



PRESS RELEASE

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FINANCIAL INTELLIGENCE UNITS UPGRADING MECHANISMS TO ENHANCE INTERNATIONAL COOPERATION IN THE FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

The Egmont Group of Financial Intelligence Units (FIUs) met this week in Yerevan, Armenia to discuss international cooperation in the sharing of information and financial intelligence.

The 19th Egmont Group Plenary, held at the Hayastan Conference Center in Yerevan, was attended by over 290 participants who were representatives of FIUs from 99 jurisdictions and 10 international organizations. The Egmont Plenary meeting, held annually, brings together the Egmont member FIUs and observer organizations for training and in-depth discussions to further the development of the international FIU network.

The Plenary was co-chaired by Mr. Boudewijn Verhelst, Deputy Director of the Belgian FIU, and Mr. Daniel Azatyan, Head of the Financial Monitoring Center (FMC) of Armenia.

The Co-Chairs congratulated the FIUs of Azerbaijan, Kazakhstan, Mali, Morocco, Samoa Islands, Solomon Islands and Uzbekistan, who were endorsed as new members of the Egmont Group during the meeting.

The Chair of the Egmont Group confirmed that this was the largest group of new members that had been admitted for some years and noted that these new members strengthen the global network of information sharing in areas of particular strategic and regional significance.

In addition to the growth in membership, 55 bilateral cooperation agreements were signed between Egmont members during the week. Whilst information can, in most instances, be exchanged without recourse to a written agreement, the cooperation agreements signal an ever-increasing willingness for Egmont members to work together across borders in the exchange of information. This will deliver very practical results in expanding and systematizing the flow of intelligence and fostering better communications among FIUs.

In two keynote presentations, delivered after being unanimously endorsed for a further two-year term as Chair of the Egmont Group, Mr. Verhelst noted the growth in the network of Egmont member FIUs from 24 when the organization began in 1995, to the 127 members the Group became during the meetings this week. He emphasized that while this growth is impressive, it is now time to move from an emphasis on quantity to a much stronger focus on quality.

“What is really important is knowing and being able to demonstrate the value that an FIU adds to a country’s anti-money laundering efforts when it cooperates effectively in the international exchange of financial information and intelligence. As the Egmont Group, we need to sharpen our focus on what can be done to assist our FIUs to achieve this”, Mr. Verhelst said.

Several of the sessions during the week contributed to this theme, focusing on some of the legal, policy and operational challenges FIUs face, as well as the partnerships that the Egmont Group has with other international organizations, such as the UNODC, World Bank, IMF, Basel Institute on Governance and FATF-style regional bodies (FSRBs), to assist in FIU development and capacity building.

The Heads of FIUs received a report from the Chair of the Legal Working Group and noted the outcomes of the revision of FATF Recommendations 26 and 40 in which the Egmont Group has been actively involved in over the past year. In relation to recommendation 40 and international cooperation, the issue of “diagonal cooperation” between non-counterpart authorities received particular attention from the Heads of FIUs. The Heads of FIUs confirmed that the key operational concerns with respect to diagonal cooperation include ensuring control over the information held by the FIU and confidentiality. The work will continue out of session with a view to develop an Egmont position on this matter.

In recent years the Egmont Group has also placed increased emphasis on the fight against corruption. This year’s plenary included further sessions devoted to combating corruption and asset recovery, as well as discussions on the impacts that corruption can have on efforts to establish new FIUs and to effectively carry out the FIU mission. The anti-corruption work of the World Bank, and more recently the FATF, has helped raise awareness of the intrinsic link between corruption and money laundering (e.g., where the proceeds from thefts of public funds are subsequently moved through the financial system). The G-20 also has identified fighting corruption among its current priorities.

The Egmont Group of FIUs reaffirmed a commitment, including as specifically foreseen in the United Nations Conference Against Corruption, to fulfill their important role as part of each government’s anti-corruption work, in tracing and identifying possible illicit proceeds, and in facilitating and strengthening the international exchange of information in furtherance of anti-corruption efforts

Egmont Regional Representatives again met with representatives of FSRBs to coordinate efforts at a local and regional level to build the capacity of existing FIUs, and to support the development of emerging FIUs. It was noted that several FSRBs already have an FIU Forum, which provides a good opportunity for joint efforts to advance some specific FIU-related topics, such as the role of the FIU in the criminal justice process, examining indicators of FIU effectiveness, and enhancing effective international cooperation.

In the margins of this plenary the Egmont Group also hosted a joint outreach and FIU Development Workshop event together with the Organization for Security and Cooperation in Europe (OSCE) for jurisdictions from the region that are not yet members of the Egmont Group, or had recently become members. The Egmont Group welcomes this kind of cooperation and looks forward to a continued partnership with the OSCE and other international organizations.

Training sessions held throughout the plenary week focused on topics of operational concern to FIUs. A joint operational training session looked at the Egmont information exchange standards and highlighted good practices and the possible challenges these standards present. Other sessions focused on new payment technologies and money laundering; the use of cross border wire and data transfer; new trends in IT that may be of importance to FIUs; and AML/CFT regulation of money remitters.

Last year’s discussions on FIU cooperation with law enforcement agencies continued during this plenary, with the aim of enhancing the operational effectiveness of Egmont member FIUs. Given the recently reviewed FATF Recommendations 26, 27 and 28, this session also provided a platform for discussing the potential implications of the revised recommendations for the FIU relationship with law enforcement agencies in Egmont Group member jurisdictions.

Earlier in the week, the Chair and Executive Secretary of the Egmont Group were honored to meet with the President of the Republic of Armenia, Mr. Serzh Sargsyan, and the Prime Minister of the Republic of Armenia, Mr. Tigran Sargsya. At both of these meetings, the strong commitment of the Armenian Financial

Monitoring Centre (FMC) to international cooperation was emphasized, including with all neighboring Egmont member FIUs in the region. It was noted that this commitment had been well illustrated recently by the leadership role the FMC took in a significant Egmont Group project on enhancing information exchange.

In his opening speech of the Plenary Session, the Chairman of the Central Bank of Armenia, Mr. Artur Javadyan highlighted that in the Republic of Armenia vital importance is attached to the fight against money laundering and terrorist financing both in terms of providing for institutional arrangements of an effective AML/CFT system and of active involvement in relevant international initiatives. “In that respect, I would like to emphasize the key role of the Egmont Group”, he said.

The Head of FMC noted: “Armenia has serious incentives driving its commitment to anti-money laundering and combating the financing of terrorism. The Government of Armenia places high priority on economic growth and financial stability, as well as on increasing the security and prosperity of the Armenian people.”

Mr. Azatyan continued: “We attach great importance to effective international cooperation, an essential part of which is regional collaboration between FIUs of neighboring countries. In that regard, I would like to congratulate the new Egmont members from our East European region – Azerbaijan, Kazakhstan and Uzbekistan - and offer our full support to collaborate in any activity that will help them carry out their important mission”.

The Egmont Group is grateful to the Armenian Financial Monitoring Center (FMC) for efficiently delivering the 19th Plenary meeting in Yerevan, and acknowledges the valuable contributions that the FMC has provided to the activities of the Egmont Group since its admission as a member in 2007.

Background

In 1995 a number of financial intelligence units (FIUs) began working together in an informal organisation known as the Egmont Group. Named for the location of the first meeting at the Egmont-Arenberg Palace in Brussels, the goal of the Egmont Group is to provide a forum for FIUs to improve support to their respective national anti-money laundering and anti-terrorist financing programs.

The FIUs are central, national authorities responsible for receiving, analyzing, and disseminating to competent authorities, disclosures received from the respective financial sectors.

The place of FIUs is now well established in the arsenal of measures to combat serious crimes. To ensure the effectiveness of these measures, each FIU must adhere to all of the Egmont Group principles. One of the major principles of the Egmont Group is to enhance the potential for bilateral and multilateral international collaboration in strategic analysis among the FIUs.

Further information about the Egmont Group and a list of Egmont member FIUs can be found at www.egmontgroup.org. The Egmont Group 2008-2009 Annual Report is also available on this website.