Multi-stakeholder co-operation in AML/CFT

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AML/CFT Multi-stakeholder co-operation

- Legal framework
- Institutional framework
- Inter-institutional (public to public) cooperation
- International Co-operation
- Public-Private Co-operation
- Practical Implementation
- Lessons learned
AML/CFT Multi-stakeholder co-operation

- Legal Framework
  - Combating the Legalization of Crime Proceeds or other Property and Financing of Terrorism Act 2009
  - Combating the Legalization of Crime Proceeds or other Property and Financing of Terrorism Act (Enforcement ) Decree 2009

AML/CFT Multi-stakeholder co-operation

- Institutional Framework
- Key Institutions:
  - Financial Monitoring Service
  - Anticorruption Department
  - Central Bank of Azerbaijan
  - State Committee for Securities
  - Ministry of Finances
  - Ministry of National Security, etc.
AML/CFT Multi-stakeholder co-operation

- Inter-institutional cooperation (MoU based)
  - information exchange;
  - joint use of databases;
  - answering legal assistance inquiries;
  - joint researches, developing analytical and methodical materials;
  - joint development of by-laws;
  - organization of conferences, seminars and trainings.

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- Inter-institutional cooperation

- MOU Examples
  - Anti-Corruption Department
  - The Central Bank
  - State Committee for Securities
  - Ministry of Finance
  - Ministry of Communication and Information Technologies
  - Ministry of Justice
  - State Committee for the Work with Religious Organizations
  - Chamber of Auditors
  - State Customs Committee
  - Ministry of National Security
  - Ministry of Foreign Affairs
  - Ministry of Taxes
AML/CFT Multi-stakeholder co-operation

- Inter-institutional cooperation
- MoU between the FMS (FIU) and the ACD
  - signed February 2010
  - sharing information on facts of legalization of criminally obtained funds or other property and investigation of such facts
  - jointly developed curriculum of training

AML/CFT Multi-stakeholder co-operation

- Inter-Institutional Training
- MoU CB and FMS
  - methodological assistance to credit institutions
  - training for employees
  - formation of internal control system in the credit institutions
  - identification of compliance officers
  - detection of suspicious transactions
  - submission of relevant information
AML/CFT Multi-stakeholder co-operation

- International Standards
  - FATF Standards
  - Basel Institute Principles
  - Wolfsberg Principles

Cooperation with the international organizations specialized in the AML/CFT field:
- MONEYVAL
- FATF
- Egmont Group

AML/CFT Multi-stakeholder co-operation

- International Cooperation co-operation with the international organizations supporting AML/CFT:
  - UNODC
  - IMF
  - OSCE
  - USAID
AML/CFT Multi-stakeholder co-operation

- Public-private cooperation
- Mobilization of the Private Sector
- Policy of minimum interference
- Building of dialogue and mutual trust:
  - equal partnership
  - voluntary involvement
  - sense of ownership
- Evolvement of contact points
- Multi-stakeholder training
- Foreign investment growth

AML/CFT Multi-stakeholder co-operation

- Public-private cooperation

Joint FMS-ACD training for
- Banks and other reporting agencies
- Law enforcement bodies
- Judges
- 19 trainings covering 130 people in 2012
- 2009-2012 – more than 1,000 employees of banks and credit institutions
AML/CFT Multi-stakeholder co-operation

- Practical implementation
  - Balanced oversight of the Central Bank
  - FMS full-fledged monitoring capacity
  - Power to seize transactions
  - Informal channels of consultations FMS-ACD
  - Secure Channels of communication
  - Feedback of the ACD on the results of investigation and adjudication
  - Submission of reports on the implementation of the international instruments

AML/CFT Multi-stakeholder co-operation

- Practical implementation
- Ad Hoc Group on ML
  - Improved criminalization in line with the international standards
  - Guidelines for the application of the Section developed
  - Reports on compliance with the international instruments drawn
AML/CFT Multi-stakeholder co-operation

- Lessons learned:
  - Measures shall be taken through concerted efforts
  - Each measure shall be designed in result-oriented fashion
  - Corporate interests shall not prevail
  - Contact person shall be assigned in each institution
  - Permanent Ad Hoc group operation necessary
  - Action Plan

Thank you for your attention