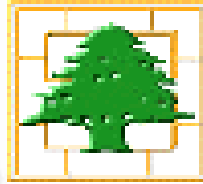


# **MENAFATF & Regional Challenges**



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## **The Third International Conference On Hawala**

**UAE**  
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# Why have FSRBs?

Enable non-OECD countries to play an active role in the financial control efforts, in the form of:

- Participating as observers in all FATF meetings
- Assessing their members' compliance with FATF standards
- Creating regional specific standards
- Participating in IMF/ World Bank assessment programs

# MENAFATF

- Consists of a group of regional countries set together to coordinate efforts in fighting money laundering and combating terrorist financing
- It is not derived from an international treaty
- It is independent of any other international body and sets its own work, rules and procedures
- It is a “regional subdivision” of the global watchdog

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# CREATION

- Four informal discussions led to the creation of the MENAFATF
  - 1<sup>st</sup> meeting in October 03 in Stockholm
  - 2<sup>nd</sup> meeting in Jan 04 in Bahrain (North African countries were added and the MOU was discussed)
  - 3<sup>rd</sup> meeting in Feb 04 in Paris (MOU wrapped up on a technical level)
  - 4<sup>th</sup> meeting in July (launching date was decided in Nov of 2004)
  
- MENAFATF was launched on Nov 30 of last year in Bahrain

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# CREATION

- Initial supporting world Organizations (IMF, World Bank, FATF, GCC, UNODC, Egmont).
- Initial observer countries (France, UK and the US)

# MOU (Main Features)

- Similar to existing FSRB' MOUs (APG, CFATF, MONEYVAL, ESAAMLG, GAFISUD, EAG)

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## MOU (Cont.)

Members agree to work towards achieving the following objectives:

- (I) To adopt and implement FATF Recs.
- (II) To implement relevant UN treaties and agreements and UNSCR dealing with countering ML/TF
- (III) Encourage member states to cooperate together to raise compliance with FATF and international standards

## MOU (Cont.)

- (IV) Encourage member states to identify ML and TF issues specific to the region
- (V) Encourage member states to build effective arrangements through out the region to combat ML/TF, in accordance with their cultural values, constitutional framework and legal systems.

## MOU (Cont.)

- Member countries: Middle East / North African Arab Countries
- Observers (international and regional organizations, countries within and outside the MENA region)
- Official languages are Arabic, English and French
- Financing ( MENAFATF will be funded by contributions from its members)

# MOU (Cont.)

## ➤ Structure:

### (I) **The Plenary meeting of representatives**

(consists of experienced delegates appointed by member states, elects the president and vice president, appoints the Executive secretary)

### (II) **The Secretariat** (located in the kingdom of Bahrain)

- Meetings (presence of  $\frac{3}{4}$  of members form the quorum, open to observers)
- Admitting new members and observers by unanimity
- Decision making by consensus
- Mutual Evaluation (assistance from experts may be required)
- Other

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# GOALS

- Identify and provide technical assistance to member countries
- Hold regional seminars/ workshops (deal with issues that are specific to the region)
- Conduct mutual evaluation programs

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# GOALS

- Encourage and devise an information sharing structure among member countries
- Reflect member countries' views at FATF meetings

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# CHALLENGES

- Identifying shortfalls in terms of regulations and FIUs operational aspects
- Assess technical assistance needs
- Decide on the technical assistance providers (within/outside the region)

# CHALLENGES

- Helping the financial sector sustain a good standing level.
- Forging partnership with the international community.
- Attaining & maintaining leadership and corporate governance.
- Committing to working together

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# BENEFITS

- Presents opportunities for member states to participate in formulating international AML/CFT policies
- Strengthens the financial and banking sector in the area and encourages the flow of capital into the region
- Encourages information sharing among member states
- Inter-regional experience-sharing
- Inter-regional technical support

# AML Status at Member States

- Advanced stage (regulations, FIU, experienced, proper staffing)
- Semi-advanced (Regulations, FIU in progress, lack of experience, need technical assistance)
- Less-advanced (regulations in progress, need technical assistance)
- Just started (will enact regulations, etc....)



**THANK YOU**

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