The Egmont Group has made every reasonable effort to ensure that the information in this Egmont Group Annual Report July 2012 - July 2013 is accurate. The information is provided on the basis that all persons accessing it undertake responsibility for assessing its relevance, usefulness, and accuracy. The information does not constitute legal, professional or commercial advice. Anyone contemplating reliance on the information contained in this publication should seek independent or appropriate professional advice prior to doing so. The Egmont Group does not guarantee, and accepts no legal liability or responsibility in Egmont Group Annual Report to any loss or damage suffered arising from, or in connection with, the accuracy, currency, completeness or usefulness of the information in the Annual Report.

This publication is copyright. No part of this publication may be reproduced by any process without prior written permission from the Egmont Group Secretariat. Applications for permission to reproduce all of part of this publication should be made to:

THE EGMONT GROUP SECRETARIAT
Suite 910, 2200 Yonge Street
Toronto, Ontario M4S 2C6
CANADA

Tel: +1-416-355-5670    Fax: +1-416-929-0619

E-mail: mail@egmontsecretariat.org
Website: www.egmontgroup.org

Copyright © 2013 by the Egmont Group
# CONTENTS

**REMARKS BY THE OUTGOING CHAIR OF THE EGMONT GROUP** ...................................................... 1

**REMARKS BY THE INCOMING CHAIR OF THE EGMONT GROUP** .................................................. 2

**REMARKS BY THE EXECUTIVE SECRETARY** ..................................................................................... 4

**INTRODUCTION** ............................................................................................................................... 6

The Egmont Group of Financial Intelligence Units .......................................................... 6

Structure and Organisation of the Egmont Group of Financial Intelligence Units ................. 6

- Heads of FIU .......................................................... 6
- Egmont Committee .................................................. 7
- Egmont Group Secretariat ........................................ 7
- Working Groups ..................................................... 7
- Regional Groups .................................................... 7
- Egmont Secure Web ................................................ 7

Core of the Egmont Group of Financial Intelligence Units ................................................. 7

**THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS IN 2012-2013** ....................... 8

Charter Review Project ....................................................................................................................... 8

- Introduction ......................................................... 8
- Structure and Key Players ......................................... 8
- The Egmont Charter ................................................ 9
- The Principles for Information Exchange between Financial Intelligence Units ............... 10
- Operational Guidance for FIU Activities .......................... 10
- The Support and Compliance Process ................................ 10
- Securing an FIU – Operational Guidance .................. 11
- Egmont Group Partnership with Observers and International AML/CFT Partners ............. 11

Meetings and Outcomes .................................................................................................................. 11

- Ostend Working Group Meetings ............................. 11
- 21st Egmont Plenary and Heads of FIU Meeting .......... 11
  - New Egmont Group Members ................................ 12
  - Bilateral Cooperation Agreements ......................... 12
  - Training Sessions ................................................. 12

Working Group Highlights .............................................................................................................. 13

- Information Technology Working Group .................. 13
  - Egmont Secure Web (ESW) Refresh ......................... 13
  - Securing an FIU .................................................... 13
  - FIU IT System Maturity Model (FISMM) ................ 13
Legal Working Group .......................................................................................... 13
New Egmont Members .......................................................................................... 13
Charter Review Project (CRP) ............................................................................. 13
Operational Working Group .................................................................................. 13
ML/TF Through the Trade in Diamonds Project .................................................. 13
Mass Marketing Fraud Project ............................................................................ 13
FIU Powers Project ............................................................................................... 14
Financial Analysis ................................................................................................. 14
Securing an FIU Project ....................................................................................... 14
Terrorist Financing Methods Project ..................................................................... 14
Financial Reporting Project .................................................................................. 14
Outreach Working Group ..................................................................................... 14
Africa Outreach and Assistance Strategy ............................................................ 14
Oceania Outreach and Assistance Strategy ......................................................... 15
Training Working Group ...................................................................................... 15
Egmont Tactical Analysis Course (TAC) ............................................................. 15
Egmont Strategic Analysis Course (SAC) ............................................................ 15
Egmont AML/CTF Supervisory Course ............................................................... 16
Egmont Legal Entities and Financial Products Course (LEFP) ............................. 16
New Egmont Documents ...................................................................................... 16
Recognition ........................................................................................................... 16
Regional Developments ....................................................................................... 16
Africa Region ........................................................................................................ 16
Americas Region .................................................................................................. 17
Asia Region ........................................................................................................... 18
Europe Region ...................................................................................................... 18
Oceania Region .................................................................................................... 19
The Egmont Group in 2013 ................................................................................... 20

THE BEST EGMONT CASE AWARD (BECA) ......................................................... 22
2013 BECA Winner: UIAF, Colombia .................................................................... 22
Case from UIAF, Colombia ................................................................................... 22
Case from NFIU, Nigeria ....................................................................................... 24

APPENDICES
Appendix A - LIST OF EGMONT GROUP MEMBERS ........................................ 26
Appendix B - EGMONT COMMITTEE COMPOSITION (July 2013) .................. 27
Appendix C - GLOSSARY OF TERMS ............................................................... 28
Appendix D - ASSOCIATED WEBSITES .......................................................... 29
Appendix E - EGMONT CHARTER ................................................................. 30
Appendix F - EGMONT PRINCIPLES FOR INFORMATION EXCHANGE BETWEEN FINANCIAL INTELLIGENCE UNITS ................................. 46
Once in a while it is good to take a pause and think back. This is such a moment. Having stepped down from the chairmanship of the Egmont Group last July, I’m asking myself what the past three years have meant to me and for Egmont. When in 2010 I took up the challenge to chair this important forum, I did this with some dread, but also fully committed to its goals and ready to give it everything I had.

It is good to be ambitious, although without losing your sense of reality. In the past three years Egmont did make significant progress, but did we succeed in keeping the momentum of this splendid initiative towards an effective global FIU cooperation network? We certainly did in terms of quantity with the Group steadily growing and gradually filling in the blank spaces on the world map. We went through the laborious process of updating the Egmont key documents to keep them in line with the recent developments and new international standards. The main challenge for us, however, was and still is, the quality aspect of the information exchange.

With its Principles for Information Exchange, the Egmont Group has managed to bridge the difference between the various forms of FIUs, but other divergences - mostly related to the competence and powers of the FIU - still cause imbalances in the cooperation chain impacting on the quality of the information exchange. Membership of the Egmont Group is not a goal in itself, but also brings the obligation to fully commit to an effective cooperation: substantial instead of formal compliance. Minimalistic and protectionist attitudes have no place in Egmont. The Egmont Group is always under construction; we constantly need to go further into the enhancement of its objectives, as reflected in our Statement of Purpose.

However big the Group grows, it still owes everything to the hard work of a few. I cannot say goodbye as Chair without sincerely saluting these dear colleagues and friends committed to drive the Egmont Group forward, particularly the members of the Egmont Committee and the Secretariat. I feel honoured to have had the privilege to team up with them. Also, my salutations and support to Murray who has taken up this challenging, but altogether gratifying task. His skills and leadership qualities are just what Egmont needs in these crucial days.

This is not a definite farewell, however. I will still devote my efforts to the Egmont Group whenever I can as Head of the Belgian delegation. I was there when the idea of a global operational forum was no longer a dream, but came to life as the Egmont Group, and I will stay as long as I’m professionally active. Ad multos annos.

Boudewijn Verhelst
REMARKS BY THE INCOMING CHAIR OF THE EGMONT GROUP

Over the years, and with considerable effort, the Egmont Group of Financial Intelligence Units has built a well-functioning, credible system to allow member FIUs to exchange financial information so that the movement of the proceeds of crime and terror financing can be tracked. This system has gained international respect.

The Egmont membership itself has grown rapidly and now involves FIUs from 139 countries, making the organisation a significant body representing all regions of the globe. At the last Heads of FIU meeting, the new Egmont Charter was agreed to, and is the basis and framework for our future organisational development. We should give special recognition to those FIUs who participated in the Charter Review Project and who expended huge effort and resources in this successful process.

I’d like to give special praise to Mr. Boudewijn Verhelst, the outgoing Chair, whose energy and efforts for a number of years, has significantly contributed to the Egmont Group being where it is today. Mr. Verhelst presided over the organisation during a period of immense change, and he has steered the Egmont Group to become a central component in the global system to combat money laundering, associated predicate offences, and terrorist financing. I am exceedingly grateful to Mr. Verhelst for passing over the reins of the chairmanship of the Egmont Group in such good order.

Over the years, financial intelligence units have developed expertise in carrying out their responsibility for receiving, analysing, and disseminating financial information to law enforcement authorities. As always, however, FIUs face several very tough challenges if they are to be properly meaningful and if financial intelligence is to be properly impactful in today’s world. FIUs are often considered to be the cornerstone of anti-money laundering and combating the financing of terrorism systems (AML/CFT) in jurisdictions. Quite rightly, there is an expectation for FIUs to demonstrate how they provide value-added financial intelligence to those law enforcement authorities, prosecutors, regulators and supervisors, and others who are responsible for utilising their information. In the future, FIUs will also be expected to conduct strategic analysis and contribute to national ML/TF risk assessments in addition to their traditional role.

But the environment within which FIUs are operating is dynamic and constantly changing, and FIUs have to adapt and respond in order to remain relevant. Foremost amongst these is the need for FIUs to be able to receive and process large volumes of data, adapt to rapid technology changes, and to develop the capability to produce financial intelligence of use to a wider range of stakeholders. The FATF standards extend the range of predicate offences giving rise to proceeds of crime and illicit financial flows, and introduce a new set of responsibilities for FIUs.

The existence of the Egmont Group is the result of the commitment FIUs have made to come together, expend resources, and collectively address the challenges faced in developing effective and
efficient organisation, able to share information across borders and cooperate with one another. The Egmont Group has developed a solid platform for information sharing and cooperation, an achievement which must be sustained and indeed, enhanced.

Whatever the predicate crime, criminal proceeds are most often moved internationally and with increased speed. The Best Egmont Cases, included in the Egmont Group’s annual reports over the past three years, demonstrate the complexity and international nature of money laundering.

Financial Intelligence Units will need to keep pace with these developments and will rely on the Egmont Group to support them. It can be assumed that international cooperation will grow in importance in order to develop valuable financial intelligence. Structurally, FIUs need to cooperate with national and international partners and coordinate their actions in tracking criminal proceeds in the most efficient and effective ways possible. In many countries, the mandate of FIUs has already been broadened to include, for example, a role in detecting tax crimes and tracing funds that have evaded tax regimes. New developments in technology and the volume and value of financial flows raise risks for proceeds of crime to be moved between financial institutions in various jurisdictions at great speed. Understanding and detecting these criminal flows in a timely manner presents a major challenge for FIUs. So too does the challenge of FIUs exchanging this information with their counterparts as speedily as possible. I believe that it is not only individual FIUs that will need to adapt, but so too will the Egmont Group itself. It is only by doing so that it will be in a position to support its members worldwide to understand and face up to their challenges. Already the Egmont Group is considering ways to ensure wider participation and representation in its structures while simultaneously being able to address the diverse requirements of its members.

Recognising that there are significant areas of mutual interest and opportunities for cooperation between the Egmont Group and international organisations with an AML/CFT mandate, in July 2013, the Heads of FIUs approved a paper that enhances the existing relationship the Egmont Group of Financial Intelligence Units has with its AML/CFT partner organisations. While FIUs play a key role in anti-corruption efforts, combating bribery and corruption, combating tax crime, and AML/CTF regulation, these are common goals of many other organisations. Indeed, I believe that the distinct synergies which are possible between the Financial Action Task Force (FATF) and the Egmont Group, and which the current FATF President, Mr. Vladimir Nechaev, has made part of his priorities, provide us with a unique opportunity to consolidate the relationship between our organisations. Moreover, the Egmont Group should also look to better align itself with all of its other partners, including the IMF, OECD, UNODC, World Bank, and others.

I want to take this opportunity to express my sincere appreciation to the Egmont Group Heads of Financial Intelligence Units for communicating their faith in me by endorsing me as the new Chair of the Egmont Group of Financial Intelligence Units.

I am exceedingly privileged and proud to have been entrusted with leading the Egmont Group over the next period. I shall do so having been bequeathed a solid foundation to help us achieve our common objectives.

Murray Michell
I took up my role as the new Executive Secretary in September 2012 and embarked on this new challenge, principally because I saw the tremendous importance and potential of the Egmont Group of Financial Intelligence Units. Prior to accepting this position, my engagement with the Egmont Group of Financial Intelligence Units involved working as a Senior Financial Sector Specialist at the World Bank. This interaction allowed me the opportunity to formulate a unique perspective of the organisation and a better comprehension of its significance and capability.

The past year has been very productive on many fronts. The continued growth of the organisation resulted in having 139 members after the successful Plenary in Sun City, South Africa; the impressive work done on Egmont’s core documents, including the Charter, Principles, and Operational Guidance; the endorsement by the Heads of FIU of the Egmont Group Partnership with Observers and International AML/CFT Partners paper; the agreement in principle to have a Support and Compliance Process; the organisation’s increased standing in the revised FATF Recommendations; the successful Egmont Committee and Working Group meetings held in Ostend, Belgium; and the selection of a new Chair of the Egmont Group of Financial Intelligence Units. The Egmont Group of Financial Intelligence Units has a lot to be proud of in 2012-2013.

Over the past year, I have had the distinct pleasure to work closely with the staff of the Egmont Group Secretariat. The organisation is truly fortunate to have such a small group of dedicated, reliable, and enthusiastic professionals. Winston Churchill once remarked “so much owed by so many to so few.” Obviously, Winston Churchill was referring to possibly the “greatest generation,” but I believe this quote fairly and aptly describes the relationship between the 139 members of the Egmont Group of Financial Intelligence Units and the five-member staff of the Egmont Group Secretariat. The Heads of FIU are the governing body of the Egmont Group; the Working Groups are where the commitments of the organisation thrive; the Regional Representatives ensure that Egmont is inclusive, not exclusive; the Egmont Committee is an advisory council for the HoFIU; but the Egmont Group Secretariat is the glue that holds these entities together.

Over the past year, the Egmont Group Secretariat has had the privilege to work with other dedicated professionals from the Belgian FIU (CTIF-CFI) as we prepared and executed the Egmont Committee, Working Group, and Heads of FIU Interational meetings in Ostend, Belgium. Also, the Egmont Group Secretariat had the privilege to work with dedicated professionals from the South African FIU (FIC) as we prepared and executed the successful plenary meetings in Sun City, South Africa. We are grateful to the directors and staff of these two FIUs whose tireless efforts ensured the success of two very large and complex meetings.
I would be remiss if I did not recognise the contributions of the outgoing Chair of the Egmont Group, Mr. Boudewijn Verhelst and the Belgian FIU (CTIF-CFI). Mr. Verhelst served admirably as the Chair of the Egmont Group of Financial Intelligence Units and was very keen to promote the Egmont Group in meetings all over the world. The tremendous support which Mr. Verhelst received from the CTIF-CFI allowed the Egmont Group to have a notable presence in many AML/CFT and related forums. Also, a special thanks to Mr. Murray Michell, the new Chair of the Egmont Group of Financial Intelligence Units, for volunteering to lead this organisation over the next two years. I’d like to also express my gratitude to Ms. Bronwyn Somerville, the former Executive Secretary, whose guidance, friendship, and professionalism allowed me to undertake a smooth transition as the new Executive Secretary.

This report allows us a brief moment of reflection, but where we are going is more important than where we have been. The world is continuously evolving. Globalisation is upon us and complex money laundering, and terrorist financing schemes are on our doorsteps. The expectations and pressures for Financial Intelligence Units to deliver will continue to rise. The revised FATF Recommendations have already set the bar higher; many in and out of the AML/CFT community are looking to the Egmont Group of Financial Intelligence Units to be leaders in the fight against money laundering and terrorist financing. How will we address these challenges? How will we respond to appeals directed to the Egmont Group to do more in combating corruption, asset recovery, and to work more effectively and efficiently with our observers? How will we meet the challenges that FIUs will face in the next three, five or ten years? Are we willing to evolve to understand how financial intelligence can be better utilised? Do we have the stamina to address the real challenges to international cooperation and information exchange?

I say YES! We have the skills. We have the expertise. If we bring together our resources, we can effectively meet the aforementioned challenges. This will, however, require strategic planning, prioritisation, and a firm commitment from each member FIU to do their utmost to support and properly resource the efforts of the Egmont Group of Financial Intelligence Units. I look forward to working with you in achieving great things for the Egmont Group of Financial Intelligence Units.

Kevin Mark Stephenson
THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS

The Egmont Group is a non-political, operationally focused, international forum which leverages the capabilities of its membership to form a cooperative network of FIUs to exchange information to follow the suspected proceeds of crime when funds are located in different jurisdictions. Egmont Group FIUs are required to be operationally independent, thus allowing them to effectively examine potential criminal proceeds whatsoever the underlying offence and regardless of the organisation that takes the investigative lead.

Egmont member FIUs operate within the context of their national legislation and framework for combating money laundering and terrorist financing, and often play a vital role in the detection, identification, investigation, prosecution and confiscation of the proceeds of crime.

All Egmont member FIUs are required to meet the Egmont definition of an FIU and must be the central, national agency to receive reports of suspected money laundering or terrorist financing, analyse the reports received, and disseminate information for further investigation and the ultimate confiscation of assets. In responding to the ever-changing criminal landscape, many Egmont member FIUs have a range of powers to help them to better combat money laundering, associated predicate offences, and terrorist financing.

STRUCTURE AND ORGANISATION OF THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS

The Heads of FIU, the Egmont Committee, the Egmont Group Secretariat, Regional Groups, and the Working Groups make up the operating structure of the Egmont Group.

HEADS OF FIU

The Heads of FIU are the Egmont Group’s governing body. They make decisions on and endorse any development that affects the Group’s membership, structure, budget and principles. Decisions are reached by consensus. Their meeting is held once a year during the Egmont Group Plenary.
EGMONT COMMITTEE
The Egmont Committee serves as the consultation and coordination mechanism for the Heads of FIU, the Regional Representatives, and the Working Groups. Its primary functions include assisting the Egmont Group in a range of activities from internal coordination to representation at other international fora.

EGMONT GROUP SECRETARIAT
The Secretariat provides administrative and strategic support to the Heads of FIU, the Egmont Committee, and Working Groups. The Secretariat is headed by an Executive Secretary, appointed by the Heads of FIU. The Executive Secretary’s appointment is endorsed by the Heads of FIU and he reports directly to the Chair of the Egmont Group of Financial Intelligence Units.

WORKING GROUPS
In 1995, the Egmont Group created and mandated the activities of the Working Groups to accomplish its mission of development, cooperation and sharing of expertise. The Working Groups meet twice a year and report to the Heads of FIU. There are currently five working groups: Information Technology, Legal, Operational, Outreach, and Training.

REGIONAL GROUPS
There are five Regional Groupings each with their own regional representative(s). (See Annex B). The regional groups meet during the margins of the annual plenary meeting.

EGMONT SECURE WEB
The Egmont Secure Web (affectionately known as the ESW) is one of the lifelines of the Egmont Group of Financial Intelligence Units. This secure network allows member FIUs to share operational information directly, timely, and securely between colleagues. The continuous, generous financial and resource contributions of FinCEN, United States, have led to the ESW’s development, improvement, and constant evolution. The ESW has evolved as the life blood of the Egmont Group of Financial Intelligence Units.

CORE OF THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS
The revised Egmont Group of Financial Intelligence Units Charter, which was originally approved by the Egmont Group Heads of FIU in 2007, was updated and endorsed by the Heads of FIU in July 2013. It continues to be the key governing document of the Egmont Group and now provides greater clarity on the roles and functions of the component entities. The Statement of Purpose which continues to identify the raison d’être of the Egmont Group has also been incorporated. The Charter also formally recognises that the organisation’s strategic direction and priorities will be approved in the next Strategic Plan. The Egmont Group Committee and Heads of FIU are currently formulating the new Strategic Plan and it is anticipated that the new plan will be endorsed at the next Egmont plenary meeting.

ANNUAL REPORT 2012/2013
THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS IN 2012–2013

CHARTER REVIEW PROJECT

INTRODUCTION

In response to the aspirations of the Heads of FIU to improve the international standing of the Egmont Group, and to enhance the relationship of the Egmont Group with its international partner organisations, the Charter Review Project updated the core Egmont documentation to take into account developments in FIU to FIU information exchange over the last 10 years and to harmonise with the 2012 FATF Recommendations.

This project further defines the roles of observers within the Egmont Group, the interaction of the Egmont Group with observers and other international partners, and the development of procedures to enhance this type of cooperation. In the ever-changing environment of international cooperation on anti-money laundering and counter terrorist financing, the Egmont Group needed to look inward to examine its documents and procedures. The Charter Review Project team has achieved just that. After four successful years of operations of the Egmont Group under the original 2007 Charter, and with the publication of the revised FATF 40 Recommendation in 2012, it was necessary to amend the governing documents of the organisation. The Charter Review Project team has produced a more cohesive set of documents, which are interlinked and set out expectations for Egmont FIUs. This new set of documents will contribute to greater international cooperation and information exchange between FIUs.

STRUCTURE AND KEY PLAYERS

Over two years, all Heads of FIU were invited to provide input to the Charter Review process. Initially, the work was divided between two groups, the corporate group and the legal group. The Charter Review Corporate Group was comprised of representatives from the FIUs of Armenia, Australia, Canada, Egypt, France, Lebanon, Russia, Spain, Ukraine, the United States, and the Egmont Secretariat. The Corporate Group conducted a critical analysis of the Charter, including the internal structure of the Egmont Group, enhancing the role of the Egmont regions to promote greater access by members and non-members to the Egmont Group, accountability measures, external relations and operations of the Egmont Group, and mechanisms for addressing support for Egmont members and compliance with Egmont standards.

The Charter Review Legal Group was comprised of FIUs from Armenia, Bermuda, Canada, Croatia, France, Germany, India, Japan, Lebanon, Liechtenstein, Luxembourg, Mexico, Netherlands, Nigeria, Switzerland, Ukraine, and United States. The legal group focused on clarifying Egmont standards in relation to: the definition of an FIU, dissemination upon request, receiving information from reporting entities, Memoranda of Understanding, reciprocity, cases for refusal, obligations for the requested FIU, international diagonal cooperation, and postponement of suspicious transactions.

The groups’ work was continued by a Panel which was comprised of 17 FIUs from Armenia, Australia, Bermuda, Bosnia and Herzegovina,
The new documents contain caveats on the intention of each document for clarity and transparency, in particular with AML/CFT partner organisations, and assist in outlining membership expectations, as well as the relevant link to the *Egmont Support and Compliance Process*.

As can be seen in the diagram below, the primary Egmont documents are the *Egmont Charter* and *Principles for Information Exchange between FIUs*. These are obligatory documents and their elements are subject to the *Support and Compliance Process*. The *Operational Guidance for FIU Activities* is an evergreen, evolving guidance note that can assist FIUs to become more effective and efficient; its elements are not subject to the *Support and Compliance Process*.

**THE EGMONT CHARTER**

The *Egmont Charter* is the key governing document for the Egmont Group, as it highlights the organisation’s structure, and key roles. Key outcomes of the Charter Review Project include:

- The definition of an FIU appears in full, in accordance with FATF Recommendation 29.
- The incorporation of language previously contained in a separate document, the *Egmont Statement of Purpose*.

The Heads of FIU decided that in order to allow FIUs to make the necessary changes to meet the requirements in the *Egmont Charter and Principles*, there will be a transition period of 12 months, from July 2013 to July 2014, before FIUs will be expected to fully comply with these documents. Within the transition period, it is expected that member FIUs will take appropriate steps to meet the new Egmont standards.

**GOVERNING DOCUMENTS**

These are binding documents that govern the Egmont Group and its membership. A commitment is made to the contents within these documents: CHARTER / PRINCIPLES

**OTHER FOUNDATIONAL DOCUMENTS**

These are documents that identify processes or decisions. OPERATIONAL GUIDANCE / COMPLIANCE PROCEDURES / OTHER POLICIES AND PROCEDURES / AD HOC RULINGS OR RESOLUTIONS

**COMPLEMENTARY DOCUMENTS**

These are guidance related documents. PROJECT REPORTS / WG DOCUMENTS
• The iteration that all members commit to foster the widest possible cooperation and exchange of information with other Egmont Group FIUs on the basis of reciprocity or mutual agreement and following the basic rules established in the Egmont Principles for Information Exchange between Financial Intelligence Units (FIUs).

• The Egmont Charter recognises the importance of working with international partners and observers and developing synergies between the Egmont Group and other AML/CFT organisations.

• The definitions such as “FIU”, “Consensus”, “Members” and “Egmont Documents” have been added at the beginning of the Charter to clarify various terminologies. The Charter also documents the roles and responsibilities of the various entities within the Egmont Group, including: the Chair of the Egmont Group, the Egmont Committee, the Working Groups, the Regional Representatives, and the Egmont Group Secretariat.

THE PRINCIPLES FOR INFORMATION EXCHANGE BETWEEN FINANCIAL INTELLIGENCE UNITS

This document revises the 2001 Egmont Principles of Information Exchange between FIUs and outlines the required practices for information exchange between FIUs. This document is binding on all Egmont member FIUs and is intentionally high-level, to allow for necessary flexibility and to recognise the diversity in FIUs. Key elements of the new Principles include:

• Cross references to other, relevant Egmont and FATF documentation, such as the definition of an FIU, referenced in the Egmont Group Charter.

• Obligations for requesting and requested FIUs are defined more clearly.

• Unreasonable or unduly restrictive conditions are documented.

• Expectations on securing and protecting information held and exchanged by FIUs.

All aspects of the Charter and Principles for Information Exchange between FIUs are subject to the Support and Compliance Process.

OPERATIONAL GUIDANCE FOR FIU ACTIVITIES

This document is a compilation of guidance on operational items in relation to international cooperation, information exchange, and other activities relevant to FIUs. This document is non-binding; however, Egmont members are encouraged to view these guidelines as objectives for FIUs to achieve. It is expected that this document will evolve over time as the Egmont Group continues to advance its work on operational issues that are of importance to FIUs. Studies and projects of the Egmont Working Groups may influence this document, which may need to be updated accordingly.

The guidance is organised to support the Charter and Principles by providing guidelines to FIUs on the alignment with FATF Recommendations on FIU activities, and guidance for international cooperation and information exchange.

THE SUPPORT AND COMPLIANCE PROCESS

This Support and Compliance Process concept document builds upon the existing Egmont document titled Procedures Concerning Compliance with the Egmont Group Standards. The Egmont Support and Compliance Process provides a mechanism to identify members that are not in compliance with the Egmont Charter and Principles for Information Exchange between FIUs. This document’s aim is to positively engage members in order to enhance their effectiveness as AML/CFT global partners. The document outlines the compliance process and the support that will be provided for members in cases of non-compliance. The process was created with the direction set

1 This document is available on the Egmont public website at http://www.egmontgroup.org/library/egmont-documents.
out by the Heads of FIU. It was presented to the Heads of FIU for the first time at the 2013 plenary in South Africa and was approved in principle. The Egmont Committee was charged with continuing the work on this document. It is anticipated that the final Support and Compliance Process document will be approved by the Heads of FIU at the next Egmont plenary meeting.

SECURING AN FIU - OPERATIONAL GUIDANCE

In keeping with the operational nature of the Egmont Group and in the interest of promoting international cooperation between FIUs, the Securing Financial Intelligence Units Manual was developed. This manual includes comprehensive measures needed for an FIU including physical, personnel, information management, and IT security. The document contains detailed guidance for current and future Egmont members to help evaluate and address any security issues within their FIU. While this document is not binding on Egmont members, it is seen as guidance for minimum standards required by FIUs to achieve full security for their organisation. Due to the confidential nature of the information exchanged between FIUs, physical, personnel and information security is paramount.

EGMONT GROUP PARTNERSHIP WITH OBSERVERS AND INTERNATIONAL AML/CFT PARTNERS

The Egmont Group is part of a wider global network of international organisations and civil society organisations, which work to combat money laundering, associated predicate offences, and terrorist financing. Organisations, such as the International Monetary Fund (IMF), the World Bank, the Financial Action Task Force (FATF), all FATF Style Regional Bodies (FSRBs), the UN Office on Drugs and Crimes, the organisation for Security and Cooperation in Europe (OSCE), and others, are instrumental to the international fight against ML/TF and have similar mandates to the Egmont Group. A better defined approach to interaction with external stakeholders was needed to improve international cooperation in the fight against ML/TF. Thus, in July 2013, in South Africa, the Heads of FIU approved a paper that enhances the existing relationship the Egmont Group of Financial Intelligence Units has with its AML/CFT partner organisations. This paper allows the Egmont Group of Financial Intelligence Units to be more open with its partner organisations and allows for more open dialogue.

MEETINGS AND OUTCOMES

OSTEND WORKING GROUP MEETINGS

The Egmont Group held Working Group meetings, an Egmont Committee meeting, and an Intersessional meeting of Heads of FIU in Ostend, Belgium from January 20–25, 2013. This very successful event hosted by the Belgian Financial Intelligence Processing Unit (CTIF-CFI), was attended by over 200 delegates from 73 FIUs, including six candidate FIUs and ten international organisations.

21ST EGMONT PLENARY AND HEADS OF FIU MEETING

The 2013 Plenary Meeting was hosted by the South African Financial Intelligence Centre in Sun City, from July 1 – 5, 2013. This was an auspicious occasion as the plenary was held in the Africa region for the very first time in Egmont history. The Egmont Plenary and Heads of FIU Meeting, held annually, bring together the Egmont member FIUs and observer organisations for training and in-depth discussions to further the development of the international FIU network.

The plenary meeting which was chaired by Mr. Boudewijn Verhelst, outgoing Chair of the Egmont Group, and Mr. Murray Michell, Director of the Financial Intelligence Centre of South Africa and the incoming Chair of the Egmont group, was attended by more than 380 participants, representing FIUs from 107 jurisdictions and 15 international organisations. The geographical
location of the event also enabled many representatives from African financial intelligence units to participate in the meetings, attend the training sessions, and take advantage of valuable networking opportunities.

**New Egmont Group Members**

Eight FIUs were welcomed into the Egmont Group as new members, bringing the Egmont Group membership to 139. The new members are CTRF, Algeria, BFIU, Bangladesh, UIF-Bolivia, CENTIF-Burkina Faso, Seychelles FIU, CENTIF-Togo, FIU Trinidad and Tobago, and AIF Holy See (Vatican City State). Representatives from the eight new jurisdictions were formally welcomed by the Co-Chairs at the Heads of FIU Meeting.

**Bilateral Cooperation Agreements**

In addition to the growth in membership, more than 53 bilateral cooperation agreements were signed between Egmont members. While not required by the Egmont Group, the cooperation agreements clearly demonstrate the commitment and willingness of Egmont members to work together across borders in the exchange of information.

**Training Sessions**

The Training Working Group coordinated 13 training topics during the 21st Egmont Plenary, focusing on subjects of operational relevance to FIUs. In order to reach out and involve as many participants as possible, seven of the training sessions were conducted twice. The total number of training sessions was 20. Analysis of the feedback received from participants and speakers involved in the 2012 training sessions indicated a strong demand for more training organised along linguistic and regional lines. In order to respond to the linguistic and regional diversity within the Egmont Group target audience, it was decided to offer four sessions in Arabic, French, Spanish, and Russian. The Egmont Group is grateful to all of the session Champions and speakers, and recognises the contributions that were made by external speakers from the Nigerian Federal Inland Revenue, the International Monetary Fund, the Wolfsberg Group, and the World Bank.

Below is a list of the training sessions that transpired:

- **Session A** International Cooperation (English)
- **Session B** International Cooperation (Spanish)
- **Session C** Financial flows related to Afghan opiate trafficking (Russian and English)
- **Session D** Cross-border Cash flows and the Quality of STRs (Arabic)
- **Session E** National Risk Assessments
- **Session F** AML & Corruption
- **Session G** Membership Procedures for Sponsors
- **Session H** Terrorist Financial Analysis Course
- **Session I** Serious Tax Crimes as a Predicate Offence to Money Laundering
- **Session J** The implications of the revised FATF Recommendations on the Private Sector: Risk Assessments, PEPs and Tax Crimes.
- **Session K** Securing an FIU
- **Session L(a)** International Cooperation – Sharing of Experiences in the African context (English)
- **Session L(b)** International Cooperation Workshop for African FIUs (French)

Sessions E, F, G, H, I, J and K were repeated in order to maximise the attendance opportunities for participants. Participants were, therefore, able to attend up to five training sessions over the course of the plenary week. The feedback will be evaluated by the Training Working Group and lessons learned will be used to improve future training events.
WORKING GROUP HIGHLIGHTS

INFORMATION TECHNOLOGY WORKING GROUP

Egmont Secure Web (ESW) Refresh
The ESW is a secure and reliable channel of communication between FIUs. The system has gone through many improvements that mainly focused on methods of communication and tools for FIUs to exchange information through the ESW communities. Hardware and some software components, including virtual token technology, have been put into place in the ESW environment. The ESW has now moved to state-of-the-art virtual server technology, as well as the latest in authentication technology (virtual tokens).

Securing an FIU
This project led by FinCEN, United States, and IMPA, Israel, was conceived to provide FIUs with best practices in relation to security measures. The significance of this project has increased in light of the revised FATF Recommendations. The best practice guide for securing an FIU was produced, covering the areas of personnel, physical and IT security. The ITWG provided their expertise concerning IT security. Members of the ITWG agreed that the Securing an FIU project should be included in the Egmont Support and Compliance Procedure document as best practice. A training session on this topic championed by IMPA, Israel took place during the 21st Egmont Plenary in South Africa.

FIU IT System Maturity Model (FISMM)
The ITWG has continued to improve the FISMM project, with the introduction of version 1.4 which was disseminated to all members of the ITWG through the ESW. FISMM is a comprehensive framework to enable FIUs of different sizes to assess the maturity level of their IT systems. This model also assists in process improvement, IT strategy formulation and identification of required functionalities for evaluation of software products in the FIU environment. The FISMM is a self-evaluation tool to help FIUs define their current IT systems, including: where they stand, where they want to be, and how they can get there. ITWG members also discussed structured sharing experience of software packages.

LEGAL WORKING GROUP

New Egmont Members
The Legal Working Group, in coordination with the Outreach Working Group, continued its work with candidate FIUs to assist them in their application for Egmont membership. During the year, the LWG reviewed the membership of 11 candidate FIUs, eight of which were admitted as members during the 21st Egmont Plenary in South Africa. The Heads of FIU endorsed the recommendation of the LWG concerning the re-admission of former Egmont member UIF, Bolivia after legislative changes were made to introduce terrorist financing legislation.

Charter Review Project (CRP)
The Legal Working Group worked with the other Working Groups on the CRP, focusing on the legal aspects of the proposed changes. The LWG proposed necessary changes to the Compliance Procedure in light of the new FATF recommendations.

OPERATIONAL WORKING GROUP

ML/TF Through the Trade in Diamonds Project
This project, completed jointly with the FATF and led by IMPA, Israel, focuses on money laundering and terrorist financing vulnerabilities through the trade in diamonds. The project team collected information from mining, diamond trading and diamond market jurisdictions, and examined the risks of money laundering and terrorist financing in the different sectors of the global diamond trade. A project report will be published on the FATF and Egmont public websites (www.egmontgroup.org/library/egmont-documents).

Mass Marketing Fraud Project
A project led by FinCEN, United States examined global money flows relating to mass marketing fraud schemes. The project team report compiles examples of mass marketing fraud cases, terms, and trends based on cases from member jurisdictions.
Financial Reporting Project
The Financial Reporting project, led by the FIU Peru, is concerned with improving the relationships that FIUs have with reporting entities in order to ensure FIUs effectively receive good quality Suspicious Transactions Reports.

OUTREACH WORKING GROUP
The work carried out this year by the Outreach Working Group focused on further enhancing the role of the Egmont Group by appealing to jurisdictions in Asia, Africa, and the Caribbean. The members of the group hold the opinion that a larger, more inclusive organisation is an important component in combating ML/TF. The Outreach Working Group considered membership applications from ten FIUs, and recommended that eight FIUs be admitted at the 21st Egmont Plenary in South Africa.

Africa Outreach and Assistance Strategy
The FIUs of Brazil, Cameroon, Egypt, France, Mauritius, Nigeria, Portugal, Senegal, South Africa, and the United States continue to play a lead role in the Africa region sponsoring emergent FIUs. Their work supports one of the primary objectives of the Outreach Working Group which is to conduct assessments to determine if an FIU is ready for Egmont membership. For this purpose, the group relies on the sponsors conducting an on-site visit and producing an On-site Assessment Report attesting to the operational and legal status of the applicant FIU.

Through its practice of inviting up and coming financial intelligence units as Observer FIUs, the Outreach Working Group gives the representatives of these FIUs an opportunity to share information on their units during the open session of their meeting. This opens up lines of communication and enables the Outreach Working Group to raise questions concerning these units directly with their representatives. The Observer FIUs in attendance at this year’s plenary meeting were as follows: UIF, Angola; CENTIF-Benin; NAFI, Chad; FIC, Ghana; CENTIF-Niger; and FIC, Zambia. Another extremely positive outcome was that these non-Egmont FIUs were able to attend the operational training sessions.
In addition, the group held a joint Awareness Raising seminar with GIABA in Dakar, Senegal from November 29 – 30, 2012. The seminar focused primarily on sharing information concerning the Securing an FIU Project, Best Practices, and membership procedures. The seminar was attended by 50 representatives from 25 FIUs and/or international organisations, including the FATF, the three FSRBs in the region, and the UNODC West Africa programme. This was the third consecutive year that such an event was held, broadly serving the Africa strategy. The Egmont Group recognises and thanks the excellent organisational efforts of the GIABA Secretariat for providing the venue and interpreting at this seminar. The Egmont Group also expresses appreciation to all of the speakers which included experts from ESAAMLG, FATF, GIABA, UNODC, CENTIF-Senegal, CTIF-CFI, Belgium, FinCEN, United States, FINTRAC-CANAFE, Canada, and SEPLAC, Spain.

**Oceania Outreach and Assistance Strategy**

AUSTRAC, Australia, APG and international organisations, in close cooperation with other Egmont member FIUs of the Oceania region, continued to play an important role in supporting and assisting FIU development in the Oceania region. The typologies event held in Brisbane in March 2013 for the 14 Pacific region jurisdictions, was an initiative inspired by the Egmont Group’s Oceania Outreach and Assistance Strategy whose specific objective is “to promote Egmont Group membership of FIUs in jurisdictions of the Oceania region by providing potential candidates with information, technical assistance and support.” The OWG looks forward to further opportunities for joint work in this region, to support FIU development and candidates for Egmont membership.

**TRAINING WORKING GROUP**

**Egmont Tactical Analysis Course (TAC)**

The main goal of the three-day course is to develop an understanding of the principles of financial analysis. The course has been delivered to over 1,000 participants in more than 151 jurisdictions in cooperation with the World Bank and the FSRBs. The course will continue to be delivered on an ad-hoc basis.

**Egmont Strategic Analysis Course (SAC)**

This introductory level course is designed for FIU analysts, with the goal of increasing their ability to perform strategic analysis. The course was initiated with the help of the World Bank, the UK Department for International Development (DFID), and QFIU, Qatar.

It has been another positive year for the SAC with the delivery of four courses in Greece, Kazakhstan, Kenya and Thailand. The 2012 courses in Kenya and Thailand were over five days and attracted 60 participants from nine and 15 FIUs respectively.

A regional SAC workshop was held in Borovoe, Kazakhstan from April 1 – 3, 2013. The workshop was organised by the World Bank, the Committee on Financial Monitoring of the Ministry of Finance (FIU Kazakhstan), the Egmont Group, the EAG, the United States Embassy in Kazakhstan, and the ITMCFM (Russian Training Centre). Thirty FIU analysts and specialists from the following 13 jurisdictions participated in this event: Armenia, Azerbaijan, Belarus, China, Montenegro, Kazakhstan, Kyrgyzstan, Russian Federation, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The training materials were translated into Russian, thanks to the World Bank, the Russian and the Ukrainian FIUs. Most of the sessions were interactive and involved case study exercises. A joint SAC was organised with the European Commission in Greece in May 2013.

The Training Working Group holds the view that a proactive approach is necessary with respect to the SAC and other training projects under development. Exploratory work is being carried out with a view to the delivery of a joint SAC for the Western Hemisphere involving collaboration between two FSRBs and three Egmont members, with potential funding from two jurisdictions and one international organisation. It is important for other regional groups to pursue similar delivery objectives, as the relevance of the SAC will increase
due to the requirement in the new Egmont documents and FATF recommendations for FIUs to conduct strategic analysis. It is considered that analysts from all FIUs, regardless of their maturity level, can benefit from this course.

**Egmont AML/CTF Supervisory Course**
This course focuses on supervisory and regulatory responsibilities of FIUs. This course will assist member FIUs that have a supervisory mandate to further enhance their programmes. The four-day pilot of the course was delivered in Ottawa, Canada in January 2013. The material has been finalised and has been made available to Egmont FIUs on the Egmont Secure Website.

**Egmont Legal Entities and Financial Products Course (LEFP)**
This is an advanced tactical analysis course focusing on legal entities and financial products. The course will provide analysts with refined skills and enhanced knowledge on legal entities and financial products. This year, the project team will develop a comprehensive course program to be presented at the end of 2013. FIUs are required to provide case studies to support the development of the course.

**New Egmont Documents**
As a result of the revised FATF standards and the updated Egmont founding documents, the TWG has decided to develop a training package on the new Egmont documents. This document package will be used to raise awareness of the new changes in the Egmont documents and enhance the understanding of FIU staff of how these changes will be manifested operationally. A project group will be set up with representatives from all regions and Working Groups. Rosfinmonitoring, Russia, FINTRAC-CANAFE, Canada, and FIU-Mexico have given an undertaking to resource interpreting into Russian, French and Spanish at the plenary next year. Egmont is very grateful to them and to other members who are able to make such valuable contributions. The awareness raising package will be ready in its shorter version for the next Working Group meeting on February 17–19, 2014, and in its longer, more comprehensive version for the next Egmont plenary meeting on June 2-6, 2014.

**Recognition**
It is fitting that recognition is given here to the support, commitment and contributions that are made by the financial intelligence units which are chairing and vice-chairing the Working Groups. Their guidance provides innovative and pragmatic solutions to problems which face those working within AML/CTF and provides valuable assistance to the Egmont Group.

**ITWG Chair** .......................... FIU-NL, Netherlands
**ITWG Vice-Chair** .................. Vacant
**LWG Chair** ................................. UIF, Italy
**LWG Vice-Chair** .................... FIA, Bermuda
**OpWG Chair** ............................. IMPA, Israel
**OpWG Vice-Chair** .................... FMC, Armenia
**OWG Chair** ............................... SEPBLAC, Spain
**OWG Vice-Chair** .................... CENTIF-Senegal
**TWG Chair** ............................... EFFI, Liechtenstein
**TWG Vice-Chairs** .................. FIS, Guernsey and MOT, Aruba

**REGIONAL DEVELOPMENTS**

**AFRICA REGION**

There were very positive results in the Africa region in 2013. The admission of four new African FIUs to the Egmont Group (Algeria, Burkina Faso, Togo, and Seychelles) demonstrated the success of the Africa Outreach and Assistance Strategy.
The number of Egmont members from the Africa region now stands at 16.

At the third ESAAMLG forum meeting held in Mozambique in August 2012, the Presidency of ESAAMLG was officially handed over to Mozambique from Mauritius. A three-year programme to promote financial inclusion was agreed and will be implemented in collaboration with the Alliance for Financial Inclusion (AFI).

In October 2012, the Indian Ocean Commission (IOC) launched a two-day event on the fight against money laundering from piracy that was held in Seychelles. The objectives were to examine the legislative and capacity needs for Somalia to analyse, investigate and track money from piracy. During GIABA’s 69th ordinary session, the ECOWAS Council of Ministers approved the admission of Sao Tome and Principe as a full member, and the Comoros Island as an observer of GIABA. The GIABA and the FATF held a joint typologies workshop in Senegal in November 2012.

**AMERICAS REGION**

The Egmont members of the Western Hemisphere have created a community page called “The Community of the Americas” on the ESW. This community enables the members to share information, trends and patterns about ML/TF as well as training opportunities.

The Americas region is piloting a project to develop and deploy a regional action plan that will identify opportunities for joint Egmont/CFATF work. This plan will promote on-going partnerships between Egmont and the CFATF on a wide range of FIU-related subjects. Mr. Boudewijn Verhelst, the outgoing Chair of the Egmont Group, addressed the CFATF Plenary in Managua, Nicaragua where he offered support of the Egmont Group to regional initiatives and highlighted the importance of joint Egmont/CFATF regional projects.

The CFATF Typologies Working Group is currently finalising a typology research project focusing on Human Trafficking and the Smuggling of Migrants in the CFATF region.

During the 25th Plenary of GAFISUD that took place in Santiago, Chile, the organisation reduced sanctions against Brazil following the approval of a law concerning payments to international organisations on AML/CFT. In addition, all members of GAFISUD have submitted the 7th follow-up report about the FATF third-round of evaluations.

Cuba was accepted as a new member of GAFISUD during its 26th plenary meeting in December in Buenos Aires, Argentina.

A regional workshop on financing of terrorism took place in San Jose, Costa Rica in September 2012. The workshop was a joint cooperation venture of the GAFISUD Executive Secretariat, Inter-American Committee against Terrorism (CICTE), United Nations Office on Drugs and Crimes (UNODC), and the Costa Rica FIU. The workshop focused on the implementation of international standards against the financing of terrorism. The main risks, special investigation techniques and management of intelligence were among the topics which were discussed.

GAFISUD organised a workshop on Risk-Based Analysis in Puntarenas, Costa Rica in October 2012. Additionally, a workshop was held in Cartagena de Indias, Colombia in November 2012 on the subject of self-evaluations in relation to the new international standards to counter money laundering and terrorist financing.
EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS

ASIA REGION

In the Asia region, most efforts have focused on legislative and regulatory framework development to further strengthen the AML/CFT regime in various jurisdictions.

In January 2013, Qatar’s Central Bank hosted the 5th regional workshop in Doha on “Preventing Abuse of the Non-Profit Sector for the Purposes of Terrorist Financing.” The workshop enabled participants to develop a common understanding of regulatory approaches to the risk of non-profit sector abuse for the purpose of terrorist financing. The workshop was organised by the UN Counter-Terrorism Committee Executive Directorate (CTED) and the Centre on Global Counter Terrorism Cooperation (CGCC), on behalf of the United Nations Counter-Terrorism Implementation Task Force (CTITF).

The first ever joint meeting of the Egmont Group and FSRBs took place in April 2013 in Doha, Qatar. The meeting was aimed at strengthening cooperation between the regional and international bodies in combating money laundering and terrorist financing.

AMLU Jordan organised a training course titled “Investigating, Prosecuting, and Adjudicating Money Laundering Cases” in cooperation with the World Bank in May 2013. The training course addressed important issues related to money laundering offences and the analysis of suspicious transaction reports. The course focused on the requirements of international cooperation in the field of combatting money laundering and organised crime, and the preparation of mutual legal assistance requests. A regional workshop on best practices, related to money laundering and cash crimes, was held in Riyadh, Saudi Arabia in April 2013. This workshop is the second to be held in the framework of cooperation between the FIU Saudi Arabia and the US Department of Treasury.

The Indonesian government enacted a new Counter Financing of Terrorism law in 2013, which gives the PPATK, Indonesia additional powers to freeze bank accounts and seize assets of terrorists and those who finance them. KoFIU, Republic of Korea hosted the APG workshop on FATF standards in December 2012. More than 60 participants from seven North-East-Asian countries attended the workshop to discuss the new aspects of the FATF recommendations. KoFIU, Republic of Korea has hosted several training sessions for delegates from the financial intelligence units in Mongolia, Myanmar and Brunei. These sessions have provided an overview of Korea’s AML/CFT regime, IT system and analytical techniques.

FIU-IND, India provided training for officers of the BFIU, Bangladesh and the Anti-Corruption Commission (ACC) of Bhutan which enabled the participants to gain a better understanding of the AML/CFT regime in India, regulation and supervision of ML/TF, and the operational aspects of the Indian FIU.

EUROPE REGION

The Eurasian Group (EAG) held its plenary meeting in May 2013 adopting the typologies study “Money Laundering Through Securities Market.” In addition, the joint EAG/Egmont workshop on Information Technologies took place during the plenary week.
The FIUs of the European Union have elaborated proposals to amend EU legislation on FIUs. These proposals concern reporting on financial movements between two or more European countries, the definition and core functions of an FIU, access to bank account information, and the creation of a new EU FIUs forum.

Two workshops on international cooperation and asset recovery took place in Baku, Azerbaijan (March 2013) and Batumi, Georgia (June 2013) by the AML/CFT project team for Georgia, Ukraine, Azerbaijan and Moldova.

**OCEANIA REGION**

The AUSTRAC, Australia Pacific Program commenced in May 2009 and was aimed at enhancing the AML/CFT capabilities of FIUs in the Pacific Region. The program delivered operational capacity building to the 14 FIUs in the Pacific Island Forum Countries. The nominated priority jurisdictions for 2012-13 were Tonga, Samoa, Marshall Islands and Vanuatu.

Under the Pacific Program, the following activities took place:

- A five-day Pacific Regional workshop on the revised 40 FATF Recommendations and Pacific typologies. The workshop was attended by 60 delegates from 15 jurisdictions and various regional bodies.

- Four typologies related papers were introduced during the workshop, led by volunteering Pacific jurisdictions.

- A four-day bilateral workshop in collaboration with the SFIU, Samoa produced a risk assessment of the reporting sectors in Samoa in order to enhance the regulatory framework. Workshop involved law enforcement and regulatory agencies, and also resulted in further development of AML/CTF networks.

- A five-day bilateral workshop on enhancing the regulatory framework in Tonga took place in April 2013 with the FIU and National Reserve Bank of Tonga. During this workshop a risk assessment for all reporting sectors was completed and a practical supervisory plan was developed. A formal analyst/operational network was started, involving all of the relevant AML/CTF agencies, which will meet on a regular basis.

- A four-day sub-regional workshop on strengthening borders and enhancing agency coordination in Micronesia took place in collaboration with the PFIU, Palau, Financial Institutions Commission (ROPFIC) and the APG. The workshop focused on bringing together all the relevant AML stakeholders in Palau, Federated States of Micronesia and the Marshall Islands in order to share experiences and knowledge, raise awareness of local and international standards and develop ways to collaborate into the future.
THE EGMONT GROUP IN 2013

LEGEND

- 105 FIUs that joined the Egmont Group between 1995 and 2007
- 26 FIUs that have joined between 2007 and 2012
- New Egmont Members 2013
- Non-Egmont Group members

CARIBBEAN MEMBERS
The Best Egmont Case Award, a Training Working Group initiative led by the Egmont Group Secretariat, is now into its third year. The objectives of this initiative are to:

- Provide useful, varied and well-defined ML/TF cases.
- Provide detail concerning the methods and techniques used in laundering criminal proceeds.
- Provide incentives for FIUs to share case information.

In 2013, 18 cases were received from 20 of the 131 member FIUs. The cases were judged by a panel of FIU representatives who came forward on a voluntary basis. We acknowledge the support that the panel representatives of the following FIUs have given this year:

- FMS, Azerbaijan
- FIA, Bermuda
- FIU-LUX, Luxembourg
- FIU-Mexico
- AMLO, Thailand

The case submissions were required to meet a number of criteria, including:

- Demonstrate that the role of the FIU was material to the development of the case.
- Provide evidence of effective international or domestic collaboration which contributed to a more successful outcome.
- Illustrate that effective feedback enhanced the development of the case and contributed to a positive outcome.
- Present a high-level of complexity, including: a variety of money laundering techniques and methods; the size and the source of the funds involved; the number of agencies; and jurisdictions involved.
- Provide value to all Egmont Member FIUs as an informative case example.

2013 BECA WINNER: UIAF, COLOMBIA

The Financial Intelligence Unit of Colombia (UIAF, Colombia)² conducted extensive work on a money laundering case between May 2011 and September 2012, which resulted in the largest asset forfeiture case that the Anti-Money Laundering Unit of the Attorney General’s Office has ever initiated.

---
² An administrative unit under the Ministry of Finance and Public Credit.
The case involved a drug-trafficking organisation linked to various illegal armed groups, which are either under investigation or prosecution, or subject to asset forfeiture procedures under the direction of the Colombian Attorney General’s Office.

The UIAF contributed to the case by producing financial and economic intelligence, which involved cooperation with national and international intelligence agencies (including other FIUs). This assistance coordinated by the UIAF was critical in the success of this operation.

The investigating unit with UIAF assistance were able to detect financial products and assets to the value of $790 million US dollars which involved 309 people and 88 companies and corporations in this criminal enterprise.

The collaboration between the UIAF and the specialised money laundering and asset forfeiture prosecutors working in the Attorney General’s Office, has resulted in the freezing of $528 million US dollars\(^3\) worth of assets. These assets derive from 210 properties, 25 societies and 20 commercial establishments.

The UIAF produced an economic impact assessment of this case and estimates that for every peso\(^4\) laundering\(^5\):

- The industrial sector failed to produce $1 peso.
- Homes decreased their consumption by $0.7 pesos.
- The government failed to invest $0.6 pesos; businesses failed to receive $0.4 pesos.
- The economy failed to save $0.2 pesos.

In aggregated terms, every peso laundered adversely impacted economic growth and overall well-being by $2.9 pesos.

Another way to understand this impact is to consider that the $528 million US dollars that are being subject to asset forfeiture proceedings, reduced the rate of growth of Colombia’s GDP by 0.7% of its total. This would equate to approximately $2.6 billion US dollars\(^6\) of Colombia’s total GDP of approximately $369 billion US dollars for 2012. The afore-mentioned $528 million US dollars-worth in assets could have also reduced the National Central Government’s Fiscal Deficit by 4%.

Beyond the magnitude of the assets which have been identified and frozen to date, and the economic impact, the Colombian experience is a valuable subject of study for three reasons:

1. **Money laundering and financing of terrorism typologies.** This case demonstrates particular criminal dynamics, three of which are worth highlighting:
   
   a) Independent networks of front men that have a structural function similar to that seen in terrorist cells in star-type networks and that launder money from a drug-trafficking organisation.

   b) Criminal convergence among groups that is different in kind and in ideology, but which collaborate in pursuit of a common goal of financial gain.

   c) Money laundering through the real sector of the economy (as opposed to the financial sector), which in this particular case, included the agro-industrial, livestock, logistics, construction, commercial, and real-estate sub-sectors of the economy.

2. **Money laundering intelligence and investigation practices.** Due to the size and structure of the criminal organisation, work had to be carried out in parallel and independent phases, allowing analysts to hone in on different branches of the organisation. This approach facilitated the detection of a highly complex criminal network and improved the understanding of each branch of the criminal organisation and their modus

---

\(^3\) According to estimates from the Attorney General’s Office.

\(^4\) The impacts are calculated in Colombian pesos given that the methodology employed was designed for assessing values that apply to Colombia’s national economy. Changing the values to other currencies could alter the reliability of the results.

\(^5\) The methodology used to calculate the estimated economic impact of money laundering is based on a “multipliers matrix” and a “social accountability matrix”, two instruments that have grounds in studies produced by Colombia’s National Planning Department since the 1980s to assess socio-economic impacts in general (not money laundering specific).

\(^6\) Applying the 2012 average exchange rate.
operandi. This, in turn, helped judicial authorities perform their functions with greater speed.

3. Cooperation of law enforcement and other authorities. Each branch of the case was developed with input derived and acquired from different sources of information which included suspicious transaction reports, open-source information, and information shared by and discussed with other intelligence agencies both domestically and overseas. In this case, a South American FIU, a European FIU, and other foreign intelligence agencies collaborated with the UIAF in the exchange and verification of information. The information shared through Egmont Group channels and face-to-face meetings was crucial in the detection stage and in the disclosure of information to the Attorney General’s Office. This mechanism generated feedback and discussion, which in turn enhanced the understanding of the case (including data cross-checking and corroboration) and is credited for increasing the prosecutors’ ability to investigate and ensure asset forfeiture.

The UIAF attributed the success of this case to their proactive approach to financial intelligence, which has been developed since 2010 and applied since early 2011 based on the view that financial intelligence units are in a privileged position charged with responsibility to impact on criminal organisations and diminish their financial sustainability. This is the ultimate goal of any effective anti-money laundering and countering terrorist financing system.

The proactive approach of the UIAF was assisted by the implementation of a Systemic, Ample and Bidirectional work model. The innovative economic intelligence techniques applied in this case by the UIAF was recognised internationally and won them the Best Egmont Case Award for 2013.

The model adopted by the UIAF sets the standard for systemic cooperation and coordination among national and international actors enabling FIUs to amplify and widen their sources of information and improve information-sharing methods. It generates and promotes feedback within the actors that make-up the AML/CTF system and includes the whole spectrum of detection, prevention, investigation and prosecution activities carried out by the various entities and promotes continued cooperation.

A member of the Egmont Group of Financial Intelligence Units since the year 2000, the UIAF has sought to contribute actively to the Group’s best practices and believes that the proactive intelligence-led methods developed and implemented by the FIU since 2011, contributes to a more effective AML/CFT system domestically and worldwide. The UIAF believes it can be a useful reference for other Egmont Group members as it results in more tangible and meaningful results for investigations into money laundering, the financing of terrorism and transnational organised crime.

CASE FROM NFIU, NIGERIA

Nigerian national, Mr. Jack, born in 1965, grew up in a wealthy family. In the 1990s he started selling guns in south-east Nigeria. He went on to become the leader of the MEND7 and emigrated from Nigeria in 2003. The first known terrorist attack conducted by MEND was the bombing of an oil pipeline in the Niger Delta on December 20, 2005. The leader of the MEND is a well-known terrorist and a citizen of more than one African country.

In 2007, Mr. Jack was arrested in Angola by Angolan law enforcement authorities on gun-running charges. At the request of the Nigerian authorities, he was extradited to Nigeria in February 2008 and charged

---

7 Various militant groups in the Niger Delta joined forces under an umbrella organisation known as the Movement for the Emancipation of the Niger Delta (MEND). The Niger Delta, the oil-rich region of Nigeria, has been a conflict-ridden area since the creation of the MEND which became active in 2004. The violence and kidnappings forced the Nigerian authorities to look more deeply at the causes of the both the acts of terrorism and the financing thereof.
and led to the tracking of funds related to financing of terrorism such as importation and sales of arms and ammunitions, illicit arms trafficking, terrorism/terrorist financing, environmental crime, kidnapping/hostage-taking, extortion, maritime piracy, participation in an organized criminal group, and funding of various terrorist activities in Nigeria.

Based on analysis of the NFIU, Nigeria, it was discovered that the NPO set up by Mr. Jack was a cover for criminal activities. It was also discovered that funds were moved through Nigeria and other African countries in the region of over $1.8 million US dollars which was electronically received by Mr. Jack when he purchased over $100,000 US dollars of foreign currency. It was equally found out that he ran 17 bank accounts. Forty-thousand individual transactions were conducted between 2003 and 2011 with a value of over $4.5 million US dollars.

Mr. Jack was subsequently tried and convicted in another African country on charges of terrorism, terrorist financing, and gun-running committed in Nigeria and other African countries, and sentenced to 24 years imprisonment. The process of recovering his illicit assets is still on-going. Some of his associates are on trial in Nigeria and one of them was sentenced to life imprisonment in February 2013.

This case reflects the importance of the Egmont information exchange channels in strengthening the capacity of law enforcement agencies to combat terrorism and terrorism financing. It is also a good indication of how international cooperation and exchange of information can assist in reducing incidents of transnational organised crime.
## APPENDIX A
### LIST OF EGMONT GROUP MEMBERS

<table>
<thead>
<tr>
<th>Country</th>
<th>Country</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan (FinTRACA)</td>
<td>Czech Republic (FAU-CR)</td>
<td>Liechtenstein (EFFI)</td>
</tr>
<tr>
<td>Albania (GDPML)</td>
<td>Denmark (FIU Denmark)</td>
<td>Lithuania (FCIS)</td>
</tr>
<tr>
<td>Algeria (CTRF)</td>
<td>Dominica (FIS-Dominica)</td>
<td>Luxembourg (FIU-LUX)</td>
</tr>
<tr>
<td>Andorra (UPB)</td>
<td>Egypt (EMLCU)</td>
<td>Macao (GIF)</td>
</tr>
<tr>
<td>Anguilla (MLRA)</td>
<td>El Salvador (UIF-EI Salvador)</td>
<td>Macedonia (MLPD)</td>
</tr>
<tr>
<td>Antigua and Barbuda (ONDCP/FIU)</td>
<td>(UIF)</td>
<td>Malawi (FIU-Malawi)</td>
</tr>
<tr>
<td>Argentina (UIF)</td>
<td>(UIF)</td>
<td>Malaysia (UPWBNM)</td>
</tr>
<tr>
<td>Armenia (FMC)</td>
<td>Fiji (Fiji-FIU)</td>
<td>Mali (CENTIF-Mali)</td>
</tr>
<tr>
<td>Aruba (MOT)</td>
<td>Finland (RAP)</td>
<td>Malta (FIAU)</td>
</tr>
<tr>
<td>Australia (AUSTRAC)</td>
<td>France (TRACFIN)</td>
<td>Marshall Islands (DFIU)</td>
</tr>
<tr>
<td>Austria (A-FIU)</td>
<td>Gabon (ANIF)</td>
<td>Mauritius (FIU-Mauritius)</td>
</tr>
<tr>
<td>Azerbaijan (FMS)</td>
<td>Georgia (FMS-Georgia)</td>
<td>Mexico (FIU-Mexico)</td>
</tr>
<tr>
<td>Bahamas (FIU-Bahamas)</td>
<td>Germany (FIU)</td>
<td>Moldova (SPCSB)</td>
</tr>
<tr>
<td>Bahrain (FID)</td>
<td>Gibraltar (GCID GFIU)</td>
<td>Monaco (SICCFIN)</td>
</tr>
<tr>
<td>Bangladesh (BFIU)</td>
<td>Greece (HELLENIC FIU)</td>
<td>Mongolia (FIU-Mongolia)</td>
</tr>
<tr>
<td>Barbados (FIU-Barbados)</td>
<td>Grenada (FIU-Grenada)</td>
<td>Montenegro (APMLTF)</td>
</tr>
<tr>
<td>Belarus (DFM)</td>
<td>Guatemala (IVE)</td>
<td>Morocco (UTRF)</td>
</tr>
<tr>
<td>Belgium (CTIF-CFI)</td>
<td>Guernsey (FIS)</td>
<td>Netherlands (FIU-NL)</td>
</tr>
<tr>
<td>Belize (FIU-Belize)</td>
<td>Holy See (VCS®) (AIF)</td>
<td>New Zealand (NZ-Police FIU)</td>
</tr>
<tr>
<td>Bermuda (FIA)</td>
<td>Honduras (UIF-Honduras)</td>
<td>Nigeria (NFIU)</td>
</tr>
<tr>
<td>Bolivia</td>
<td>Hong Kong (JFIU)</td>
<td>Niue (Niue FIU)</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina (FID)</td>
<td>Hungary (HFIU)</td>
<td>Norway (EFE)</td>
</tr>
<tr>
<td>Brazil (COAF)</td>
<td>Iceland (RLS)</td>
<td>Panama (UAF-Panama)</td>
</tr>
<tr>
<td>British Virgin Islands (FIA)</td>
<td>India (FIU-IND)</td>
<td>Paraguay (UAF-SEPRELAD)</td>
</tr>
<tr>
<td>Bulgaria (FID-SANS)</td>
<td>Indonesia (PPATK)</td>
<td>Peru (UIF-Peru)</td>
</tr>
<tr>
<td>Burkina Faso (CENTIF-BF)</td>
<td>Ireland (MLIU)</td>
<td>Philippines (AMLC)</td>
</tr>
<tr>
<td>Cameroon (NAFI)</td>
<td>Isle of Man (FCU-IOM)</td>
<td>Poland (GIF)</td>
</tr>
<tr>
<td>Canada (FINTRAC-CANAFE)</td>
<td>Israel (IMPA)</td>
<td>Portugal (UIF-Portugal)</td>
</tr>
<tr>
<td>Cayman Islands (CAYFIN)</td>
<td>Italy (UIF)</td>
<td>Qatar (QFIU)</td>
</tr>
<tr>
<td>Chile (UAF)</td>
<td>Ivory Coast (CENTIF-CI)</td>
<td>Romania (ONPCSB)</td>
</tr>
<tr>
<td>Colombia (UIAF)</td>
<td>Japan (JAFIC)</td>
<td>Russia (Rosfinmonitoring)</td>
</tr>
<tr>
<td>Cook Islands (CIFIU)</td>
<td>Jersey (FCU-Jersey)</td>
<td>Samoa (SFIU)</td>
</tr>
<tr>
<td>Costa Rica (UIF)</td>
<td>Jordan (AMLU)</td>
<td>San Marino (FIA San Marino)</td>
</tr>
<tr>
<td>Croatia (AMLQ)</td>
<td>Kazakhstan (KoFIU)</td>
<td>Saudi Arabia (SAFIU)</td>
</tr>
<tr>
<td>Curacao (FIU-Curaçao)</td>
<td>(Finmonitoring)</td>
<td>Senegal (CENTIF)</td>
</tr>
<tr>
<td>Cyprus (MOKAS)</td>
<td>Korea, Republic of (KoFIU)</td>
<td>Serbia (APML)</td>
</tr>
<tr>
<td></td>
<td>Kyrgyz Republic (FIS)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Latvia (KD)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lebanon (SIC)</td>
<td></td>
</tr>
</tbody>
</table>

*Vatican City State*
APPENDIX B EG MONT COMMITTEE COMPOSITION (JULY 2013)

Chair, Egmont Group of Financial Intelligence Units .............................................. FIC, South Africa
Co-Vice Chair and Chair Legal WG ................................................................. UIF, Italy
Co-Vice Chair and ESW Representative .................................................. FinCEN, United States
Chair, ITWG ................................................................................................. FIU-NL, Netherlands
Chair, Operational WG ............................................................................... IMPA, Israel
Chair, Outreach WG ........................................................................................ SEPBLAC, Spain
Chair, Training WG ......................................................................................... EFFI, Liechtenstein
Regional – Africa ............................................................................. FIU-Mauritius
Regional – Americas .................................................................................. FIA, Bermuda
Regional – Americas ................................................................................ FIU-Mexico
Regional – Asia .................................................................................... FIU-IND, India
Regional – Asia ........................................................................................ QFIU, Qatar
Regional – Europe ................................................................................ TRACFIN, France
Regional – Europe ....................................................................................... FIU, Germany
Regional – Europe ....................................................................................... SFMS, Ukraine
Regional – Oceania ...................................................................................... AUSTRAc, Australia
Egmont Secretariat ........................................................................................ Executive Secretary, Egmont Group
## APPENDIX C
### GLOSSARY OF TERMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AML</td>
<td>Anti-Money Laundering</td>
</tr>
<tr>
<td>APG</td>
<td>Asia / Pacific Group on Money Laundering</td>
</tr>
<tr>
<td>ARIS</td>
<td>Asset Recovery Intelligence System</td>
</tr>
<tr>
<td>CFATF</td>
<td>Caribbean Financial Action Task Force</td>
</tr>
<tr>
<td>CFT</td>
<td>Combating Financing of Terrorism</td>
</tr>
<tr>
<td>EC</td>
<td>Egmont Committee</td>
</tr>
<tr>
<td>EG</td>
<td>Egmont Group</td>
</tr>
<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
</tr>
<tr>
<td>FIU</td>
<td>Financial Intelligence Unit</td>
</tr>
<tr>
<td>FSRB</td>
<td>FATF Style Regional Bodies</td>
</tr>
<tr>
<td>EAG</td>
<td>Eurasian Group on Combating Money Laundering and Financing of Terrorism</td>
</tr>
<tr>
<td>EGS</td>
<td>Egmont Group Secretariat</td>
</tr>
<tr>
<td>ESW</td>
<td>Egmont Secure Website</td>
</tr>
<tr>
<td>ESAAMLG</td>
<td>Eastern and Southern Africa Anti-Money Laundering Group</td>
</tr>
<tr>
<td>GAFISUD</td>
<td>Grupo de Acción Financiera de Sudamérica (South American Financial Action Task Force)</td>
</tr>
<tr>
<td>GIABA</td>
<td>Groupe Intergouvernemental d’Action contre le Blanchiment de l’Argent en Afrique de l’Ouest (Intergovernmental Task Force against Money Laundering in West Africa)</td>
</tr>
<tr>
<td>GOPAC</td>
<td>Global Organisation of Parliamentarians against Corruption</td>
</tr>
<tr>
<td>HoFIU</td>
<td>Head of Financial Intelligence Unit</td>
</tr>
<tr>
<td>ICAR</td>
<td>International Centre for Asset Recovery</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>ITWG</td>
<td>Information Technology Working Group</td>
</tr>
<tr>
<td>LWG</td>
<td>Legal Working Group</td>
</tr>
<tr>
<td>MENAFATF</td>
<td>Middle East and North Africa Financial Action Task Force</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NPO</td>
<td>Nonprofit Organisation</td>
</tr>
<tr>
<td>OpWG</td>
<td>Operational Working Group</td>
</tr>
<tr>
<td>OWG</td>
<td>Outreach Working Group</td>
</tr>
<tr>
<td>PEP</td>
<td>Politically Exposed Person</td>
</tr>
<tr>
<td>STR</td>
<td>Suspicious Transactions Report</td>
</tr>
<tr>
<td>TF</td>
<td>Terrorism Financing</td>
</tr>
<tr>
<td>TWG</td>
<td>Training Working Group</td>
</tr>
<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
</tbody>
</table>
## APPENDIX D

### ASSOCIATED WEBSITES

<table>
<thead>
<tr>
<th>Website</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>APG</td>
<td><a href="http://www.apgml.org">www.apgml.org</a></td>
</tr>
<tr>
<td>BASEL</td>
<td><a href="http://www.bis.org">www.bis.org</a></td>
</tr>
<tr>
<td>BIS</td>
<td><a href="http://www.bis.org">www.bis.org</a></td>
</tr>
<tr>
<td>CARIN</td>
<td><a href="http://www.assetrecovery.org">www.assetrecovery.org</a></td>
</tr>
<tr>
<td>CFATF</td>
<td><a href="http://www.cfatf.org">www.cfatf.org</a></td>
</tr>
<tr>
<td>CICAD-OAS</td>
<td><a href="http://www.oas.org">www.oas.org</a></td>
</tr>
<tr>
<td>Commonwealth Secretariat</td>
<td><a href="http://www.thecommonwealth.org">www.thecommonwealth.org</a></td>
</tr>
<tr>
<td>Council of Europe</td>
<td><a href="http://www.coe.int">www.coe.int</a></td>
</tr>
<tr>
<td>CTED</td>
<td><a href="http://www.un.org/sc/ctc/cted.shtml">www.un.org/sc/ctc/cted.shtml</a></td>
</tr>
<tr>
<td>Egmont Group</td>
<td><a href="http://www.egmontgroup.org">www.egmontgroup.org</a></td>
</tr>
<tr>
<td>EAG</td>
<td><a href="http://www.eurasiangroup.org">www.eurasiangroup.org</a></td>
</tr>
<tr>
<td>ESAAMLG</td>
<td><a href="http://www.esaamlg.org">www.esaamlg.org</a></td>
</tr>
<tr>
<td>FATF</td>
<td><a href="http://www.fatf-gafi.org">www.fatf-gafi.org</a></td>
</tr>
<tr>
<td>FIU.NET</td>
<td><a href="http://www.fiu.net">www.fiu.net</a></td>
</tr>
<tr>
<td>GAFISUD</td>
<td><a href="http://www.gafisud.org">www.gafisud.org</a></td>
</tr>
<tr>
<td>GCC</td>
<td><a href="http://www.gcc.sg.org">www.gcc.sg.org</a></td>
</tr>
<tr>
<td>GIABA</td>
<td><a href="http://www.giaba-westafirca.org">www.giaba-westafirca.org</a></td>
</tr>
<tr>
<td>GIFCS</td>
<td><a href="http://www.gifcs.org">www.gifcs.org</a></td>
</tr>
<tr>
<td>GOPAC</td>
<td><a href="http://www.parlcent.ca/gopac/index_ephp">www.parlcent.ca/gopac/index_ephp</a></td>
</tr>
<tr>
<td>IAIS</td>
<td><a href="http://www.iaisweb.org">www.iaisweb.org</a></td>
</tr>
<tr>
<td>IMF</td>
<td><a href="http://www.imf.org">www.imf.org</a></td>
</tr>
<tr>
<td>IMoLIN</td>
<td><a href="http://www.imolin.org">www.imolin.org</a></td>
</tr>
<tr>
<td>INTERPOL</td>
<td><a href="http://www.interpol.int">www.interpol.int</a></td>
</tr>
<tr>
<td>INTOSAI</td>
<td><a href="http://www.intosai.org">www.intosai.org</a></td>
</tr>
<tr>
<td>IOSCO</td>
<td><a href="http://www.iocso.org">www.iocso.org</a></td>
</tr>
<tr>
<td>MENAFATF</td>
<td><a href="http://www.menafatf.org">www.menafatf.org</a></td>
</tr>
<tr>
<td>MONEYVAL</td>
<td><a href="http://www.coe.int/t/dghl/monitoring/moneyval">www.coe.int/t/dghl/monitoring/moneyval</a></td>
</tr>
<tr>
<td>OECD</td>
<td><a href="http://www.oecd.org">www.oecd.org</a></td>
</tr>
<tr>
<td>UNODC</td>
<td><a href="http://www.unodc.org">www.unodc.org</a></td>
</tr>
<tr>
<td>Wolfsberg Group</td>
<td><a href="http://www.wolfsberg-principles.com">www.wolfsberg-principles.com</a></td>
</tr>
<tr>
<td>World Bank</td>
<td><a href="http://www.worldbank.org">www.worldbank.org</a></td>
</tr>
<tr>
<td>World Customs Organisation</td>
<td><a href="http://www.wcoomd.org">www.wcoomd.org</a></td>
</tr>
</tbody>
</table>
This Charter and its elements are binding. Therefore, cases of significant and relevant non-compliance will be subject to the Egmont Group Support and Compliance Process.

PREAMBLE

The Financial Intelligence Units (FIUs) recognized as members of the Egmont Group of Financial Intelligence Units (Egmont Group) by the Heads of FIU (HoFIU):

HAVING CONSIDERED:

• the international nature of money laundering and the financing of terrorism and related threats to a jurisdiction’s national security interests;
• that international standards identify FIUs as key components of any comprehensive system of anti-money laundering and countering the financing of terrorism (AML/CFT);
• that the products, including financial intelligence, developed by an FIU have an important value-added role in successfully combating money laundering and the financing of terrorism;
• that as the international standards for AML/CFT have evolved, so too have the roles of FIUs at the national and international levels;
• that FIUs have common features and functions, especially in relation to receiving disclosures, providing feedback, accessing additional information, performing analysis, exchanging information with foreign counterpart FIUs, for the purposes of combating money laundering and the financing of terrorism;
• that co-operation between and among FIUs across national borders both increases the effectiveness of individual FIUs and contributes to the success of the global fight against money laundering and the financing of terrorism;
• that effective international co-operation between and among FIUs must be based on a foundation of mutual trust;
• the first international gathering of FIUs on 9 June 1995 and the decision of the participating agencies to establish the Egmont Group as an informal forum for FIUs worldwide;
• that in 2007 the Egmont Group adopted its original Charter and governance structure to carry out its mission;
• that the growing number of member FIUs and the international recognition of the Egmont Group’s important role in the AML/CFT field calls for a further strengthening of its organizational structure; and
• that the Egmont Group membership is a privilege and that with membership comes obligations and benefits—the Egmont Group supports and affords full rights and privileges to all members, and expects all members to support its activities;

HAVING REAFFIRMED:

• the basic principles articulated by the Egmont Group over the years and approved by the membership, as contained in the Principles for Information Exchange between Financial Intelligence Units (Principles); and
• that the 2012 revisions by the Financial Action Task Force (FATF) to its Recommendations on AML/CFT affect all AML/CFT competent authorities, including FIUs;
RESOLVE TO:

- unite their efforts to further improve an effective exchange of information upon request and spontaneously to combat money laundering and financing of terrorism;
- exchange information on their respective experiences to promote the development of effective FIUs;
- support the Egmont Group members to enhance their capacity by promoting operational independence of FIUs, offering training and technical assistance, promoting personnel exchanges, developing operational and strategic collaboration, and maintaining and granting access to a secure channel for information exchange between Egmont Group FIUs; and
- lawfully co-operate on all aspects related to this Charter.

1. DEFINITIONS

1.1 FINANCIAL INTELLIGENCE UNIT

The definition of a Financial Intelligence Unit (FIU) is as stated within the text of the FATF Recommendation and Interpretative Note on Financial Intelligence Units (Recommendation 29).

Countries should establish an FIU that serves as a national centre for the receipt and analysis of:

(a) suspicious transaction reports; and
(b) other information relevant to money laundering, associated predicate offences and financing of terrorism, and for the dissemination of the results of that analysis.

The FIU should be able to obtain additional information from reporting entities and should have access on a timely basis to the financial, administrative and law enforcement information that it requires to undertake its functions properly.

The Interpretive Note to Recommendation 29 is included as Appendix A of this Charter, and has the same binding effect as the definition above.

1.2 CONSENSUS

“Consensus” is general agreement having noted and given due consideration to any formal and substantiated objection.¹

1.3 MEMBERS

A member is considered to be in good standing unless that member has been suspended or expelled for non-compliance with this Charter or the Principles.

All members are encouraged to actively participate and contribute to the work of the Egmont Group. Active members are those who contribute through projects, initiatives, leadership roles and other considerable means to pursue the mandate of the Egmont Group.

1.4 EGMONT DOCUMENTS

This Charter and the Principles are binding to all members. Therefore, cases of significant and relevant non-compliance with these documents will be subject to the Egmont Group Support and Compliance Process. The Operational Guidance for FIU Activities and the Exchange of Information is not binding. However, members are highly encouraged to implement the guidelines to the greatest extent possible.

2. STATEMENT OF PURPOSE

The FIUs participating in the Egmont Group:

- finding that FIUs exchange financial information and intelligence products internationally that have increasingly become valuable tools in the global fight against the financing of terrorism by supporting the work of other national agencies;
- convinced that co-operation between and among FIUs across national borders both increases the effectiveness of individual FIUs and contributes to the success of the global fight against money laundering and the financing of terrorism;

¹ “Given due consideration” means having resolved or addressed a substantiated objection. The Chair will have the authority to:

(a) determine if any objection is substantiated; and (b) ensure no single member is able to block the process of consensus building if in the opinion of the Chair that member’s objection has been addressed.
• mindful of both the sensitive nature of disclosures of financial information and the value of the FIUs established to protect the confidentiality of such disclosures, analyze them and refer them, as appropriate, to the competent authorities for investigation, prosecution, or trial for administrative, investigative, prosecutorial or judicial purposes;
• acknowledging the important role of international organizations and the various other national government agencies—such as Finance and Justice ministries, the police, customs, taxation, national security, anti-corruption agencies, and supervisory and regulatory agencies—as allies in the fight against money laundering and the financing of terrorism;
• having annually convened Egmont Plenary meetings to discuss issues common to FIUs and to foster such international co-operation among established FIUs, to assist and advise FIUs under development, and to co-operate with representatives of other government agencies and international organizations interested in the international fight against money laundering and the financing of terrorism;
• having also agreed upon a definition of “Financial Intelligence Unit”, prepared a model Memorandum of Understanding for the exchange of information, created the Egmont Secure Web (ESW) to facilitate information exchanges, embarked upon numerous initiatives to develop the expertise and skills of the FIUs’ staff and to contribute to the successful investigation of matters within the FIUs’ jurisdictions;
• aware that obstacles continue to limit information exchange and effective co-operation between some FIUs, and that those obstacles may include legal restrictions and/or the very nature of the FIUs themselves (as administrative, judicial or law enforcement); and
• convinced that there exists both significant potential for broad-based international co-operation among the FIUs and a critical need to enhance such co-operation;

HEREBY AFFIRM their commitment to encourage the development of FIUs and co-operation between and among them in the interest of combating money laundering and the financing of terrorism.

We affirm our commitment to this Charter, which forms a unique integral body of standards together with this Statement of Purpose.

We believe it is crucial to develop a network of information exchange on the basis of the Principles for Information Exchange between Financial Intelligence Units

Henceforth, we agree that Egmont Group meetings shall be convened by and for member FIUs and other invited persons or agencies that are in a position to contribute to the goals of the Egmont Group.

We further agree to pursue as a priority, through the appropriate working groups and otherwise:

• development of FIUs in governments around the world and their incorporation into the Egmont Group;
• further stimulation of information exchange on the basis of reciprocity or mutual agreement;
• access to the ESW for all the Egmont Group member FIUs;
• continued development of training opportunities, regional/operational workshops, and personnel exchanges;
• articulation of more formal procedures for decisions about particular agencies’ status vis-à-vis the FIU definition;
• development of appropriate methods for the exchange of information; and
• creation of Egmont Group sanctioned materials for use in presentations and communication to public audiences and the media about Egmont Group matters.
3. INFORMATION EXCHANGE AND INTERNATIONAL CO-OPERATION

3.1 CO-OPERATION

A. Exchange of information

All members foster the widest possible co-operation and exchange of information with other Egmont Group FIUs on the basis of reciprocity or mutual agreement and following the basic rules established in the Principles:

1) Free exchange of information for purposes of analysis at FIU level.
2) No dissemination or use of the information for any other purpose without prior consent of the providing FIU.
3) Protection of the confidentiality of the information.

3.2 PRINCIPLES

B. Commitment to the Principles

All the Egmont Group members commit to the Principles and to engage in international co-operation among themselves in compliance with those Principles.

3.3 EGMONT SECURE WEB (ESW)

The ESW is an electronic communication system that allows encrypted sharing among members of emails and financial intelligence, as well as other information of interest to members and to the functioning of the Egmont Group. The ESW is critical to the effective functioning of the Egmont Group and therefore the HoFIU provide the mandate for the ESW, and approve and monitor its governance structure and policies.

The purpose of the ESW:

(a) Provide a secure and reliable channel of communication for the members of the Egmont Group.
(b) Function in accordance with the mandate of the HoFIU.

(c) Adhere to the standards of security, reliability, efficiency and effectiveness specified by the HoFIU.

4. COMPOSITION

4.1 MEMBERS

The Egmont Group members are those FIUs recognized as members by the HoFIU.

A. Members—Eligibility

All members must:

1) meet the definition of an FIU;
2) have full operational status; and
3) have the willingness and legal capability to exchange information with all counterpart FIUs according to this Charter and the Principles.

B. Members—Responsibilities

All members of the Egmont Group exchange information with other members, consistent with this Charter and the Principles.

All members endorse the Operational Guidance for FIU Activities and the Exchange of Information and are encouraged to implement these guidelines to the greatest extent possible.

Members, through the work of the HoFIU and other parts of the Egmont Group, support the Egmont Group Support and Compliance Process, which applies to all members.

All members are expected to participate, consistent with their relative capabilities, resources and competences, in Egmont meetings and/or activities.

All members will inform the Egmont Group Secretariat of significant changes to their organizational structure, mandate and operational status, which may affect their eligibility as a member.

All members contribute to the Egmont Group budget in a timely manner, in accordance with the funding formula and provisions as set out below in part 7 (Budget).

---

2 Timeliness is to be interpreted based on the Egmont Group Secretariat: Financial and Administrative Policies and Procedures, which was endorsed by the HoFIU. See the sections on payment of Member Contributions and Procedures.
All members complete the Egmont Group Census in a timely and accurate manner.

C. Members—Privileges

Members are entitled and expected to participate in the Egmont Plenary meetings, HoFIU, Regional Groups, Working Groups, training seminars, and in Egmont Group decision-making at all levels.

Members are entitled and expected to participate in and support Egmont Group initiatives at the global and regional levels.

Members are entitled and expected to access and use the ESW.

Members are expected to implement security practices established by the Egmont Group to ensure the ESW remains confidential and safe for all members.

4.2 OBSERVERS

The Egmont Group recognizes in this Charter, as observers to the Egmont Group, international partners in the fight against money laundering and the financing of terrorism. The Egmont Group acknowledges the importance of leveraging limited resources and developing synergies with international partners by co-operating with international organizations and other corporate entities in the fight against money laundering and the financing of terrorism.

While the Egmont Group’s focus is on operational aspects of international co-operation involving FIUs, it does not operate in isolation. The Egmont Group participates as an observer in the meetings of other international partners. Similarly, the Egmont Group invites numerous international partners to attend Egmont Group meetings.

A. Observers—Eligibility

All Egmont Group observer organizations must:

1) be governmental or inter-governmental;
2) be non-profit;
3) have a stated role relating to AML/CFT;
4) support the objectives of the Egmont Group;
5) enhance the Egmont Group’s global reach, geographic goals and/or AML/CFT objectives; and
6) be able to make a contribution to the work of the Egmont Group.

B. Observers—Responsibilities

Observers fully co-operate with the Egmont Group HoFIU, Chair, Committee, Secretariat, Working and Regional Groups, to further the objectives of the Egmont Group.

Observers keep the Egmont Group informed of changes in their structure, mandate, mission or other variations that might impact their eligibility as observers.

Observers provide the Egmont Group, on a reciprocal basis, their reports and publications related to matters relevant to FIUs.

Observers engage in co-operation and co-ordination with the Secretariat, on the basis of reciprocity, and in an effort to avoid duplication and overlap, to develop ways and means of harmonizing activities that fall within the scope of the Egmont Group.

Observers grant reciprocal rights to the Egmont Group including with respect to attendance at meetings, working groups and information sharing on AML/CFT issues.

---

3 The procedures for Observers joining the Egmont Group are described in The Egmont Group Partnership with Observers and Other International AML/CFT Partners, and The Egmont Group Procedure for Granting Observer Status.

4 For the purposes of this Charter, international partners invited to Egmont Group meetings on an ad hoc or one-time basis, such as candidate FIUs and private sector entities, are considered Designated Guests.
C. Observers—Privileges

Observers have a standing invitation to attend Egmont Plenary meetings.

Observers have a standing invitation to attend meetings of the Egmont Working Groups; however, observers cannot participate during closed sessions unless invited to do so by the Chair of the respective Working Group.

Observers may participate in the proceedings of meetings of Egmont Working Groups or Plenary meetings but have no decision-making rights.

Observers may submit proposals/projects of mutual interest and benefit to the Egmont Group.

Observers may access papers of the Egmont Group if those papers are:

1) determined not to be confidential in nature by the Chair, Egmont Committee, Executive Secretary, Chairs of the Working Groups, or the HoFIU as the final arbiter; and

2) determined to be confidential in nature, but where access to such documents, by designated observers, is authorized, on a case-by-case basis, by the Chair, Egmont Committee, Executive Secretary, or Chairs of the Working Groups, or the HoFIU as the final arbiter.

Observers may be granted access to the Observer Section on the ESW.

5. PARTICIPATION

All members are encouraged to actively support the work of the Egmont Group. Active support may include participation, consistent with their relative capabilities, resources and competences, in FIU fora on the margins of FATF or FATF Style Regional Body meetings, Egmont projects, Regional Groups, Working Groups and Egmont training initiatives. Members are also expected to host Egmont meetings whenever possible and share typologies.

5.1 PLENARY AND HOFIU

A. Participation—Plenary and HoFIU meetings

1) The HoFIU convene an annual Plenary meeting for members and observers.

2) The HoFIU also convene an annual HoFIU meeting during the Plenary meeting. The HoFIU meeting is exclusively for the members (Head of each FIU’s delegation or designate only), the Egmont Committee, the Executive Secretary, and the Secretariat.

3) The Chair of the Egmont Group presides over the Egmont Plenary and HoFIU meetings.

4) The HoFIU or Chair of the Egmont Group may convene extraordinary/intercessional meetings as circumstances arise at such time and place as the Chair of the Egmont Group designates, following consultation with the HoFIU.

5.2 EGMONT COMMITTEE

B. Participation—Egmont Committee meetings

1) The Egmont Committee convenes meetings twice a year.

2) The Egmont Committee meeting is exclusively for the members of the Egmont Committee.

3) The Chair of the Egmont Group presides over the Egmont Committee meeting.

4) The Egmont Committee may convene extraordinary/intercessional meetings as circumstances arise at such time and place as the Chair of the Egmont Group designates, following consultation with the Egmont Committee.
5.3 WORKING GROUP

C. Participation—Working Group meetings
1) The Chairs of the Working Groups convene Working Group meetings twice a year. Working Group meetings are held on the eve of the Plenary meeting and on another occasion.
2) The Chairs of the Working Groups may convene *ad hoc* Working Group meetings as necessary.

5.4 REGIONAL GROUPS

D. Participation—Regional Group meetings
1) Every FIU is a member of a Regional Group and is expected to attend Regional Group meetings.
2) Regional Representatives may convene Regional Group meetings after consulting with members in the Regional Group.
3) Regional Representatives chair the meetings of the Regional Group.
4) At a minimum, the Regional Groups meet during Plenary week.
5) Regional Groups are encouraged to meet during the year, whenever possible.

5.5 ATTENDANCE

E. Participation—Attendance at Egmont meetings
1) All members are expected to attend and participate in the annual Egmont Plenary meeting and the HoFIU meeting.
2) All members are expected to attend and participate in Working Group meetings and other Egmont meetings.
3) All observers are expected to attend the open sessions of the Plenary meetings, open sessions of Working Group meetings, open sessions of Regional Groups.
4) The Chair of the Egmont Group, the Chairs of the appropriate Working Groups\(^5\) may extend *ad hoc* invitations to Candidate FIUs to attend all or part of the Plenary meeting and Working Group meetings.

6. STRUCTURE

The HoFIU, the Chair of the Egmont Group, the Egmont Committee, the Working and Regional Groups and the Secretariat comprise the operating structure of the Egmont Group.

6.1 THE HOFIU

A. The HoFIU—General
The HoFIU is the governing body of the Egmont Group. Any powers related to the management of the Egmont Group, not explicitly delegated to the Chair of the Egmont Group, the Egmont Committee, the Secretariat, the Working Groups or Regional Groups are deemed to reside with the HoFIU. The HoFIU may delegate specific authorities to other components of the Egmont Group to expedite certain decisions, enhance the effectiveness of Egmont Group activities and streamline issues brought before the HoFIU.

The HoFIUs establish the mandate and set the priorities of the Egmont Group, through the Egmont Group’s Strategic Plan.

The HoFIU meetings are decision-making meetings where each FIU is represented by its Head or designate. They are held at least once a year during the Egmont Plenary week, and can also be held at other times.

Decisions taken by the HoFIU, at a meeting or out-of-session\(^6\), are based on consensus.

B. The HoFIU—Roles and functions
The HoFIU decide upon and endorse any development that affects the Egmont Group membership, structure, budget, and members’ compliance with this Charter and the Principles. The roles and functions of the HoFIU are:

---
\(^5\) The relevant Working Group(s) in charge of training and/or outreach are the responsible entities.
\(^6\) The HoFIU may make decisions during the Plenary week (in session) and any time before or after the Plenary (out-of-session). Technology (such as conference calls, ESW or the Internet) supports the HoFIU during out-of-session decision-making.
1) To uphold this Charter, the Principles and the objectives of the Egmont Group.

2) To amend or repeal the current Charter and other Egmont Group documents.

3) To accept new members and observers.

4) To suspend and/or expel members failing to meet this Charter and the Principles and observers, as appropriate.

5) To approve the establishment and dissolution of Working Groups and Regional Groups.

6) To approve the structure and mandate of the Secretariat.

7) To appoint and remove the Chair of the Egmont Group.

8) To endorse the selection and extension of tenure of Working Group Chairs, Working Group Vice Chairs, and Regional Representatives.

9) To endorse the appointment of the Executive Secretary but delegate to the Egmont Committee the responsibility for overseeing (a) the work and performance of the Executive Secretary and (b) the process, selection and renewal of the contract of the Executive Secretary.

10) To serve as an appellate body for decisions by the Chair of the Egmont Group, including those concerning the Executive Secretary.

11) To approve the funding formula and annual budget.

12) To approve use of “out of budget funds” (uncommitted funds) if necessary.

13) To set the agenda or direction for, and approve, the Egmont Group’s Strategic Plan.

14) To approve the annual Business Plans of the Egmont Committee, Working Groups and the Secretariat, and the regional plans of the Regional Groups.

15) To approve a priori new projects that arise after endorsement of the annual Business Plans and projects pursued outside the scope of the Working Groups, pursuant to Egmont procedures.

16) To approve the financial statements and the annual report.

17) To appoint auditors and approve the audit reports.

18) To delegate specific authority to the Egmont Committee as the HoFIU deems necessary.

19) To approve the ESW governance process and its outcome.

6.2 THE CHAIR OF THE EGMONT GROUP

A. The Chair—General

The Chair acts on behalf of the HoFIU and the Egmont Group more broadly to carry out its mandate. The Chair is the primary representative of the Egmont Group. The Chair is chosen by the HoFIU from the membership under procedures determined and approved by the HoFIU.

The Chair has a two-year term with an option of a two-year extension, subject to the approval of the HoFIU. In exceptional circumstances, the HoFIU may authorize further extensions.

B. The Chair—Roles and functions

1) To lead the Egmont Group on all major issues, including the Egmont Group’s Strategic Plan, in consultation and co-ordination with the HoFIU.

2) To build consensus within the Egmont Group.

3) To ensure members are informed in a timely way of key developments affecting the Egmont Group.

4) To oversee the work of the Executive Secretary.

5) To provide guidance on the operations of the Secretariat.

6) To represent the Egmont Group before external partners and in international fora.

7) To chair the Plenary meetings, the HoFIU meeting, and Egmont Committee meeting (see further roles and functions as Chair of the Egmont Committee as set out below under 6.3 Egmont Committee).

---

7 Exceptional circumstances are determined by the HoFIU. An exceptional circumstance may include an instance when there are no new candidates for Chair of the Egmont Group.
8) To perform ceremonial duties to represent the Egmont Group as needed.

The Chair of the Egmont Group and the Egmont Committee are committed to work in full transparency within the framework of their respective mandate and in line with this Charter and the Principles. If a deviating position or decision is contemplated then the HoFIU’s approval should be sought.

The Chair, in consultation with the Egmont Committee, has emergency powers to exercise in exceptional and urgent cases as described below in this provision and specified in the Revised Internal Procedures of the Egmont Committee.

The HoFIU authorizes the Chair, in consultation with the Egmont Committee, to utilize the emergency powers and immediately report back to the HoFIU for their confirmation of the exercise of such authority by the Chair under the following circumstances to:

1) suspend a member FIU’s access to the ESW if it is substantiated that the member FIU poses a security threat to the Egmont Group; and
2) protect Egmont assets.

6.3 EGмонт COMMITTEE

A. The Committee—General

The Egmont Committee ensures that the Egmont Group carries out the mandate of the HoFIU. The Egmont Committee serves as a consultative and co-ordination body for the HoFIU, the Working Groups and the Regional Groups with authorities specifically delegated by the HoFIU. The Egmont Committee oversees Egmont initiatives and provides general guidance to the Chair, the Working Groups, Regional Groups and the Secretariat. The Egmont Committee is responsible for ensuring vertical and horizontal cohesion of the work of the Egmont Group, consistent with the mandate of the HoFIU.

Decisions made by the Egmont Committee are based on consensus.

B. The Committee—Roles and functions

1) To oversee the financial management of the Egmont Group, including the development of a budget and contribution matrix for the endorsement of the HoFIU.
2) To advise the Chair and the Executive Secretary in matters relating to the management and work of the Secretariat.
3) To oversee the process for the selection, appointment, contract extension or dismissal for cause, of the Executive Secretary.
4) To develop and co-ordinate implementation of the Egmont Group’s Strategic Plan.
5) To consider matters affecting the Egmont Group, including compliance with this Charter and the Principles, and make recommendations to the HoFIU.
6) To determine the operating procedures of the Egmont Committee.
7) To examine ways to illustrate and enhance efficiency and monitor progress of Egmont Group activities.
8) To prepare or modify the Egmont Committee’s annual Business Plan for endorsement by the HoFIU.
9) To make additional proposals to the Business Plans submitted by the Working Group, if needed, to ensure consistency with the Egmont Group’s Strategic Plan and avoid overlap.
10) To resolve cases where the Egmont Committee identifies an overlap or a conflict between the activities of the Working Groups that cannot be resolved by the Chairs of the Working Groups.
11) To recommend to the HoFIU the establishment or dissolution of Working Groups, as appropriate.
12) To set any additional or intersessional Committee meetings as necessary.
13) To set the agenda for the annual HoFIU meeting and the Egmont Plenary meeting.
14) To represent or delegate representation of the Egmont Group in international fora.
15) To review organizations’ applications to become observers and make recommendations to the HoFIU.
16) To attend the HoFIU meeting at the Egmont Plenary meeting.
17) To carry out other duties or tasks delegated or assigned by the HoFIU.

C. The Committee—Members
The Egmont Committee represents all members. The Egmont Committee comprises the Chair of the Egmont Group, the Chairs of the Working Groups, the Egmont Secure Web Representative, the Regional Representatives, and the Executive Secretary of the Secretariat. The Egmont Committee selects two Vice Chairs from the Egmont Committee members.

Representatives on the Egmont Committee are full-time employees of a member FIU. The representative may be a Head, a Head’s designate, or a senior official. All members of the Egmont Committee are expected to attend each Egmont Committee meeting.

If a member of the Egmont Committee is unable to attend an Egmont Committee meeting, the following illustrates the rights of succession in the short-term only:

1) the Chair is represented by a Vice Chair;
2) the Working Group Chair is represented by the Working Group Vice Chair;
3) the ESW Representative is represented by a Representative designated by the FIU hosting the ESW;
4) the Regional Representative is represented by an appropriate substitute from the Regional Representative’s FIU; and
5) the Executive Secretary is represented by the Senior Officer of the Secretariat.

i. The Chair of the Egmont Committee
The Chair of the Egmont Group is also the Chair of the Egmont Committee.

Chair of the Egmont Committee—Roles and functions
1) To lead the Egmont Committee on all major issues consistent with the mandate of the HoFIU and build consensus.
2) To facilitate the implementation of the Strategic Plan.
3) To chair the meetings of the Egmont Committee.
4) To oversee and guide the work of the Egmont Committee.

ii. The Vice Chairs of the Egmont Committee
The Egmont Committee has two Vice Chairs selected by, and from among, the members of the Egmont Committee. To reflect the broad representation of Egmont Group, two of the three positions—Chair of the Egmont Group and Vice Chairs—should reflect geographical diversity of the members, to the extent possible. The Vice Chairs support and advise the Chair on matters affecting the Egmont Group. The Vice Chairs also have ceremonial duties to represent the Egmont Group as needed.

One of the Vice Chairs, subject to a decision by the Egmont Committee, may act as Chair in the absence of the Chair of the Egmont Group. The Vice Chairs have a two-year term with an option of a two-year extension, subject to the approval of the HoFIU. In exceptional circumstances, the HoFIU may authorize further extensions.

iii. The Chairs of the Working Groups
The Chairs of the Working Groups represent the Working Groups in the Egmont Committee.
iv. The Egmont Secure Web (ESW) Representative

The ESW Representative, on the Egmont Committee, is appointed by the FIU responsible for maintaining the ESW. The ESW Representative advises the Egmont Committee on the implications and implementation of policies involving or affecting the ESW. The ESW Representative also co-ordinates, with the appropriate Egmont Working Group⁸, the governance procedures for the ESW following HoFIU approval to implement the ESW mandate.

The ESW Representative, through the Egmont Committee, reports to the HoFIU on the implementation of the policies and other issues as mandated by the HoFIU.

The ESW Representative is also responsible for co-ordinating, with the appropriate Egmont Working Group⁹, prudent security practices for the ESW, that each member is responsible for implementing.

v. Regional Representatives

The Regional Representatives liaise between the members in their region and the Egmont Committee and the Egmont Group, and act as advocates for their region. The selection and number of Regional Representatives for each Regional Group are described in the Revised Internal Procedures of the Egmont Committee, and the internal procedures of Regional Groups. The Regional Representatives are natural persons, not FIUs, specifically chosen by the Regional Group. If a Regional Representative is no longer an employee of the FIU, he/she loses the status of Regional Representative.

Regional Representatives—Roles and functions

1) To provide voice to the Regional Group members by communicating and representing the views and interests of their region to the Egmont Committee in discussions and decisions.

2) To proactively communicate key Egmont Committee messages and outcomes to their Regional Group members, as appropriate.

3) To update the Egmont Committee on Regional Group members’ related developments, issues and concerns in their respective region.

D. The Committee—Reference Groups

The Egmont Committee may create Reference Groups to provide advice and support to the Egmont Committee. The Reference Groups comprise members of the Egmont Committee. The Reference Groups are not decision-making bodies and should not replace or duplicate the work of the Working Groups. (See Mandate for the Egmont Committee Reference Groups.)

Reference Groups—Roles and functions

1) To advise the Egmont Committee on specific issues assigned by the Egmont Committee.

2) To help the Egmont Committee manage day-to-day issues for which the Egmont Committee is responsible.

3) To proactively identify issues to be referred to the Working Groups for more detailed consideration, as appropriate.

6.4 WORKING GROUPS

A. Working Groups—General

To accomplish its mission of development, co-operation and sharing of expertise, the HoFIU creates Working Groups, upon the recommendation of the Egmont Committee, and mandates their activities, aligning such activities with the Egmont Group’s Strategic Plan.

Members may participate in a Working Group. The Working Groups meet periodically, in person, and on an ongoing basis through telecommunications.

B. Working Groups—Roles and functions

1) Preparation of Business Plans:

a. The Working Groups develop annual Business Plans, taking account of the Egmont Group’s Strategic Plan. These Business Plans outline the projects, products and activities of the Working Groups.

---

⁸ The relevant Working Group in charge of Information Technology is the responsible entity.
⁹ Ibid.
b. The Chairs of the Working Groups consult each other for the preparation of the Business Plans to ensure appropriate exchange of information, promote synergies and avoid duplication of effort.

c. The Business Plans are then presented to the Egmont Committee, which can make additional proposals, if needed, to ensure consistency with the Egmont Group’s Strategic Plan and to avoid overlap.

d. The Chairs of the Working Groups submit the Business Plans to the HoFIU for approval.

2) Implementation, co-ordination, and participation:

a. The Working Groups are autonomous in the development and implementation of their activities consistent with their mandate, approved projects, Business Plans and, in furtherance of the Egmont Group’s Strategic Plan.

b. The Chairs of the Working Group regularly co-ordinate their activities, and strive to avoid overlap and duplication.

c. The Chairs of the Working Group inform each Egmont Committee meeting about their activities and the implementation of the Business Plans. Where the Egmont Committee identifies an overlap or a conflict between the activities of the Working Groups that cannot be resolved by the Chairs of the Working Groups, the Committee will agree on a resolution.

d. The Chairs of the Working Groups report to the HoFIU on the implementation of the Business Plan. Members strive to actively participate in the activities of the Working Groups. The HoFIU support the dissemination of the final products of the Working Groups with the aim that they are actively used by the members.

e. If a Working Group wants to launch a new project or activity, not referred to in the adopted Business Plan, it can only do so with the endorsement of the Egmont Committee and a priori approval of the HoFIU.

C. The Chairs and Vice-Chairs of Working Groups

The members of a Working Group select the Chairs and Vice Chair(s) in accordance with the Working Group’s internal procedures. Chairs and Vice Chair(s) have a two-year term with an option of a two-year extension, subject to the approval of the Working Group. The HoFIU endorse the selection of the Working Group Chairs and Vice Chairs. All Working Groups should have at least one Vice Chair. If the Chair of a Working Group is unable to attend a meeting of, or on behalf of, the Egmont Group, the Working Group’s Vice Chair may represent the Chair. If the Chair of a Working Group cannot complete his/her term, the Working Group may select a new Chair.

Roles and functions

1) To manage the agenda and work of the Working Group consistent with the Egmont Group Strategic Plan.

2) To preside over the meetings of the Working Group.

3) To brief the HoFIU on the Working Group’s major initiatives and report on progress made.

4) To ensure that the guidance provided by the HoFIU is implemented.

5) To represent the Egmont Group at international fora, whenever possible or necessary.

D. Projects

Projects and activities of the Egmont Group should be carried out through the Working Groups. The Egmont Group encourages and supports projects or activities on matters of interest to multiple members and observers, as appropriate. Ad hoc project teams may be created outside the Working Groups under procedures determined and approved by the HoFIU and with the support of the Egmont Committee.
6.5 REGIONAL GROUPS

A. Regional Groups—General

To accomplish its mission of development, co-operation and sharing of expertise, the Egmont Group creates Regional Groups. The Regional Groups are organized based on geographic distribution and are represented by their Regional Representatives on the Egmont Committee. Every member of the Egmont Group is a member of a Regional Group.

The Regional Groups, represented by the members’ Heads or their designated representative, meet during Plenary week and are encouraged to meet during the year, whenever possible, to collaborate on regional issues and activities.

B. Regional Groups—Roles and functions

1) To actively support, and in turn communicate and contribute to the activities of the Egmont Working Groups.
2) To prepare a Regional Plan for endorsement by the HoFIU.
3) To facilitate the support and sponsorship of non-Egmont member FIUs in the region to join the Egmont Group.
4) To facilitate the collaboration of Regional Groups’ members, including developing typologies and conducting operational and strategic projects.
5) To advise the Regional Representative(s) on specific issues relating to the HoFIU and the Egmont Committee.
6) To provide regular updates to the Regional Representative(s) on developments and issues in their respective region.
7) To proactively identify issues to be referred to the Egmont Committee.
8) To assist the Regional Representative(s) in the co-ordination of an annual Regional Group meeting, and other meetings, where practical and appropriate, and to actively participate and contribute to this meeting.
9) To engage with the Secretariat on initiatives and programs.

C. Regional Groups—Regional Representatives

The members of the Regional Group select their Regional Representative(s) in accordance with the internal procedures of the Egmont Committee and Regional Groups. The selection process should strike a balance between rotating the position among FIU representatives in the Regional Group and a flexible approach for Regional Groups that have few FIU representatives able to serve in this position.

The HoFIU endorses the selection of Regional Representatives. The Regional Representatives have a two-year term with the option of a two-year extension, only in exceptional cases, and subject to the approval of the HoFIU.

If a Regional Representative is unable to attend a meeting of, or on behalf of, the Egmont Group, they may designate an appropriate substitute for that occasion. If a Regional Representative is unable to complete his/her term, the Regional Group selects a new Regional Representative.

Regional Representatives act as the main contacts for the HoFIU and Egmont Committee on regional issues, mediation of members’ issues in the region, and for facilitating training and technical assistance.

Roles and functions

1) To ensure effective implementation of regional plan and effective co-ordination with Egmont Working Groups as needed.
2) Recognizing that not all members necessarily attend all Egmont meetings, to proactively communicate key Egmont messages and outcomes to the Regional Group members as appropriate and voice the regional perspective at the HoFIU meetings.
3) To engage with the Secretariat on regional matters of overall interest to the Egmont Group.

An exceptional case may include when there are no other member FIUs able and willing to serve in the position.
6.6 SECRETARIAT

A. Secretariat—General

The Egmont Group Secretariat provides strategic, administrative and other support to the structure and overall activities of the Egmont Group. The Secretariat also provides technical advice on AML/CFT to the HoFIU, the Egmont Committee and the Working Groups Chairs, as directed by the same.

B. Secretariat—Roles and functions

1) Maintain the operations and manage the assets of the Secretariat office.
2) Provide strategic, planning and research services.
3) Provide financial services to support the Egmont Group and Egmont Secretariat.
4) Provide a focal point for information about the Egmont Group, including support of the compliance process (through centralized collection, analysis and dissemination of compliance-related information) and the Egmont Group Census compilation.
5) Provide administrative services, as available, to support the meetings and project activities of the HoFIU, the Chair of the Egmont Group, the Egmont Committee, the Working Groups and Regional Groups.
6) Provide outreach and membership support services.
7) Provide event management services and support host FIUs in organizing Egmont meetings.

C. Secretariat—The Executive Secretary

The Secretariat is headed by an Executive Secretary whose appointment is endorsed by the HoFIU. The Chair of the Egmont Group oversees the process for appointment, contract extension or dismissal for cause of the Executive Secretary.

Action taken by the Chair of the Egmont Group in relation to the Executive Secretary may be appealed to the HoFIU.
The Executive Secretary appoints, leads, and manages the Secretariat and its resources consistent with the Egmont Group’s Strategic Plan and annual operating budget. The Executive Secretary is authorized to staff the Secretariat as provided by the HoFIU. In consultation with the HoFIU and the Egmont Committee, the Executive Secretary is authorized to fill short-term and long-term skill gaps within the Secretariat through externally funded secondments from members, who meet criteria specified by the Executive Secretary.

7. BUDGET

The annual budget of the Egmont Group, prepared by the Secretariat and reviewed by the Egmont Committee, is approved by the HoFIU.

At the end of each year, the Secretariat submits a report, reviewed by the Egmont Committee, to the HoFIU on the result of Egmont operations and budget.

7.1 FUNDING OF THE EGMONT GROUP

The activities of the Egmont Group are funded by:

1) annual contributions of its members;
2) additional voluntary contributions from members and observers; and
3) voluntary contributions from other sources. Such contributions are subject to AML/CFT and conflict-of-interest screening by the Secretariat and the Egmont Committee before they are considered for endorsement by the HoFIU.

The Secretariat is accountable to the HoFIU and the Egmont Committee for the management of the funds.

7.2 MEMBER CONTRIBUTIONS

Member contributions finance the cost of the Secretariat to support the activities of the Egmont Group.

A. Member contributions—Annual contributions

Member contributions are calculated according to a funding formula based on the following principles:

1) Every member pays a contribution.
2) There are minimum and maximum contributions.
3) Member contributions comprise a base amount and an additional amount calculated using a progressive rate approach.
4) The progressive rate funding formula is based on a 75/25 ratio of GDP/GDP per capita.

The Egmont Contribution Matrix, computed according to the funding formula, is reviewed by the HoFIU every three years and adjusted to account for inflation, depreciation, total membership and full ongoing operational costs as approved by the HoFIU.

Member contributions are collected annually. Members are expected to pay dues in a timely manner.11

B. Member contributions—Additional voluntary contributions

Additional contributions above and beyond annual contributions by members are considered by the Egmont Committee for endorsement by the HoFIU.

7.3 OTHER CONTRIBUTIONS

Only contributions considered by the Egmont Committee and endorsed by the HoFIU may be accepted by the Egmont Group. Such contributions are used to finance and support the projects or training initiatives of the Egmont Group.

---

11 Timeliness of payment is described in the Egmont Secretariat’s Financial and Administrative Policies and Procedures.
8. COMPLIANCE WITH THE PROVISIONS SET OUT IN THE PRESENT CHARTER

The Egmont Group maintains high standards for its Members. The Egmont Group Support and Compliance Process applies to members who do not comply with the provisions set out in this Charter and the Principles.

9. AMENDMENTS OR REVISIONS

Any amendment to, or revision of, this Charter may be proposed by the Egmont Committee or the HoFIU. The Charter can be amended by consensus of the HoFIU.

Approved by the Egmont Group HoFIU in South Africa in July 2013.
These Principles are binding. Therefore, cases of significant and relevant non-compliance will be subject to the Egmont Group Support and Compliance Process.

A. INTRODUCTION

1. The Egmont Group fosters the development of Financial Intelligence Units (FIUs) and information exchange.

2. The Egmont Group agreed in its Charter and Statement of Purpose to pursue among its priorities the stimulation of information exchange and to overcome the obstacles preventing cross-border information sharing.

3. The Egmont Group membership affirms accession to the standards set out in the 2012 revised Financial Action Task Force (FATF) Recommendations and Interpretative Notes on Financial Intelligence Units (Recommendation 29) and Other Forms of International Co-operation (Recommendation 40).

4. The definition of a Financial Intelligence Unit (FIU) is as stated within the Charter.

5. Information-sharing arrangements should aim to foster the widest possible co-operation between FIUs.

6. The following principles outline generally shared concepts, while allowing necessary flexibility.

B. GENERAL FRAMEWORK

7. International co-operation between FIUs should be encouraged and based upon a foundation of mutual trust.

8. Information-sharing arrangements must recognise and allow room for case-by-case solutions to specific problems.

C. INTERNATIONAL CO-OPERATION

9. FIUs should exchange information with foreign FIUs, regardless of their status; be it administrative, law enforcement, judicial or other.

10. To this end, FIUs should have an adequate legal basis for providing co-operation on money laundering, associated predicate offences and the financing of terrorism.

11. FIUs should exchange information freely, spontaneously and upon request, on the basis of reciprocity. FIUs should ensure that they can rapidly, constructively and effectively provide the widest range of international co-operation to counter money laundering, associated predicate offences and the financing of terrorism. FIUs should do so both spontaneously and upon request, and there should be a lawful basis for providing co-operation.

12. In addition to the information that entities report to the FIU (under the receipt function), the FIU should be able to obtain and use additional information from reporting entities as needed to perform its analysis properly.
13. In order to conduct proper analysis, FIUs should have access to the widest possible range of financial, administrative and law enforcement information. This should include information from open or public sources, as well as relevant information collected and/or maintained by, or on behalf of, other authorities and, where appropriate, commercially held data.

14. FIUs should be able to disseminate, spontaneously and upon request, information and the results of their analysis to relevant competent authorities.

15. FIUs should use the most efficient means to co-operate. If bilateral or multilateral agreements or arrangements, such as a Memorandum of Understanding (MOU), are needed, these should be negotiated and signed in a timely way with the widest range of foreign FIUs in the context of international co-operation to counter money laundering, associated predicate offences and terrorist financing.

16. FIUs should be able to conduct queries on behalf of foreign FIUs, and exchange with these foreign FIUs all information that they would be able to obtain if such queries were carried out domestically.

OBLIGATIONS FOR THE FIU RECEIVING THE REQUEST

17. When requesting co-operation, FIUs should make their best efforts to provide complete factual and, as appropriate, legal information including the description of the case being analyzed and the potential link with the country receiving the request. This includes indicating any need for urgency, to enable timely and efficient execution of the requests.

18. FIUs may decide to exchange information indirectly with non-counterparts in response to requests from competent authorities. FIUs should ensure that the competent authority requesting the information indirectly always makes it clear who they are requesting the information for, and for what purpose.

19. Upon request and whenever possible, FIUs should provide feedback to their foreign counterparts on the use of the information provided, as well as on the outcome of the analysis conducted, based on the information provided.

20. An FIU requesting information should disclose, to the FIU that will process the request, the reason for the request, and to the extent possible the purpose for which the information will be used, and provide enough information to enable the FIU receiving the request to provide information lawfully.

21. Requests for information that are sent simultaneously to several FIUs should be justified with a clear explanation of the link that involves the specific set of countries. Requests for information should not be sent to large distribution lists if the link is not justifiable to all recipients.

OBLIGATIONS FOR THE FIU MAKING THE REQUEST

22. FIUs should have the power to exchange:

a) All information required to be accessible or obtainable directly or indirectly by the FIU under the FATF Recommendations, in particular under Recommendation 29; and

b) Any other information which they have the power to obtain or access, directly or indirectly, at the domestic level, subject to the principle of reciprocity.

23. FIUs should acknowledge receipt of requests, respond to requests for information, and provide interim partial or negative responses in a timely manner.

UNREASONABLE OR UNDULY RESTRICTIVE CONDITIONS AND CASES FOR REFUSAL TO INTERNATIONAL CO-OPERATION

24. FIUs should not prohibit or place unreasonable or unduly restrictive conditions on exchanging information or providing assistance. In particular, FIUs should not refuse a request for assistance on the grounds that:
a) The request is also considered to involve fiscal matters;
b) Laws require financial institutions or designated non-financial businesses and professions (except where the relevant information that is sought is held under circumstances where legal privilege or legal professional secrecy applies) to maintain secrecy or confidentiality;
c) There is an inquiry, investigation or proceeding underway in the country receiving the request, unless the assistance would impede that inquiry, investigation or proceeding; and/or
d) The nature or status (civil, administrative, law enforcement etc.) of the requesting counterpart authority is different to its foreign FIU.

25. FIUs receiving requests may, as appropriate, refuse to provide information if the requesting FIU cannot protect the information effectively.

26. FIUs receiving requests should promptly, and to the largest extent possible, grant prior consent to disseminate the information to competent authorities. The FIU receiving the request should not refuse consent to such dissemination unless this would fall beyond the scope of application of its AML/CFT provisions, could impair a criminal investigation, would be clearly disproportionate to the legitimate interests of a natural or legal person or the State of the providing FIU, or would otherwise not be in accordance with fundamental principles of its national law. Any such refusal to grant consent should be appropriately explained.

27. Co-operation may also be refused, as appropriate, on the grounds of lack of reciprocity or recurring inadequate co-operation. All cases that are refused must be justified, and FIUs should make all efforts to provide an explanation when the requested co-operation cannot be provided.

DATA PROTECTION AND CONFIDENTIALITY

28. Information received, processed, held or disseminated by requesting FIUs must be securely protected, exchanged and used only in accordance with agreed procedures, policies and applicable laws and regulations.

29. FIUs must, therefore, have rules in place governing the security and confidentiality of such information, including procedures for handling, storage, dissemination and protection of, as well as access to, such information.

30. FIUs should ensure their staff members have the necessary security clearance levels and understand their responsibilities in handling and disseminating sensitive and confidential information.

31. FIUs should ensure there is limited access to their facilities and information, including information technology systems.

32. Exchanged information should be used only for the purpose for which the information was sought or provided. Any dissemination of the information to other authorities or third parties, or any use of this information for administrative, investigative, prosecutorial or judicial purposes, beyond those originally approved, should be subject to prior authorization by the requested FIU.

33. At a minimum, exchanged information must be treated and protected by the same confidentiality provisions that apply to similar information from domestic sources obtained by the FIU receiving the request.
CHANNELS FOR THE EXCHANGE
OF INFORMATION

34. Exchanges of information should take place in a secure way, and through reliable channels or mechanisms.

35. To this end, FIUs should use the Egmont Secure Web or other recognised networks that ensure levels of security, reliability and effectiveness at least equivalent to those of the Egmont Secure Web (for example, the FIU.NET).

36. FIUs should ensure access to, and use of, the Egmont Secure Web or other appropriate channels of communication are securely protected and reserved to authorised personnel. The equipment and passwords used for these channels should also be securely protected.

37. FIUs should be aware of the standards of security, reliability, efficiency and effectiveness applied in the use of the Egmont Secure Web or other appropriate channels.