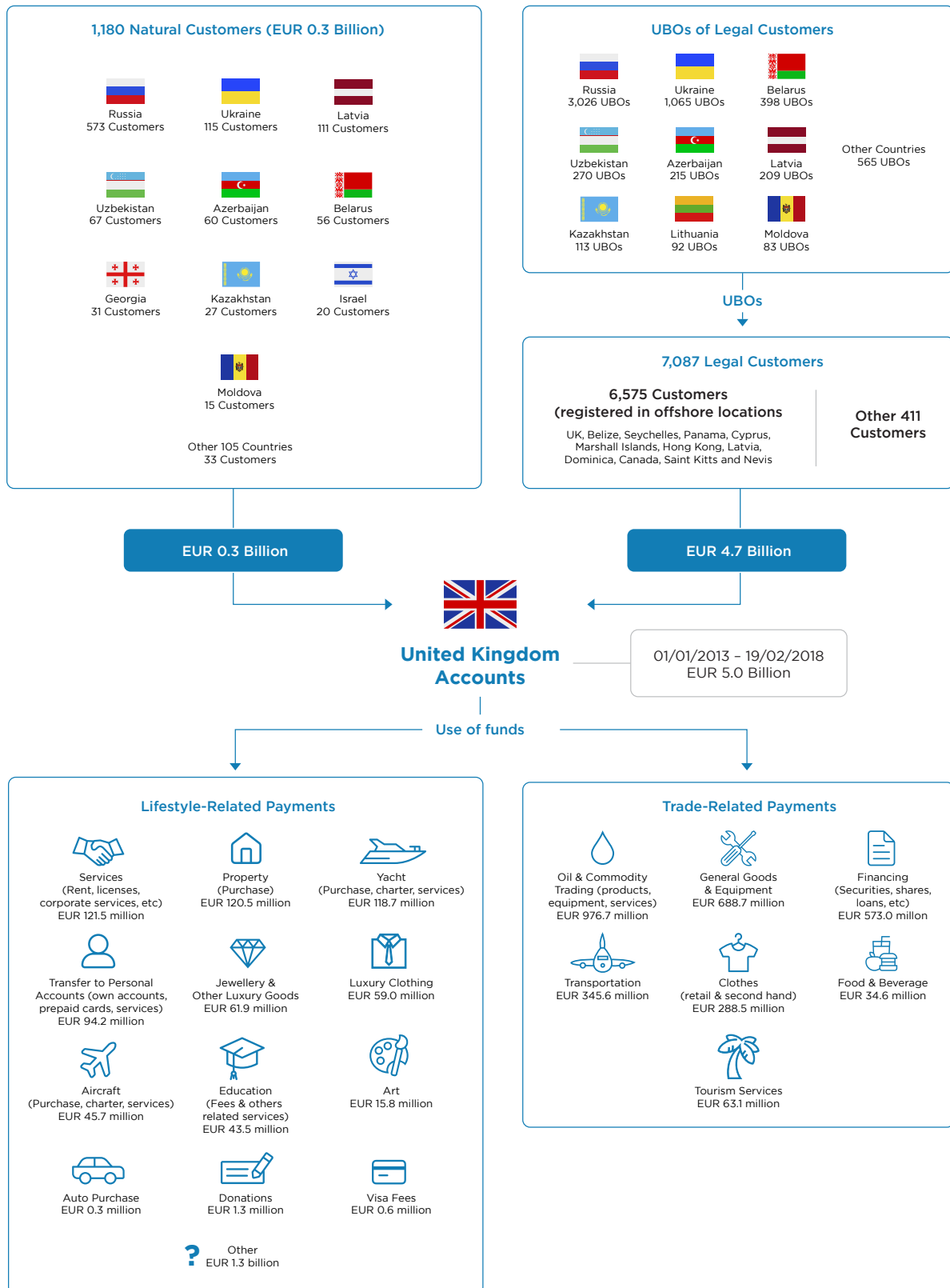


Outgoing - 160.2 billion

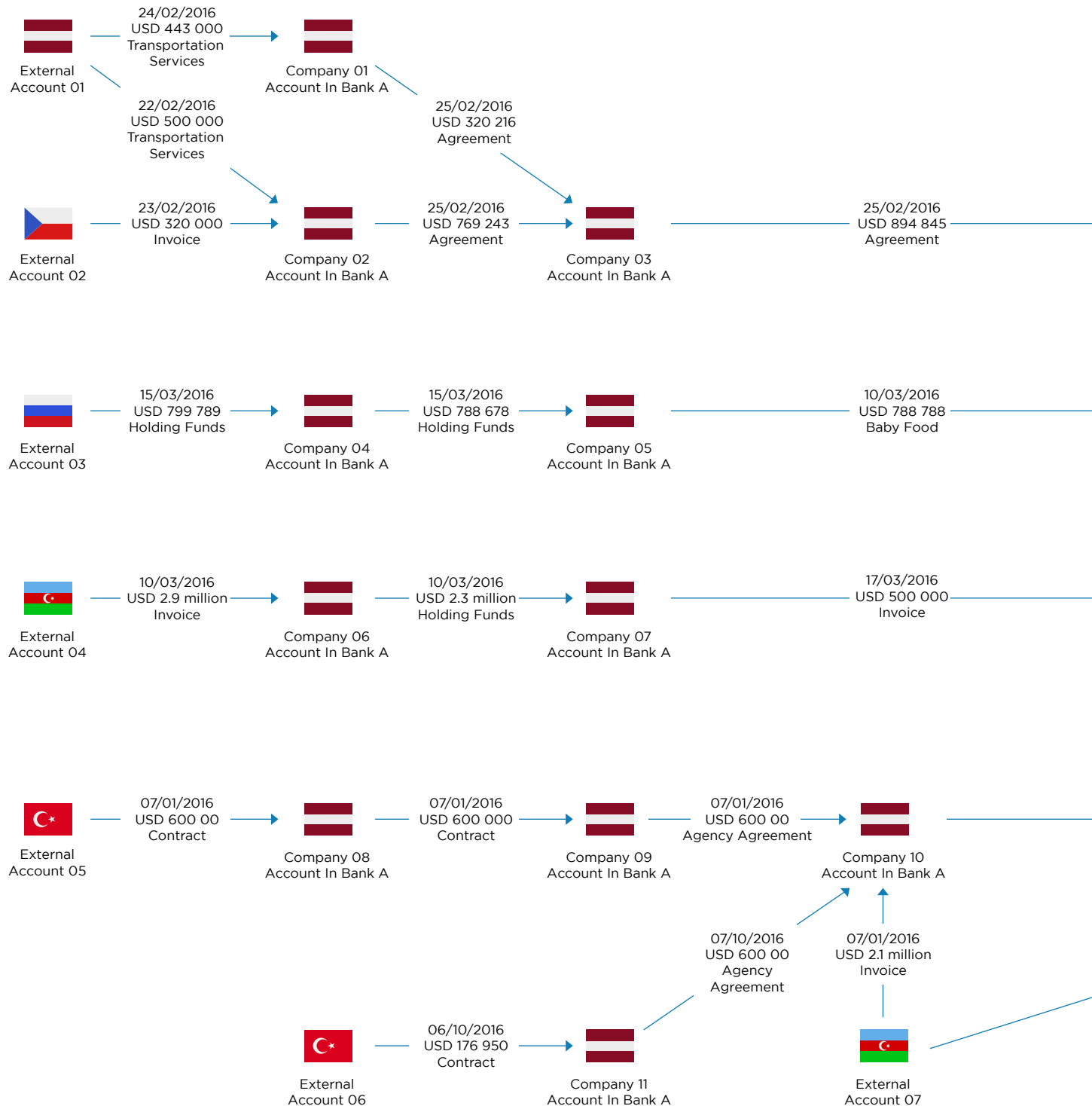


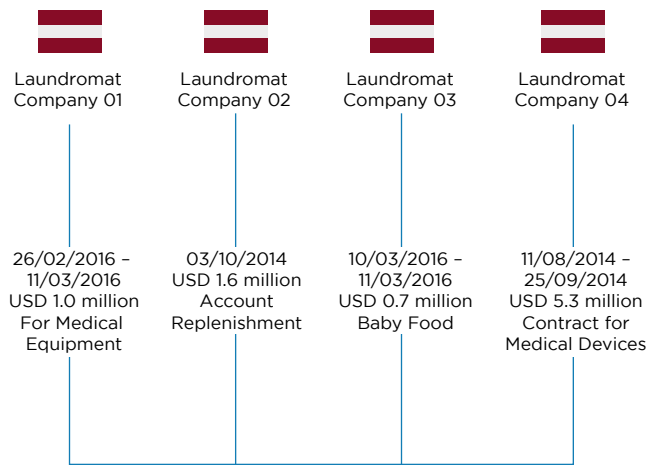


**Scheme 2:** Complex layering using the accounts of Bank A



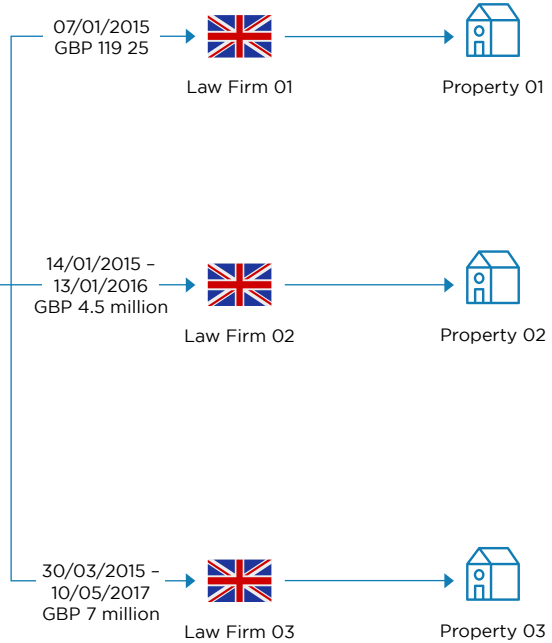
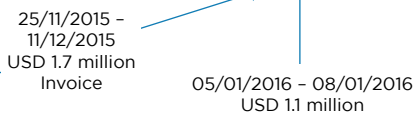
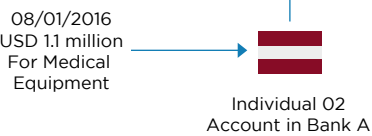
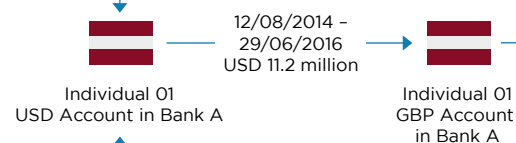
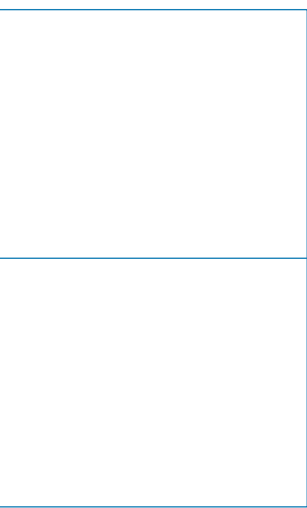
**Scheme 3:** Bank A as a channel to integration countries





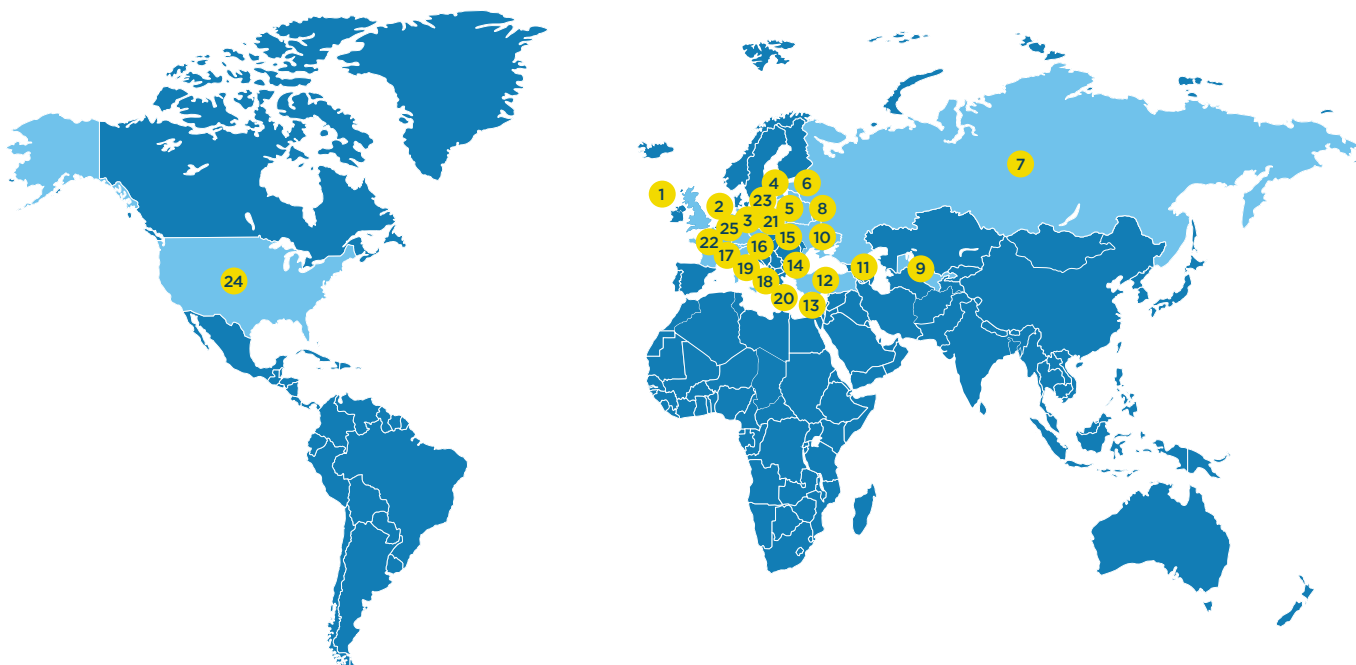
**Domestic cooperation**

The case mobilized the significant use of public-private partnership – the Cooperation Coordination Group (CCG). The CCG was a new formal framework for exchanging financial intelligence in operational and strategic matters with law enforcement, private partners, and other stakeholders in an ad-hoc format, with over a hundred meetings held for the case.



## International Cooperation

The case fostered the formation of a novel multilateral cooperation forum, the International Financial Intelligence Taskforce (IFIT), consisting of FIUs from 25 jurisdictions working together to exchange financial intelligence related to Bank A. The support received from the foreign partners was essential for FIU Latvia to assess and perform the freezing of funds and advancement of the case with local LEAs. Within the IFIT, participants developed a shared understanding of the issues related to Bank A, bolstering coordinated action across borders. The IFIT was a safe forum for FIUs to share their concerns and increase operational and strategic analysis awareness, exchanging priorities, typologies, and methodologies.



**1. United Kingdom:** UK Financial Intelligence Unit (NCA)

**2. The Netherlands:** Financial Intelligence Unit - Netherlands (FIU-NL)

**3. Luxembourg:** Financial Intelligence Unit (FIU-LUX)

**4. Lithuania:** Financial Crime Investigation Service Under the Ministry of Interior (FCIS)

**5. Estonia:** Financial Intelligence Unit - Estonia (MLIB)

**6. Latvia:** Financial Intelligence Unit of Latvia (FID)

**7. Russia:** Federal Financial Monitoring Service (Rosfinmonitoring)

**8. Belarus:** The Department of Financial Monitoring of the State Control Committee of the Republic of Belarus (DFM)

**9. Uzbekistan:** Department on Struggle Against Tax Currency Crimes and Legalization of Criminal Incomes at the GPO (FIU-Uzbekistan)

**10. Ukraine:** The State Financial Monitoring Service of Ukraine (SFMS)

**11. Azerbaijan:** Financial Monitoring Service (FMS)

**12. Turkey:** Financial Crimes Investigation Board (MASAK)

**13. Cyprus:** Unit for Combating Money Laundering (MOKAS)

**14. Moldova:** Office for Prevention and Fight Against Money Laundering (SPCSB)

**15. Poland:** General Inspector of Financial Information (GIFI)

**16. Switzerland:** Money Laundering Reporting Office Switzerland (MROS)

**17. Liechtenstein:** Financial Intelligence Unit Liechtenstein (EFFI)

**18. Italy:** Financial Intelligence Unit Italy (UIF)

**19. Monaco:** Service for Information and Monitoring of Financial Networks (SICCFIN)

**20. Malta:** Financial Intelligence Analysis Unit (FIAU)

**21. Czech Republic:** Financial Analytical Unit (FAU-CR)

**22. France:** Intelligence Processing and Action Against Illicit Financial Networks Unit (TRACFIN)

**23. Germany:** Financial Intelligence Unit Germany (FIU)

**24. USA:** Financial Crimes Enforcement Network (FinCEN)

**25. Belgium:** Belgian Financial Intelligence Processing Unit (CTIF-CFI)

## Disclosure to Law Enforcement

During the investigation, FIU Latvia transferred information to the Economic Crime Enforcement Department of the State Police and, in the later stages of the investigation, to the Specialized Prosecution Office for Organized Crime. As a result of the disclosures and collaboration, at least 38 court cases have taken place in criminal investigations related to Bank A.

### Conclusion

Bank A was found to be a professional money laundering institution, with employees providing a wide range of unjustified services to clients. With the close cooperation of 25 FIUs under the leadership of FIU Latvia, altogether:

- ▶ At least 25 570 orders to freeze funds were issued
- ▶ At least 577 reports were disseminated to LEAs
- ▶ Over 300 criminal proceedings were initiated in Latvia
- ▶ At least EUR 45 million were confiscated
- ▶ At least EUR 2 billion worth of money, real estate and other assets were seized

The case triggered significant reforms in the financial sector in Latvia. As a consequence of these reforms, Latvia became the first country to fully comply with all the standards set by the FATF. Across IFIT members, changes include amendments to the national AML/CFT legislation, increased analytical staff and expanded access to databases, improved guidelines and training for reporting entities to better identify suspicious transaction patterns, creation of the novel IFIT and PPP cooperation frameworks, and finally, closer international and local collaboration within counterparties.



# 2022 BECA Award Finalist: Financial Intelligence Unit of Italy (UIF)

## CASE - Misuse of Tax Relief for Building Renovation Works

The case submitted by FIU Italy involves a multi-billion euro money-laundering scheme related to the misuse of State tax credits introduced in Italy in the context of the Covid crisis. It's a typology with such magnitude that it was labelled as "one of the biggest frauds in the nation's history." UIF played a pivotal role in promptly uncovering the cross-border network generating fictitious fiscal credits, helping to launch a large number of criminal proceedings and drawing the attention of legislators to the linked anomalies.

To foster economic recovery in the context of the Covid crisis, since 2020, Italy has introduced a package of fiscal incentives; among such measures, expenses connected to buildings renovations provide significant tax deductions, up to 110% of the costs incurred (related to energy efficiency or anti-seismic improvements). Taxpayers who benefit from such credits have two options:

- a) fiscal compensation, which means offsetting with such credits fiscal and social debts;
- b) selling these credits to third taxpayers (mostly building construction companies, banks and other financial institutions), that may then decide whether to use the same credits to compensate for their tax liabilities or to sell them to subsequent transferees, resulting in a chain of multiple sales.

Risks associated with fiscal incentives derive from tax credits possible fictitious nature (as par arising from inflated invoices for unrealized works); consequently, related risks involve undue compensation of fictional tax credits with real fiscal debts causing severe losses to the Italian Treasury.

Since 2020, UIF has collaborated successfully with domestic Authorities: adopting several red flags indicators, raising reporting entities' awareness on the misuse of fiscal incentives and the identified anomalous patterns, issuing press releases and specific training initiatives aimed at financial intermediaries and DNFBPs (involved by Italian law in the release of necessary certifications to obtain the fiscal relief). KYC procedures were enhanced by analyzing offers to purchase tax credits or connected flows.

### Case development

In the last two years, UIF has received and analyzed hundreds of STRs related to fictitious tax credit circulation and laundering illicit profits. Forefront analytics techniques led to uncovering a large-scale network, able to create and market a vast amount of fictional tax credits to various unaware intermediaries, then laundering its proceeds through cross-border transactions.

## International cooperation

Collaboration with about ten foreign FIUs has played a vital role in tracking the use of funds transferred abroad. A considerable amount of money was transferred to companies incorporated in different EU Member States, operating in sectors incoherent with the real estate one and typically involved in fiscal frauds. These funds resulted in being immediately re-transferred as follows:

1. To companies located in the far east operating in the manufacturing of COVID-19 face masks, already involved in other types of fiscal fraud
2. Invested in cryptocurrencies<sup>1</sup>
3. Repatriated to Italy and used for the capital deposit of newly incorporated suspicious companies, cash withdrawals from Italian ATMs with foreign payment cards, which resulted in being linked to East European bank accounts as emerged per collaboration with foreign FIUs<sup>2</sup>.

International cooperation launched by UIF also revealed an abnormal concentration of outflows related to the sale of fictitious tax credits on accounts held with a foreign E-Money Institution, whose license ended up revoked in March 2022 for AML deficiencies after the UIF alerted the Italian Supervisory Authority about risks associated with the financial institution.

## Domestic cooperation

UIF financial intelligence resorted to be essential for Italian LEAs and Judicial Authority in helping launch formal investigations and in supporting existing ones: UIF, in collaboration with foreign FIUs, temporarily froze national and foreign bank accounts credited with the proceedings of suspicious tax credits; Judicial Authorities seized a total of 2.3 billion euros in tax credits. Ultimately, UIF analysis detected over 5.7 billion euros in fictitious State tax credits. National Authorities have set a specific task force to recover funds from selling fictional tax credits and illicitly transferring them abroad.

## Regulatory updates

Considering UIF's essential contribution, with a view to prevention, the Italian Government updated the legislation on fiscal incentives involving anti-money laundering measures in its definition, allowing banks to acquire tax credits only if no qualified money laundering risks emerge. FIUs' analysis resulted in being a driver for drafting European law and International AML principles, mainly focused on the risk mitigation associated with virtual asset financial activities.



<sup>1</sup> Analysis of such virtual transactions performed through blockchain forensics tools revealed the possible use of decentralized finance applications - DeFi.

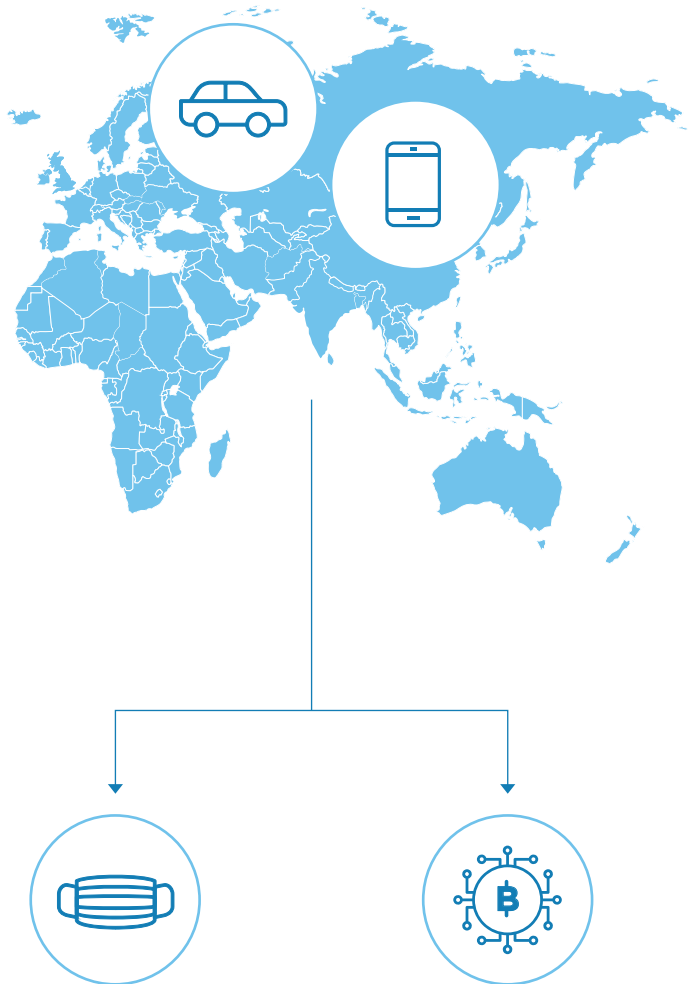
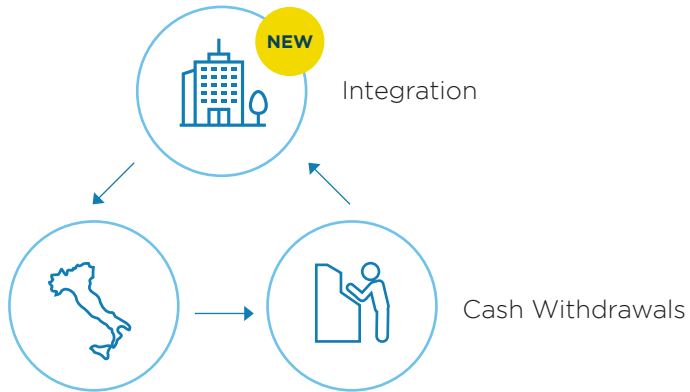
<sup>2</sup> As per the illicit scheme already shared in the "2021 Beca FIU Hungary & Italy finalist case."

# FIU Italy - Misuse of Tax Relief

Graphic Overview of the Case

Reference Period: 2020-2022







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# Acknowledgements

August 2021 – July 2022

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## Voluntary Contributions:

### The TATWG's Contributor Acknowledgements:

#### BECA Judges:

- ▶ Angola (UIF)
- ▶ Bahrain (FID)
- ▶ Hong Kong (JFIU)
- ▶ Kosovo (NJIF-K)
- ▶ Taiwan (AMLD)

### Peer Review of eCourse Developed by UNODC Related to Bulk Cash Smuggling:

- ▶ FIU Poland (GIFI)
- ▶ Brazil (COAF)
- ▶ India (FIU-IND)
- ▶ United Arab Emirates (FID)
- ▶ Malta (FIAU)

### International Webinars and Operational Training Sessions for Plenary (Moderator and Presenters):

- ▶ Israel (IMPA)
- ▶ South Africa (FIC)
- ▶ Canada (FINTRAC)
- ▶ Italy (UIF)
- ▶ Belgium (CTIF-CFI)
- ▶ Costa Rica (UAF)
- ▶ Netherlands (FIU-NL)
- ▶ Nigeria (NFIU)
- ▶ UKRAINE(SFMS)
- ▶ Latvia (FID)
- ▶ Ecuador (UAFE)
- ▶ Germany (FIU)
- ▶ Uruguay (UIAF)
- ▶ FATF
- ▶ INTERPOL
- ▶ UN University
- ▶ GAFILAT
- ▶ StAR (WB & UNODC)

### ECOFEL Contributor Acknowledgements

#### ECOFEL Workshops and training courses (presenters):

- ▶ BFIU, Bangladesh
- ▶ FIU-Nepal, Nepal;
- ▶ GIFI, Poland;
- ▶ IMPA, Israel
- ▶ FIU Isle of Man
- ▶ FIU Angola
- ▶ FIU Madagascar
- ▶ FIU Bahrain
- ▶ FIU Morocco
- ▶ FIU Chile
- ▶ SPCSB, Moldova
- ▶ FIUTT, Trinidad and Tobago,
- ▶ John Grajales, DTOC-OAS
- ▶ Peter El Sharoni, International Monetary Fund (IMF)
- ▶ Borja Aguado Delgado, General Prosecutor's Office, Andorra

## Donors and Other Contributions:

- ▶ Canada (FINTRAC-CANAFE)—Historical financial contribution as the Egmont Group Secretariat's (EGS) host jurisdiction since 2007. Seconding an Administrative Manager to the EGS since October 2020
- ▶ Financial Intelligence Unit Germany - Seconding a Senior Officer to the EGS since March 2022
- ▶ Nigerian Financial Intelligence Unit (NFIU) - South Africa - Seconding a Senior Officer to the EGS since February 2022
- ▶ Financial Intelligence Centre (FIC) - Seconding a Senior Officer to the EGS since January 2022
- ▶ Anti-Money Laundering Division (AMLD) - Taiwan — Seconding a Senior Officer to the EGS since September 2015 and for their financial contributions as an ECOFEL donor.
- ▶ Russia (Rosfinmonitoring)—Seconded a Senior Officer to the EGS until December 2022.
- ▶ Qatar (QFIU)—Seconding a Senior Officer to the EGS since November 2020.
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- ▶ Australian Transaction Reports and Analysis Centre (AUSTRAC) for their financial contributions as an ECOFEL donor
- ▶ Saudi Arabia Financial Investigation Unit (SAFIU) for their financial contributions as an ECOFEL donor
- ▶ United Arab Emirates Financial Intelligence Unit (UAEFIU) for their financial contributions as an ECOFEL donor
- ▶ United Kingdom Financial Intelligence Unit (UKFIU) for their financial contributions as an ECOFEL donor
- ▶ FCDO (former Dfid), for their financial contributions as an ECOFEL donor

## Annex A: Member List

1. **GDPLML**, Albania
2. **CTRF**, Algeria
3. **UIFAND**, Andorra
4. **UIF-ANGOLA**, Angola
5. **MLRA**, Anguilla
6. **ONDCP**, Antigua and Barbuda
7. **UIF-AR**, Argentina
8. **FMC**, Armenia
9. **FIU**, Aruba
10. **AUSTRAC**, Australia
11. **A-FIU**, Austria
12. **FMS-AZ**, Azerbaijan
13. **FIU-BS**, Bahamas
14. **FID**, Bahrain
15. **BFIU**, Bangladesh
16. **AMLA**, Barbados
17. **DFM**, Belarus
18. **CTIF-CFI**, Belgium
19. **FIU-BZ**, Belize
20. **CENTIF-BENIN**, Benin
21. **FIABDA**, Bermuda
22. **FID-Bhutan**, Bhutan
23. **UIF-BOLIVIA**, Bolivia
24. **FIU**, Botswana
25. **FID**, Bosnia and Herzegovina
26. **COAF**, Brazil
27. **FIA-VG**, British Virgin Islands
28. **UPK**, Brunei Darussalam
29. **FID-SANS**, Bulgaria
30. **CENTIF-BF**, Burkina Faso
31. **CAFIU**, Cambodia
32. **NAFI**, Cameroon
33. **FINTRAC**, Canada
34. **UIF-Cape-Verde**, Cape Verde
35. **FRA**, Cayman Islands
36. **ANIF-TCHAD**, Chad
37. **UAF-CL**, Chile
38. **UIAF**, Colombia
39. **ANIF-Congo**, Congo Brazzaville
40. **CIFIU**, Cook Islands
41. **ICD**, Costa Rica
42. **CENTIF-CI**, Côte d'Ivoire
43. **FIU Croatia**, Croatia
44. **DGIOF**, Cuba
45. **FIU Curaçao**, Curaçao
46. **MOKAS**, Cyprus
47. **FAU**, Czech Republic
48. **HVIDVASK**, Denmark
49. **FIU-DM**, Dominica
50. **UAF-DomRep**, Dominican Republic
51. **UAFE-Ecuador**, Ecuador
52. **EMLCU**, Egypt
53. **UIF**, El Salvador
54. **Estonian FIU**, Estonia
55. **EFIC**, Ethiopia
56. **FIJI-FIU**, Fiji
57. **RAP**, Finland
58. **TRACFIN**, France
59. **NAFI-GABON**, Gabon
60. **FMS**, Georgia
61. **FIU**, Germany
62. **FIC-Ghana**, Ghana
63. **GFIU**, Gibraltar
64. **Hellenic FIU**, Greece
65. **FIU-GD**, Grenada
66. **IVE**, Guatemala
67. **FIS**, Guernsey
68. **AIF**, HOLY SEE (Vatican City State)
69. **UIF-HN**, Honduras
70. **JFIU**, Hong Kong
71. **HFIU**, Hungary
72. **HERSAK**, Iceland
73. **FIU-IND**, India
74. **INTRAC/PPATK**, Indonesia
75. **FIU**, Ireland
76. **FIU-IOM**, Isle of Man
77. **IMPA**, Israel
78. **UIF**, Italy
79. **FID-Jamaica**, Jamaica
80. **JAFIC**, Japan
81. **JFCU**, Jersey
82. **AMLCTFU**, Jordan

- 83. CFM**, Kazakhstan
- 84. KoFIU**, South Korea
- 85. NJIF-K**, Kosovo
- 86. KwFIU**, Kuwait
- 87. SFIS**, Kyrgyzstan
- 88. FID**, Latvia
- 89. SIC**, Lebanon
- 90. EFFI**, Liechtenstein
- 91. FCIS**, Lithuania
- 92. CRF**, Luxembourg
- 93. GIF**, Macao
- 94. FIO**, Macedonia
- 95. FIU-MALAWI**, Malawi
- 96. UPWBNM**, Malaysia
- 97. CENTIF-MALI**, Mali
- 98. FIAU**, Malta
- 99. RMI-FIU**, Marshall Islands
- 100. FIU-MU**, Mauritius
- 101. FIU-MEXICO**, Mexico
- 102. SPCSB**, Moldova
- 103. SICCFIN**, Monaco
- 104. FIU-MONGOLIA**, Mongolia
- 105. DPMLTF**, Montenegro
- 106. UTRF**, Morocco
- 107. FIC-Namibia**, Namibia
- 108. FIU-Nepal**, Nepal
- 109. FIU**-the Netherlands,
- 110. FIU-NZ**, New Zealand
- 111. CENTIF-NIGER**, Niger
- 112. FIU-NG**, Nigeria
- 113. FIU-NU**, Niue
- 114. EFE**, Norway
- 115. FFU**, Palestine
- 116. UAF-PA**, Panama
- 117. FASU**, Papua New Guinea
- 118. FIU-PY**, Paraguay
- 119. UIF-PERU**, Peru
- 120. AMLC**, Philippines
- 121. GIFI**, Poland
- 122. UIF-PORTUGAL**, Portugal
- 123. QFIU**, Qatar
- 124. ONPCSB**, Romania
- 125. FFMS/Rosfinmonitoring**, Russian Federation
- 126. FIU-KN**, Saint Kitts and Nevis
- 127. FIA**, Saint Lucia
- 128. FIU-VC**, Saint Vincent and the Grenadines
- 129. SFIU**, Samoa
- 130. FIA**, San Marino
- 131. SAFIU**, Saudi Arabia
- 132. CENTIF**, Senegal
- 133. APML**, Serbia
- 134. Seychelles-FIU**, Seychelles
- 135. STRO**, Singapore
- 136. MOT-SM**, Sint Maarten
- 137. FSJ NAKA P PZ**, Slovakia
- 138. OMLP**, Slovenia
- 139. SIFIU**, Solomon Islands
- 140. FIC**, South Africa
- 141. SEPBLAC**, Spain
- 142. FIU-Sri Lanka**, Sri Lanka
- 143. FIUSU**, Sudan
- 144. 1FIU**, Sweden
- 145. MROS**, Switzerland
- 146. CMLC**, Syria
- 147. AMLD**, Taiwan
- 148. FMD**, Tajikistan
- 149. TFIU**, Tanzania
- 150. AMLO-TH**, Thailand
- 151. CENTIF-TOGO**, Togo
- 152. FIUTT**, Trinidad and Tobago
- 153. CTAF**, Tunisia
- 154. MASAK**, Turkey
- 155. FMS-Turkmenistan**, Turkmenistan
- 156. FIA-TCI**, Turks and Caicos
- 157. Uganda-FIA**, Uganda
- 158. SFMS**, Ukraine
- 159. UAE FIU**, United Arab Emirates
- 160. UKFIU**, United Kingdom
- 161. FINCEN**, United States of America
- 162. UIAF**, Uruguay
- 163. FIU-UZBEKISTAN**, Uzbekistan
- 164. FIU-VU**, Vanuatu
- 165. UNIF**, Venezuela
- 166. FIC-Zambia**, Zambia

## Annex B: Egmont Committee Composition

Before 2022 PLENARY:

Name	Position	FIU
Hennie Verbeek-Kusters	Chair, Egmont Group of Financial Intelligence Units	FIU the Netherlands
Anne-Marie Kemna	Vice-Chair, Regional Representative, Americas	FIU Curaçao
Xolisile Khanyile	Vice-Chair	FIC South Africa
Jérôme Beaumont	Executive Secretary, Egmont Group of Financial Intelligence Units	Egmont Group Secretariat
Bess Johnson Michael	ESW Representative	FINCEN, USA
Manoj Kaushik	Chair, Membership Support and Compliance Working Group	FIU India
Sarah Paquet	Chair, Information Exchange Working Group	FINTRAC, Canada
Anne Mette Wadman	Chair, Policy and Procedures Working Group	EFE, Norway
Amr Rashed	Chair, Technical Assistance and Training Working Group	FIU, Egypt
Chris Collett	Regional Representatives, Asia and Pacific	AUSTRAC, Australia
Nuralia Rahim		Brunei Darussalam

Name	Position	FIU
<b>Francisca Brito</b> (July 2021 – April 2022)  <b>Fikile Zitha</b> (April 2022 – July 2022)	Regional Representative, East and Southern Africa	FIU, Angola
<b>Yury Korotkyi</b>	Regional Representative, Eurasia	FFMS, Russian Federation
<b>François Magnaud</b>  <b>Paolo Costanzo</b>	Regional Representative, Europe I	TRACFIN, France UIF, Italy
<b>Astghik Karamanukyan</b>	Regional Representative, Europe II	FIU Armenia
<b>May Al Khalifa</b>	Regional Representative, Middle East and Northern Africa	FID Bahrain
<b>Ramatoulaye Gadio Agne</b>	Regional Representative, West and Central Africa	CENTIF, Senegal



## Annex B: Egmont Committee Composition

Following 2022 PLENARY:

Name	Position	FIU
Xolisile Khanyile	Chair, Egmont Group of Financial Intelligence Units	FIC-South Africa
Anne-Marie Kemna	Vice-Chair, Regional Representative, Americas	FIU-Curaçao
Elżbieta Franków-Jaśkiewicz	Vice-Chair	FIU Poland
Jérôme Beaumont	Executive Secretary, Egmont Group of Financial Intelligence Units	Egmont Group Secretariat
Bess Johnson Michael	ESW Representative	FINCEN, USA
Manoj Kaushik	Chair, Membership Support and Compliance Working Group	FIU India
Sarah Paquet	Chair, Information Exchange Working Group	FINTRAC, Canada
Elvira Kross	Chair, Policy and Procedures Working Group	MOT-Aruba
Amr Rashed	Chair, Technical Assistance and Training Working Group	FIU, Egypt
Dr. John Moss Nuralia Rahim	Regional Representative, Asia and Pacific	AUSTRAC, Australia Brunei Darussalam

Name	Position	FIU
Julius Lyimo	Regional Representative, East and Southern Africa	FIU, Tanzania
Yury Korotkyi	Regional Representative, Eurasia	FFMS, Russian Federation
Hennie Verbeek-Kusters Patricia Kordesch	Regional Representative, Europe I	FIU- the Netherlands FIU Germany
Astghik Karamanukyan Oxana Gisca	Regional Representative, Europe II	FIU Armenia FIU Moldova
May Al Khalifa	Regional Representative, Middle East and Northern Africa	FID Bahrain
Mohammed Shahid Ahmed	Regional Representative, West and Central Africa	WCA Nigeria
Carla Mera	Regional Representative, Americas	FIU Ecuador

## Annex: Glossary of Terms

**AAP-AGA** – Africa Alliance Partnership – Attorney Generals Alliance

**ABP** – Annual Business Plan

**ACB** – Anti-Corruption Bureau

**AML** – Anti-Money Laundering

**APG** – Asia Pacific Group on Money Laundering

**ARO** – Asset Recovery Offices

**A-SAC** – Advanced Strategic Analysis Course

**ASEAN** – Association of Southeast Asian Nations

**BEC** – Business Email Compromise

**BECA** – Best Egmont Case Award

**CDD** – Customer Due Diligence

**CFATF** – Caribbean Financial Action Task Force

**CFT** – Combatting the Financing of Terrorism

**CIS** – Commonwealth of Independent States

**CITES** – Convention on International Trade in Endangered Species of Wild Fauna and Flora Secretariat

**CORFIN** – Corporate Vehicles and Financial Products

**CSAE** – Child Sexual Abuse and Exploitation

**CT** – Counter-Terrorism

**CTED** – Counter-Terrorism Executive Directorate

**CTF** – Counter-Terrorism Financing

**CTR** – Cash Transaction Reporting

**DFID** – Department for International Development (United Kingdom)

**EAG** – Eurasian Group on Combatting Money Laundering and Financing of Terrorism

**EBC** – Egmont Biennial Census

**EC** – Egmont Committee

**ECOFEL** – Egmont Centre of FIU Excellence and Leadership

**EG** – Egmont Group

**EGAR** – Egmont Group Annual Report

**EGS** – Egmont Group Secretariat

**ERWTF** – Extreme Right-Wing Terrorist Financing

**ESA** – East and Southern Africa

**ESAAMLG** – Eastern and Southern Africa Anti-Money Laundering Group

**ESW** – Egmont Secure Web

**EU** – European Union

**FATF** – Financial Action Task Force

**FAST** – Finance Against Slavery and Trafficking

**FCDO** – Foreign, Commonwealth and Development Office, formerly known as DFID

**FIG** – Financial Intelligence Consultant

**FIGG** – Financial Intelligence Consultative Group

**FID** – Financial Intelligence Department

**FIU** – Financial Intelligence Unit

**FIWFC** – ECOFEL and UNODC's Financial Investigations (Financial Flows) in Wildlife and Forestry Crime project

**FSRB** – FATF-Style Regional Bodies

**GABAC** – Task Force on Money Laundering in Central Africa

**GAFILAT** – Financial Action Task of Latin America

**GIABA** – Inter-Governmental Action Group against Money Laundering in West Africa

**HoFIU** – Heads of Financial Intelligence Units

**ICAR** – International Centre for Asset Recovery at the Basel Institute on Governance

**ICT** - Information Communication Technology

**IEWG** - Information Exchange Working Group

**ILEA** - International Law Enforcement Academy (Bangkok, Thailand)

**IMF** - International Monetary Fund

**ICRG** - International Country Risk Guide

**IFCACC** - INTERPOL Financial Crime and Anti-Corruption Centre

**IRS-CI** - Internal Revenue Service, Criminal Investigations (United States)

**IT** - Information Technology

**ITMCFM** - International Training and Methodology Center for Financial Monitoring

**IWT** - Illegal Wildlife Trade

**LEAs** - Law Enforcement Agencies

**ME** - Mutual Evaluation

**MENA** - the Middle East and Northern Africa

**MENFAFT** - Middle East and Northern Africa Financial Action Task Force

**MER** - Mutual Evaluation Reports

**ML** - Money Laundering

**MONEYVAL** - Council of Europe Committee of Experts on the Evaluations of Anti-Money Laundering Measures and the Financing of Terrorism

**MoU** - Memorandum of Understanding

**MSCWG** - Membership, Support and Compliance Working Group

**NGO** - Non-Governmental Organization

**NPO** - Non-Profit Organization

**NRA** - National Risk Assessments

**OAC** - Operational Analysis Course

**OCWAR** - Organised Crime West Africa Response

**OR** - Official Receiver

**OTS** - Operational Training Sessions

**(PIE)** - Platform for Information Exchange of the Council of HoFIU of CIS Members States

**PPWG** - Policy and Procedures Working Group

**RG(s)** - Regional Group(s)

**SAC** - Strategic Analysis Course

**SAM** - Support and Assistance Mechanism

**SEPRONA** - Spain Service for The Protection Of Nature

**StAR** - World Bank's Stolen Asset Recovery Initiative

**STR** - Suspicious Transaction Report

**TATWG** - Technical Assistance and Training Working Group

**TBML** - Trade-Based Money Laundering

**TF** - Terrorist Financing

**UAR** - Unusual Activity Report

**UNITAD** - United Nations Investigative Team to Promote Accountability for Crimes Committed by Da'esh/ISIL

**UNODC** - United Nations Office on Drugs and Crime

**UNU-CPR (FAST)** - United Nations University Centre for Policy Research (Finance Against Slavery and Trafficking)

**USAID** - United States Agency for International Development

**USDOJ** - United States Department of Justice

**USDOJ-OPDAT** - United States Department of Justice - Office of Overseas Prosecutorial Development, Assistance and Training

**VA** - Virtual Asset

**VASPs** - Virtual Asset Service Provider(s)

**WCO** - World Customs Organization

**WG(s)** - Working Group(s)

**WWF** - World Wildlife Fund

## Annex D: Observer and International Partner Associated Websites

International cooperation is imperative in the fight against ML/T and associated predicate crimes. The EG recognizes international partner organizations as colleagues in this fight. The EG strives to expand collaboration with its partner organizations and believes it is critical to leverage resources and develop synergies through cooperating with international organizations and other corporate entities.

Observer	Website
Asia/Pacific Group on Money Laundering	<a href="http://apgml.org">apgml.org</a>
Camden Asset Recovery Interagency Network (CARIN)	<a href="http://carin.network">carin.network</a>
Caribbean Financial Action Task Force on Money Laundering (CFATF)	<a href="http://cfatf-gafic.org">cfatf-gafic.org</a>
Common Market for Eastern and Southern Africa (COMESA)	<a href="http://comesa.int">comesa.int</a>
The Cooperation Council for The Arab States of The Gulf (GCC)	<a href="http://gcc-sg.org">gcc-sg.org</a>
Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)	<a href="http://coe.int/en/web/moneyval/home">coe.int/en/web/moneyval/home</a>
Eurasian Group on Combating Money Laundering and Financing Terrorism (EAG)	<a href="http://eurasiangroup.org">eurasiangroup.org</a>
Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)	<a href="http://esaamlg.org">esaamlg.org</a>
European Commission	<a href="http://ec.europa.eu">ec.europa.eu</a>
Europol	<a href="http://europol.europa.eu">europol.europa.eu</a>
Financial Action Task Force of Latin America (GAFILAT)	<a href="http://gafilat.org">gafilat.org</a>
Financial Action Task Force on Money Laundering (FATF)	<a href="http://fatf-gafi.org">fatf-gafi.org</a>



## Annex D: Observer and International Partner Associated Websites

Observer	Website
Groupe d'Action Contre Le Blanchiment En Afrique Centrale (GABAC)	<a href="http://spgabac.org">spgabac.org</a>
Inter-Governmental Action Group against Money Laundering in West Africa (GIABA)	<a href="http://giaba.org">giaba.org</a>
Global Organization of Parliamentarians Against Corruption (GOPAC)	<a href="http://gopacnetwork.org">gopacnetwork.org</a>
International Monetary Fund (IMF)	<a href="http://imf.org">imf.org</a>
International Criminal Police Organization (Interpol)	<a href="http://Interpol.int">Interpol.int</a>
Middle East and North Africa Financial Action Task Force (MENAFATF)	<a href="http://menafatf.org">menafatf.org</a>
Organization for Security and Co-Operation in Europe (OSCE)	<a href="http://osce.org">osce.org</a>
United Nations Office on Drugs and Crime (UNODC)	<a href="http://unodc.org">unodc.org</a>
United Nations University Centre for Policy Research – Finance Against Slavery and Trafficking (FAST) Initiative	<a href="http://fastinitiative.org">fastinitiative.org</a>
World Bank	<a href="http://worldbank.org">worldbank.org</a>
World Customs Organization (WCO)	<a href="http://wcoomd.org">wcoomd.org</a>

## Annex D: Observer and International Partner Associated Websites

International Partner	Website
Basel Committee on Banking Supervision	<a href="https://bis.org/bcbs/">bis.org/bcbs/</a>
Basel Institute on Governance - International Centre for Asset Recovery (ICAR)	<a href="https://baselgovernance.org/icar">baselgovernance.org/icar</a>
Inter-American Drug Abuse Control Commission (CICAD-OAS)	<a href="https://cicad.oas.org">cicad.oas.org</a>
Commonwealth Secretariat	<a href="https://thecommonwealth.org">thecommonwealth.org</a>
Council of Europe	<a href="https://coe.int">coe.int</a>
European Union	<a href="https://europa.eu">europa.eu</a>
International Association of Insurance Supervisors (IAIS)	<a href="https://iaisweb.org">iaisweb.org</a>
International Bar Association	<a href="https://ibanet.org">ibanet.org</a>
International Criminal Court (ICC)	<a href="https://icc-cpi.int">icc-cpi.int</a>
International Money Laundering Information Network (IMoLIN)	<a href="https://imolin.org">imolin.org</a>
International Organization of Securities Commissions (IOSCO)	<a href="https://iosco.org">iosco.org</a>
International Organization of Supreme Audit Institutions (INTOSAI)	<a href="https://intosai.org">intosai.org</a>
Organization for Economic Co-operation and Development (OECD)	<a href="https://oecd.org">oecd.org</a>
United Nations Security Council Counter-Terrorism Committee	<a href="https://un.org/securitycouncil/ctc/">un.org/securitycouncil/ctc/</a>
United Nations Office on Drugs and Crime (UNODC)	<a href="https://unodc.org">unodc.org</a>
Wolfsberg Group	<a href="https://wolfsberg-principles.com">wolfsberg-principles.com</a>

## Annex E: EG Representation at International Events

**Date:** July 29, 2021

**Event/Interview:** Virtual Event

**Host:** EG/WCO

**Objective/Key Messages/Goals**

- ▶ Customs-FIU Cooperation Handbook and its practical use one year after its adoption

- ▶ Overview of joint Operation TENTACLE

- ▶ Practical examples of success stories of cooperation between FIUs and Customs services

**Representation:** EG Chair, Hennie Verbeek-Kusters

**Date:** September 5-12, 2021

**Event/Interview:**

- ▶ Virtual Event – Thirty-Eighth International Symposium on Economic Crime – Economic Crime: Who Pays and should pay?
- ▶ Plenary Workshop 2 – Financial Intelligence: What Does Technology Have to Offer?

**Hosts:**

- ▶ Jesus College, University of Cambridge
- ▶ Centre for International Documentation on Organised and Economic Crime (CIDOEC)
- ▶ National Economic Crime Centre (NECC)
- ▶ HM Treasury UK Government
- ▶ HM Revenue & Customs
- ▶ National Crime Agency
- ▶ The Metropolitan Police Service

- ▶ The Serious Fraud Office of England, Wales and Northern Ireland
- ▶ The Crown Prosecution Service
- ▶ City of London Police

**Objective/Key Messages/Goals:**

- ▶ The Role of FIUs and the EG Within the Scope of AML/CFT
- ▶ The fight against Corruption and the necessary Operational Independence and Autonomy of FIUs.
- ▶ FinTech with a focus on Virtual Assets/ VASPs and MPS
- ▶ Joint EG/FATF work on Digital Transformation of AML/CFT for Operational Agencies

**Representation:**

- ▶ Silvina Rivarola, Program Manager, ECOFEL, EG
- ▶ Marko Stolle, EG Chair Information Exchange Working Group,
- ▶ Jerome Beaumont, EG Executive Secretary

## Annex E: EG Representation at International Events

**Date:** October 5, 2021

**Event/Interview:** Virtual Event –  
Combatting Illicit Trafficking in Firearms

**Host:** OAS Panel Discussion

**Objective/Key Messages/Goals:**

A financial intelligence perspective on combatting illicit trafficking in firearms and money laundering typologies associated with the trafficking of firearms

**Representation:**

EG Chair, Hennie Verbeek-Kusters

**Date:** November 11, 2021

**Event/Interview:** Hybrid Event –  
Thematic Discussion of the Commission  
on Crime Prevention and Criminal Justice  
on the implementation of the Kyoto  
Declaration. Thematic session 2 –  
“Addressing the economic dimension  
of crime.”

**Host:** United Nations Office on  
Drugs and Crime

**Objective/Key Messages/Goals:**

Discuss the development and implementation of effective measures to address the economic dimension of crime and deprive criminals and criminal organizations of any illicit gains through, among other things, identifying, tracing, seizing, confiscating, recovering and returning crime proceeds.

**Representation:**

EG Chair, Hennie Verbeek-Kusters

## Annex E: EG Representation at International Events

**Date:** December 2, 2021

**Event/Interview:** In-Person Event – An Economy of Violence: Ensuring Global Accountability for ISIL Financing

**Host:** United Nations Investigative Team to Promote Accountability for Crimes Committed by Da’esh/ISIL (UNITAD)

### Objective/Key Messages/Goals

- ▶ The multilateral exchange of financial intelligence, combined with open-source information and law enforcement data, can be the key to unlocking covered facilitators of TF and their networks.
- ▶ FIUs with close relationships to domestic law enforcement and intelligence partners can generally exchange more operational information relevant to disrupting activities of TF facilitators and their networks.
- ▶ Cross-border wire transfer data is a valuable data category held by FIUs and is instrumental for mapping TF facilitation networks.
- ▶ Compliance policies are highly relevant. Know Your Customer policies prevent complicit actors from accessing financial systems and allow reporting entities to provide high-quality, timely STRs or SARs.
- ▶ Lone actors commit attacks solo but seldom act without outside influence or support.
- ▶ FIUs should regularly strengthen the practice of multilateral information exchanges at the international level, while PPPs and PPCs should continue as the basis for effective domestic coordination.
- ▶ Jurisdictions should guarantee their FIUs’ operational independence and autonomy and provide sufficient resources and legal basis to develop and exchange financial intelligence in a timely, coherent manner.
- ▶ FIUs should continue examining risks related to ISIL, Al-Qaida, and their affiliates’ financing activities to remain vigilant.

### Representation:

EGS Executive-Secretary,  
Jérôme Beaumont



## Annex E: EG Representation at International Events

**Date:** December 7, 2021

**Event/Interview:** In-Person Event – 5<sup>th</sup> Global Conference on Criminal Finances and Cryptocurrencies

**Host:** The Basel Institute on Governance, INTERPOL, and Europol

**Objective/Key Messages/Goals:**

Increase the capabilities of all relevant actors to successfully investigate and prosecute crimes with virtual assets involved and manage related risks for companies and national/global financial systems.

**Representation:**

EG Working and Regional Group  
Representative Nedko Krumov

**Date:** January 21, 2022

**Event/Interview:** Virtual Event – Protecting Europeans Against Financial Crime and the Financing of Terrorism Conference

**Host:** French Presidency of the Council of the European Union

**Objective/Key Messages/Goals:**

- ▶ Present cases where financial intelligence proved particularly valuable for practicing national authorities
- ▶ Present cooperation obstacles between FIUs, investigative authorities, and supervisors
- ▶ Explain to what extent and how national authorities successfully overcame these obstacles
- ▶ How do Public-Private Partnerships (PPPs) increase FIU effectiveness and improve financial intelligence?
- ▶ Identify principles to guide FIU's cooperation with investigative

authorities to enhance the operational use of financial intelligence in threat analysis and criminal proceedings, particularly regarding information sharing conditions.

- ▶ Explore ways to improve the quality of financial intelligence the private sector produces.
- ▶ Identify potential for improving FIUs' financial intelligence quality, particularly information sharing between FIUs and joint analyses. How does joint analysis work? Examples/best practices/lessons.
- ▶ To what extent does FIU-to-FIU cooperation lead to better information sharing, and does this cooperation improve obstacles experienced by investigators? How can cross-border collaboration be improved?

**Representation:**

EG Chair, Hennie Verbeek-Kusters

## Annex E: EG Representation at International Events

**Date:** January 21, 2022

**Event/Interview:** Print Interview – Following the Global Money Trail Edition

**Host:** Interpol Globe - a magazine dedicated to Chief of Police, Security Ministers, specialized LEAs and senior law enforcement officials in more than 200 countries.

**Objective/Key Messages/Goals:**

**Goal:** Illustrate the EG’s important national, regional, and global security work and showcase the excellent working relationship with INTERPOL.

**Key Messages:**

- ▶ The current global financial crime landscape from the EG perspective
- ▶ Principle trends, threats, and challenges, and regional and global crime links
- ▶ What Police Chiefs around the world need to know.
- ▶ The importance and impact of EG and INTERPOL cooperation

**Representation:**

EG Chair, Hennie Verbeek-Kusters

**Date:** February 2, 2022

**Event/Interview:** Virtual Event – 8 Months On – Challenges and Successes following the FATF’s Landmark 2020 Report on International Wildlife Trade

**Host:** United for Wildlife’s Financial Taskforce

**Objective/Key Messages/Goals:**

- ▶ Continue to raise the profile of IWT as a serious organized crime
- ▶ Provide practical advice and solutions
- ▶ Highlight the benefit of PPPs
- ▶ Discuss the challenges of financial investigations

- ▶ The EG’s current approach to addressing IWT and progress so far
- ▶ After a year, what has the reaction been to the “ECOFEL Report on Wildlife Crime” report, and what are its key takeaways
- ▶ Key changes that would ensure IWT is treated as a SOC
- ▶ Best practices and learnings around LEA and FIU engagement
- ▶ How financial institutions can better support FIUs in addressing IWT?

**Representation:**

EG Chair, Hennie Verbeek-Kusters

## Annex E: EG Representation at International Events

**Date:** February 7, 2022

**Event/Interview:** Virtual Event –  
FIU Autonomy - Building an Effective  
AML/CFT System

**Host:** FIU Latvia

**Objective/Key Messages/Goals:**

Why independence and autonomy are  
needed for effectiveness, and what will  
go wrong if they lose them

**Representation:**

EG Chair, Hennie Verbeek-Kusters

**Date:** February 15, 2022

**Event/Interview:** Virtual Event –  
Expert Discussions on Crimes that  
Affect the Environment

**Host:** United Nations Commission on  
Crime Prevention and Criminal Justice

**Objective/Key Messages/Goals:**

- ▶ Different modus operandi of criminals  
involved in environmental crimes

- ▶ National, regional, and international  
good practices in detecting,  
investigating, and prosecuting  
environmental crimes

- ▶ Challenges in addressing the illicit  
financial flows derived from  
environmental crimes and  
confiscating criminal proceeds.

**Representation:**

EG Vice-Chair, Anne-Marie Kemna

**Date:** March 3, 2022

**Event/Interview:** Virtual Event –  
WomeninFinCrime Summit

**Host:** AML Intelligence

**Objective/Key Messages/Goals:**

- ▶ Digitalization and moving away from  
traditional banking and its challenges

- ▶ Importance of information sharing  
between FIUs and where to improve

- ▶ The importance of gender balance

**Representation:**

EG Chair, Hennie Verbeek-Kusters

## Annex E: EG Representation at International Events

**Date:** March 15, 2022

**Event/Interview:** In-Person Event – Crime Prevention Conference

**Host:** World Police Summit

**Objective/Key Messages/Goals:**

- ▶ Importance of international cooperation to mitigate evolving financial crime and suppress terrorist financing

- ▶ Novel policies and procedures to counter illegal cryptocurrency transactions
- ▶ Role of LEAs in assisting FIUs in tracking down criminals and proceedings of terrorist financing

**Representation:**

EG Chair, Hennie Verbeek-Kusters

**Date:** March 15, 2022

**Event/Interview:** Broadcast Interview – Policing TV,

**Host:** Danny Shaw, Past BBC journalist and PolicingTV's Chief Presenter

**Objective/Key Messages/Goals:**

**Goal:** Importance of Partnerships – Specifically with LEAs

**Key Messages:**

- ▶ What the EG is, what it does, and how it works.

- ▶ The S=scale of ML/TF crimes
- ▶ How FIUs counter ML/TF
- ▶ How the pandemic has affected the nature and scale of ML/TF
- ▶ Specific issues at present, how the EG is addressing them, and the progress made

**Representation:**

EG Chair, Hennie Verbeek-Kusters

**Date:** March 16, 2022

**Event/Interview:** In-Person Event – Global Policing Innovation Exchange - An invitation-only private meeting for senior police officers to share best practices on innovative policing strategies and enhance collaboration to mitigate future challenges.

**Host:** Agence France-Presse

**Objective/Key Messages/Goals:**

Threats and opportunities for the near future, including those related to law enforcement, linked to technological development or innovation needs that the GPX could contribute.

**Representation:**

EG Chair, Hennie Verbeek-Kusters

## Annex E: EG Representation at International Events

**Date:** March 22, 2022

**Event/Interview:** In-Person Event – 2<sup>nd</sup> Session: The Potential Role of the GlobE Network to Promote Arab and Intl. Cooperation on Asset Recovery and Corruption.

**Host:** Arab Forum for Promoting International Cooperation in the Fight against Corruption. Fourth Session of the Conference of the States Parties to the Arab Anti-Corruption Convention Riyadh, Kingdom of Saudi Arabia

**Objective/Key Messages/Goals:**

- ▶ Background information on the EG and FIUs

- ▶ Why international cooperation is crucial for asset recovery
- ▶ How the EG can support the GlobE Network in promoting its anti-corruption agenda and international cooperation for asset recovery
- ▶ How FIUs support the asset recovery process and the fight against corruption

**Representation:**

EGS Executive-Secretary,  
Jérôme Beaumont

**Date:** March 29, 2022

**Event/Interview:** In-Person Event – Global Crypto Forum

**Host:** World Government Summit

**Objective/Key Messages/Goals:**

How governments and private stakeholders are shaping the world's economy as the world shifts towards digital economies and alternative currencies

**Representation:**

EGS Executive-Secretary,  
Jérôme Beaumont









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