GOPAC Anti-Money Laundering GTF Workshop
Friday 11 March 2011

GOPAC Global Conference
11 - 13 March 2011
Mexico City
Workshop Agenda

- Part 1: Introduction - 5 min. – Roy Cullen
- Part 2: General comments on draft AML Action Guide - 15 min. – RC / All
- Part 3: Comments on each Action Guide chapter, etc. - 45 min. – Panellists / All
- Part 4: Discussion of GOPAC AML GTF Strategic Plan to roll out Action Guide - 20 min. – RC / All
- Part 5: Discussion on AML Resolution(s) to propose to the Conference - 5 min. – RC / All
Part 2: Draft GOPAC AML Action Guide

• General comments on draft Action Guide
Part 2: General comments on Draft Action Guide

• Presently comprises 8 chapters, 3 Appendices and 2 Annexes
Part 2: General comments on Draft Action Guide

1. Introduction
2. What do Parliamentarians need to understand about Money Laundering?
3. Size, Scale and Scope of Global Money Laundering
4. Key Components of Anti-Money Laundering Legislation, Regulations and Guidelines
5. Establishing a Financial Intelligence Unit (FIU)
6. The Role of Parliamentarians in Combating Money Laundering
7. International Organizations Involved in the Fight Against Money Laundering
8. Acknowledgements

Appendices:
A. Benchmark Anti-Money Laundering Legislation
B. Example FIU Organization Charts
C. GOPAC’s Anti-Money Laundering Initiative

Annexes:
1. FATF 40 AML Recommendations
2. Members and Observers of the FATF and the 8 FSRBs
Part 3: Comments on Each Action
Guide Chapter, Appendices & Annexes
Comments on Chapter 1 of Draft Action Guide

Introduction

– Provides an overview of the whole document
– Notes that the Guide is designed so that Parliamentarians can selectively pick and choose those anti-money laundering initiatives that suit their particular environment and state of evolution.
Comments on Chapter 2 of Draft Action Guide

What do Parliamentarians need to understand about Money Laundering?

Topics:
- Why do corrupt officials need to launder their money?
- What is Money Laundering?
- Money laundering cycle
- Typical Money Laundering Schemes
Comments on Chapter 3 of Draft Action Guide

Size, Scale and Scope of Global Money Laundering

Topics:

– Size & scale of money laundering
– Stages of money laundering
– Main beneficiaries of money laundering
– Importance of Standards
– Role of Parliamentarians
– Costs & benefits
Key Components of Anti-Money Laundering Legislation, Regulations and Guidelines

Topics:

– Key issues of an anti-money laundering regime (how big to set the ‘net’; defining suspicious transactions; solicitor/client privilege; financial intermediaries; privacy issues; monetary instruments; burden of proof; telegraphic transfers & internet banking)
– Other key challenges
– FATF 40 + 9 Recommendations provide essential framework & standards
– Prevention
– You are not alone – 180+ countries in FATF & FSRBs (complete list of members & observers in Annex 2)
Comments on Chapter 4 of Draft Action Guide – Slide 2

Key Components of Anti-Money Laundering Legislation, Regulations and Guidelines

Topics:

– Monitoring & evaluation – all countries are evaluated
– Public Reports Mean Business
– What are FATF 40 + 9 Recommendations (table of the 40 Recommendations that highlights key objectives of each in Annex 1)
– Politically Exposed Persons (PEPs):
  • Extract from StAR paper with key PEPs actions and recommendations
– Stolen Asset Recovery
– Note of Caution
Comments on Chapter 5 of Draft Action Guide

Establishing a Financial Intelligence Unit (FIU)
Topics:
• Introduction
• Importance of FIUs – How can Parliamentarians support them
• Part 1: Establishing an FIU
  – 4 Types of FIUs (Appendix B shows 3 different FIU organization charts)
• Part 2: Core functions of an FIU
  – Receiving financial transactions
  – Analysis
  – Canadian model flow chart of how FIU works
  – Sharing intelligence with law enforcement and international partners
  – Reactive disclosure
  – International requests
• Part 3: Parliamentarians role with FIUs
Comments on Chapter 6 of Draft Action Guide

The Role of Parliamentarians in Combating Money Laundering

Topics:

– UNCAC & its money laundering articles
– AML part of UNCAC review mechanism
– AML part of the UNDP-GOPAC Self Assessment Toolkit for Parliamentarians
– FATF Mutual Evaluation Programme
– FATF evaluation of non-cooperative countries
– Challenging the executive branch
– Assuring that FIUs are properly established, funded and operating
Comments on Chapter 7 of Draft Action Guide

International Organizations Involved in Fight Against Money Laundering

Topics:

– Egmont Group
– FATF
– 8 FSRBs
– International Monetary Fund (IMF)
– Interpol
– Transparency International
– UNODC (UNCAC)
– World Bank
Comments on Chapter 8 of Draft Action Guide

Acknowledgements
Comments on the 3 Appendices of the Draft Action Guide

A. Benchmark Anti-Money Laundering Legislation
B. Example FIU Organization Charts
C. GOPAC’s Anti-Money Laundering Initiative
Comments on the 2 Annexes of the Draft Action Guide

1. FATF 40 (AML) Recommendations
2. Members and Observers of the FATF and the 8 FATF Style Regional Bodies
Part 4: Discussion of GOPAC AML
GTF Strategic Plan to roll out the Action Guide
Part 5: Discussion on AML Resolution(s) to propose to the Conference
The GOPAC Anti-Money Laundering (AML) Global Task Force (GTF) shall:

• finalize the GOPAC AML Action Guide for Parliamentarians and the Strategic Plan to roll it out, incorporating conference workshop advice; and

• approve the updated GOPAC AML policy position and the related updating of the AML section of the UNDP/GOPAC UNCAC Monitoring and Assessment Toolkit.
Draft Resolutions

• Are the questions in the following slide adequate for the Anti-Money Laundering section of the UNDP/GOPAC UNCAC Monitoring and Assessment Toolkit?
<table>
<thead>
<tr>
<th>GOPAC Policy Checklist Elements</th>
<th>UNCAC articles</th>
<th>Questions/Indicators of parliamentary engagement in UNCAC implementation and review</th>
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<tbody>
<tr>
<td><strong>13. Money laundering and recovery of assets</strong>&lt;br&gt;<strong>To what extent are parliamentarians working in harmony with government and expert international organizations to legislate, oversee and build public support to prevent money laundering and improve the potential for recovery of stolen assets?</strong></td>
<td><strong>14, 58</strong></td>
<td><strong>13.1 On legislative provisions and practices</strong>&lt;br&gt;13.1.1. Is there legislation in place for prevention and detection of money laundering, including requirements of effective customer identification, record-keeping and reporting suspicious transactions by financial institutions? Is the legislation comprehensive?&lt;br&gt;13.1.2 Has a financial intelligence unit (FIU) been established to serve as a national centre for the collection, analysis and dissemination of information regarding potential money-laundering?&lt;br&gt;13.1.3 Does the national financial intelligence unit (FIU) report to Parliament and respond to recommendations?&lt;br&gt;13.1.4 Is Parliament engaged in the reallocation of recovered public funds?</td>
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