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Economic and Environmental Forum**

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**TWENTIETH  
ECONOMIC AND ENVIRONMENTAL FORUM**

**“Promoting Security and Stability through Good Governance”**

**FIRST PREPARATORY MEETING**

**“Anti-Money Laundering and Countering the Financing of Terrorism”**

**Vienna, 6-7 February 2012**

**CONSOLIDATED SUMMARY**

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**PLEASE NOTE:**

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## EXECUTIVE SUMMARY

### 20<sup>TH</sup> OSCE ECONOMIC AND ENVIRONMENTAL FORUM

#### “Promoting Security and Stability through Good Governance”

#### FIRST PREPARATORY MEETING

#### Anti-Money Laundering and Countering the Financing of Terrorism

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#### Introduction

The First Preparatory Meeting of the 20<sup>th</sup> OSCE Economic and Environmental Forum took place in Vienna from 6-7 February 2012. This year’s theme is “*Promoting Security and Stability through Good Governance*” and this meeting focused on “*Anti-Money Laundering and Countering the Financing of Terrorism*”. Six thematic areas were addressed over the course of the two days:

- Capacity Building - Preventing Money Laundering and the Financing of Terrorism
- Capacity Building - Identifying and Suppressing Money Laundering and the Financing of Terrorism
- AML/CFT National Risk Assessments
- Domestic Interagency Co-operation
- International Information Exchange
- Triangulating Co-operation between Public, Private and International Organizations

More than 250 participants, including official representatives of the OSCE participating States, international, regional and non-governmental organizations, the business community, civil society, academia, as well as OSCE field officers, attended the Forum and engaged in discussions on best practices and known gaps in the implementation of AML/CFT international standards. Expert speakers included Mr Brian Hayes T.D., Minister of State at the Department of Finance in Ireland, Mr Drew Sullivan, an Investigative Journalist at the Organized Crime and Corruption Reporting Project and Mr Vincent Schmoll, Senior Policy Analyst at the Financial Action Task Force (FATF). Many of the participants proposed concrete recommendations for further consideration by participating States in the OSCE Economic and Environmental Committee and during discussions in future meetings of the 20<sup>th</sup> OSCE Economic and Environmental Forum. A food for thought paper (EEF.GAL/5/12) providing an overview of the current state of anti-money laundering and countering the financing of terrorism (AML/CFT) efforts in the OSCE region was prepared ahead of the meeting.

#### Main conclusions and recommendations

During the Forum’s deliberations it was repeatedly emphasized that money laundering and terrorism financing represent **global security threats** and that effectively addressing these challenges requires an active involvement of all countries and all relevant stakeholders. While positive developments have been registered during the recent past, there is a need to further consolidate these achievements and continue to address existing gaps, as well as emerging and evolving challenges in this field. Differences among countries still remain with regard to the level

of preparedness and the capacity to cope with these threats, and the international AML/CFT system is only as strong as its weakest link. Various obstacles (legislation, policy, attitudes, etc.) still harm the AML/CFT regime. Internationally, there is still a need to increase the quality, the speed, and the efficiency of the informational exchange and of AML/CFT co-operation in general.

Furthermore criminal activities are becoming increasingly globalized and know no boundaries. In the context of the current global economic and financial situation, they are likely to intensify. Hence, countering money laundering and the financing of terrorism has become even more challenging and should be prioritized.

In the AML/CFT field a multi layered, **comprehensive approach is required** which should include strengthening national legislative frameworks, in line with international standards, enhanced inter-agency co-operation at the national level, and international co-operation, to ensure a swift and co-ordinated response to security threats posed by financial crime. Both preventive and enforcement measures should be envisaged. While multi-agency co-operation is equally important at both domestic and international levels, the private sector, in particular the financial institutions, as well as the society as a whole should be part of these processes.

An important starting point for the Forum's discussions was the **OSCE's previous engagement in the area of AML/CFT**. Over the last decade, the OSCE - both the Secretariat and the field operations - played a relevant role by, *inter alia*: providing assistance in the establishment of financial intelligence units (FIUs); helping participating States in developing and implementing the necessary legislation to reinforce their AML/CFT framework; supporting the adoption and implementation of international standards such as the FATF 40+9 recommendations; supporting countries to join the Egmont Group; strengthening the capacity of FIUs, law-enforcement bodies, supervisory bodies, reporting entities, tax authorities and judiciaries; mobilizing international expertise; and assisting countries in carrying out national risks assessments.

Several OSCE field operations provided concrete examples of national and regional workshops that have been designed and implemented recently in co-operation with their host governments and other partners. These activities were well received by the OSCE delegations and were cited as examples of the role the OSCE should continue to play in the area of AML/CFT. In that regard, both the OCEEA and the OSCE field operations were encouraged to build further on their existing experience and **continue to deliver such tailor-made capacity building and training activities** responding to the needs of participating States and to better co-ordinate with other international and regional actors. It was, *inter alia*, suggested that the OSCE continue to offer assistance in thematic areas such as new payment methods susceptible to money laundering abuse and financial investigative techniques used by FIUs and financial police. The OSCE may add value in the area of data collection. For example, calls were made to develop a database of AML/CFT specialists.

Participants discussed the OSCE's efforts to support participating States seeking to conduct **National Risk Assessments (NRAs)**. Speakers suggested that the OSCE should continue raising awareness at the political level of the value and benefits of conducting national risk assessments, and work with partner organizations and participating States to mobilize and co-ordinate the technical and regional resources necessary to carry NRAs out. It was acknowledged during the meeting that methodologies and international standards for carrying out NRAs are still in development and that the OSCE should continue to engage with all relevant parties, in particular the FATF, the IMF and the World Bank, to ensure that its assistance contributes to international consensus on best practices in NRA. The OSCE could also be a platform for sharing experiences between participating States currently undertaking NRAs and others less advanced in this area.

The First Preparatory Meeting was successful in raising awareness of the OSCE's activities among international organizations with a technical focus on AML/CFT. During and as a result of the meeting, both the Financial Action Task Force (FATF) and the Council of Europe Committee of

Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) expressed interest in working with the OSCE to leverage its added values in support of shared objectives in the field of AML/CFT.

As the results of earlier activities have demonstrated that countries benefit from sharing experiences and know-how, it was suggested that the OSCE could play a role in **strengthening regional as well as inter-regional co-operation** through the exchange of best practices and transfer of experience to countries that are still developing AML/CFT models and through facilitating networking among experts and practitioners.

It was also mentioned that this year's OSCE Forum process could be instrumental in the identification of areas for future work and of relevant niches where the OSCE could bring added value. The Forum can help to further **clarify and focus the OSCE approach**.

Throughout the Forum meeting, participants emphasized the **OSCE's added values** in terms of its geographic outreach, its political nature, its promotion of shared values and its history of providing a platform for political dialogue and the exchange of best practices between participating States as well as with other relevant domestic and international stakeholders. Among the OSCE's strengths the following were noted: it can stimulate political will; it represents a platform for multi-stakeholder dialogue; and, in particular through its field operations, can identify local needs, engage in capacity building at local level, and help to co-ordinate national efforts.

In the AML/CFT area, the OSCE can play a complementary, yet crucial role in bringing together national and international stakeholders in a platform for discussion on common priorities. The OSCE should employ its **comprehensive approach** to security also in the AML/CFT area and work in **synergy** with other international partners.

In this thread, the **OSCE's cross-dimensional approach** was further highlighted as a mechanism to ensure that the strong powers AML/CFT regimes often yield are checked by equally strong controls **guaranteeing transparency, accountability to citizens and respect for human rights and fundamental freedoms**.

Engaging **civil society and the private sector** were highlighted as additional areas of OSCE added value. Several relevant financial institutions participating in the Forum highlighted several opportunities to improve both public-private and international co-operation to bolster the effectiveness of national and international AML/CFT efforts.

The Forum emphasized that governments, the private sector and international organizations have a common interest in an effective AML/CFT system. The OSCE should contribute to further building partnerships, trust and co-operation in such a manner that each relevant actor can bring in its comparative advantage.

The national and global AML/CFT efforts will be successful only in the context of strong institutions that are transparent and accountable. From this perspective, the OSCE could engage on a more fundamental level to **strengthen governance structures** in those places where good governance is still taking root.

The Vienna Forum contributed to preparations for the Concluding Meeting of the Forum in Prague and to building consensus among the participating States regarding the OSCE role and further efforts in the field of AML/CFT.

## **Possible future activities on AML/CFT issues for consideration**

On the basis of recommendations made during the Preparatory Meeting, OSCE participating States and Executive Structures may wish to give consideration to the following issues:

- Continuing to promote the adoption and implementation of international standards in the fight against money laundering and financing of terrorism, including the revised FATF recommendations;
- Considering an OSCE application for observer status with the FATF;
- Working with partner organizations such as FATF, MONEYVAL, EAG, the World Bank and the IMF to harmonize and mobilize the technical resources necessary to conduct national assessments of money laundering and financing of terrorism risks;
- Continuing to deliver tailor-made capacity building and training activities, particularly on topics such as new payment methods, financial investigative techniques, and the collection of data for use in AML/CFT risk assessments;
- Strengthening the transfer of experience in the above areas between the OSCE participating States;
- Further engaging civil society and the private sector in developing fruitful co-operation with the OSCE participating States in the fight against money laundering and financing of terrorism, particularly by:
  - Developing confidence and co-operation between public and private institutions by supporting joint consultations on AML/CFT rules and legislation;
  - Raising awareness of ML/FT by conducting informational campaigns and providing training to journalists on how to investigate and report on ML/FT;
  - Assisting participating States, at their request, to enunciate national good governance policy objectives and to engage with the private sector to assess whether those policy objectives can be met in the context of current legislation;
  - Ensuring through dialogue and publications that ML/FT typologies identified by the private sector are brought to the attention of national FIUs, investigative authorities and judiciaries;
- Further developing a database of AML/CFT specialists to support OSCE capacity building activities.

## REPORTS OF THE RAPPORTEURS

### SESSION I: CAPACITY BUILDING - PREVENTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

**Moderator:** **Ambassador Tacan Ildem**, Permanent Representative to the OSCE, Turkey

**Rapporteur:** **Ms. Olivera Zurovac-Kuzman**, Environmental Advisor, Environmental Affairs Section, Democratization Department, OSCE Mission to Serbia

In his introductory address *Mr. Tacan Ildem, Permanent Representative of Turkey to the OSCE and moderator of the session*, pointed to the relevance of preventing illegal financial schemes in light of promoting national political and financial stability. He noted that current global security threats require an active involvement of the OSCE in preventing and suppressing mechanisms for financing terrorism and strengthening the legislative framework. He recalled that in the past, the OSCE has been engaged in capacity building activities related to anti-money laundering (AML) and suppressing financing terrorism (CFT); however, differences among countries still remain and it is necessary to identify national capacity needs in this area. In this regard, Mr. Ildem signalled that relevant experience generated in the OSCE area is therefore a valuable asset participating States could benefit from. Results of earlier activities have demonstrated that countries benefit from the exchange of know-how and therefore he suggested that regional co-operation should be strengthened through the exchange of best practices.

The first Speaker, *Mr. Alimjan Tadjibaev, Head of Division, Department on struggle against tax, currency crimes and legislation of criminal incomes under the Prosecutor General's office of the Republic of Uzbekistan* started his presentation by informing that drug smuggling is the main source of financing criminal activities in his country. He commended the OSCE for its support to national authorities in strengthening capacities aiming at implementing AML/CFT activities and described the Organization as a valuable partner which facilitates the promotion and the exchange of best practices. In this respect, he proposed that the OSCE could support the development of a pool/database of experts to improve compliance with AML/CFT obligations.

Mr. Tadjibaev continued by giving an overview of the gradual process of introducing the AML process in Uzbekistan, which started in 2004 with the adoption of the Law on Countering Legalization of Proceedings from Crime and Financing of Terrorism. The adoption was followed by sound, large-scale activities related to strengthening the legislative framework and the law entered into force in 2006. Significant progress was made in 2009 after the OSCE had launched a project with the Government of Uzbekistan that provided the country with technical assistance and capacity-building activities and therefore promoted the level of staff's expertise. In 2010, the Eurasian Group (EAG) compiled a Mutual Evaluation Report on Uzbekistan assessing the AML/CFT regime against the 40+9 Recommendations of the FATF. Whereas the outcome of the evaluation was an overall positive opinion, the EAG noted that there was still room for improvement. Mr. Tadjibaev suggested that the OSCE, in co-operation with the EAG, would serve as a forum to stimulate co-operation against money laundering and the use of crime proceeds, as well as the identification of major areas for future work.

*Mr. Murod Khusanov, National Project Officer, Office of the OSCE Project Co-ordinator in Uzbekistan (PCUz)* gave an overview of OSCE's involvement in the AML/CFT programme in the country, the key milestones, the reasons for its success and the ways to intensify OSCE's involvement in strengthening the AML/CFT regime. He highlighted that the objectives of the PCUz were to support the host country to implement the FAFT 40+9 recommendations; to join the Egmont Group; to provide, in co-operation with the national institutions, a platform for improved co-operation; to deliver tailor-made and timely programmes; and to better co-ordinate with other international actors and the OSCE field operations.



In order to meet these goals the PCUz organised in late 2009 capacity-building activities and provided the government with technical support and international expertise through a training course held in Germany for AML/CFT structures. In 2010, the PCUz facilitated an exchange of best practices with Canadian AML/CFT structures and introduced a monitoring software for suspicious transactions. In 2011 an official visit of the Russian and Serbian FIUs was organised to Uzbekistan. In mid-2011 the Uzbekistan FIU joined the Egmont Group. During this year the PCUz project focused on organising a high-level visit to Germany for exchange of best practices on fighting economic crime, strengthening compliance of bank staff on AML and KYC (*Know Your Customer*), as well as the preparation of a training seminar for non-banking financial institutions in co-operation with the EAG. Mr. Khusanov finalized his intervention by stressing that in order to provide sustainability to the process, it is necessary to develop a multi-annual programme aiming at enhancing capacities of governments in the AML/CFT area and supporting the improvement of legislation.

*The Moderator* concluded that the OSCE plays a relevant role by assisting participating States in developing the necessary legislation to reinforce their AML/CFT framework and by providing them with capacity-building activities.

**Mr. Milovan Milovanović**, *Head of Legal International Co-operation Department, Administration for the Prevention of Money Laundering in Serbia (APML)* stressed that capacity building is essential to promote AML and CFT. In relation to the structure of the AML/CFT system, he explained that the FIU is the centrepiece, and in order to strengthen it, it is necessary to closely co-operate with the Council of Europe, the European Union, the International Monetary Fund, the World Bank and the OSCE. Among the key institutions working with APML, Mr. Milovanović listed the National Bank of Serbia, the State Public Prosecutor's Office, the Ministry of Finance, the Inspectorates and the Security Commissions. He added that the private sector also plays a significant role through law enforcement bodies and financial institutions.

Mr. Milovanović stated that the added value of the partnership with the OSCE relates to three groups of activities: those related to prevention, suppression and investigation. He highlighted the successful co-operation with the OSCE in implementing the AML/CFT Law; training activities for supervisory bodies and the reporting entities from the private sector; training for FIUs, law enforcement authorities and the judiciary on investigating financial/economic aspects of organized crime; as well as training on investigating tax and fraud/tax evasion. The Speaker identified the co-ordination between different donors as a challenge and proposed the appointment of a national focal point responsible for the aforementioned co-ordination.

Mr. Milovanović stressed the need for further OSCE support in tackling issues related to the new payment methods, the assessment of business intelligence tools for FIU work, the strengthening of analytical functions of the FIU through specialized courses and the organisation of advanced training for law enforcement bodies. He also pointed out the relevance of strengthening international co-operation. In this respect, he listed the National Risk Assessment (NRA) Conference organised last January in Belgrade and the membership of Uzbekistan to the Egmont Group as examples of good communication and co-ordination among stakeholders.

**Mr. Mato Meyer**, *Economic Transparency Adviser, OSCE Mission to Serbia* commended the professionalism and successful co-operation of the OSCE Mission to Serbia with the National Administration for the Prevention of Money Laundering. He also proposed that the experience of the Serbian FIU should be utilized for a successful exchange of know-how. He added that in-country expertise should be used in tailoring national AML/CFT programmes, as well as capacity-building activities aimed at strengthening AML/TFL regimes. Mr. Meyer also presented examples of training sessions for prosecutors, where he suggested not mixing difference profiles of experts. Mr. Meyer joined previous Speaker in commending the National Risk Assessments. He considered NRAs a valuable tool setting indicators and trends in each area.

Finally, he presented a recent OSCE/Serbian publication - *Money Laundering Typologies in the Republic of Serbia*, which includes information on currency exchange transactions; ML typologies for attorneys and law firms; ML typologies in the banking and the auditing sector; as well as ML typologies on the capital market, the insurance sector, the real-estate sector and the banking sector.

*The Moderator* concluded that National Risk Assessments have shown to be a valuable instrument. He underscored that field mission's experiences have demonstrated that in-country expertise should be used to tailor national AML/CFT projects, but also to build trust between the public and the private sector. Mr. Ildam also underlined the active involvement of the OSCE in preventing and suppressing AML/CFT mechanisms, identifying capacity needs of law-enforcement bodies and the judiciary, and in assessing ways for exchange of best practices.

**Mr. Evgeny Volovik**, Deputy Head, International Co-operation Department, Federal Financial Monitoring Service, Russian Federation, listed key dates to the establishment of the AML/CFT service and highlighted that the Financial Monitoring Committee had been set up in 2001 following the adoption of the Law on Anti Money Laundering. He added that later in 2004, the Committee was transformed into the Federal Financial Monitoring Service, an independent unit directly under the Government of the Russian Federation, unlike the previous structure, which was subordinate to the Ministry of Finance. He clarified that the current Russian FIU is an independent executive authority, entitled to exchange information with other international FIUs. The mission of the FIU includes data collection, processing, dissemination, supervision and co-ordination with other authorities of the AML/CFT structures. Mr. Volovik informed that the FIU's headquarters in Moscow are staffed with 350 employees, in addition to a total of eight departments disseminated in the Russian Federation, and manpower of 300 in the regional departments.

*Mr. Volovik* commented that the reporting entities to the FIU are credit institutions, insurance companies, mail services, equity markets, pawn-shops, precious metal and jewellery dealers, pension and investment fund managers, leasing companies, notaries, advocates, micro-financial organizations, payoff system operators and credit cooperatives. He clarified that this list is constantly expanding as new institutions and individuals are identified to be involved in money laundering activities. He informed that the magnitude of reports daily received by the Unit ranges from 30 000 to 50 000, of which 10% make up those submitted by banks. Reports generated in the course of mandatory control, as prescribed by the law, for transactions up to 20 000 USD, make up 70% of all the reports, while 30% of reports come from internal control of operations with unlimited thresholds. In a comparative review of the total number of reports from credit institutions, Mr. Volovik observed that there was an increase from 2006 until 2008, followed by a decrease in 2009 due to the financial crisis, and a growing trend in 2010. He noted that the number of financial investigations has consistently grown regardless of the number of reports submitted.

The speaker informed that the Russian financial monitoring service has concluded 56 agreements with other FIUs. Joint investigations with international FIUs resulted in a two-fold increase in the number of international financial investigations, which is a result of the globalization of money laundering activities.

The speaker concluded his presentation by underlining that the OSCE should employ its comprehensive approach and identify niches to fight AML/CFT. He also suggested that the Organization should continue to work in synergy with other international partners. He suggested that in order to avoid any overlap, co-ordination bodies at national and regional levels should be established. He observed that the most effective area of OSCE's work is transfer of experience of leading States to States that are still developing AML/CFT models. In this regard, he noted that it is important to determine the needs, characteristics and requirements of each State, as well as to establish a pool of experts responsible for this transfer of expertise.

*Mr. Charles Hornbostel, OSCE Policy Officer from US Department of State* reinstated that the OSCE can assist participating States in facilitating capacity building activities and organising training for stakeholders involved in AML/CFT. He pointed out that FATF is the relevant international standard-setting body and that US programmes ensure that assistance recipients and partners adopt and implement FAFT recommendations. Mr. Hornbostel indicated that the US seeks to establish effective AML/CFT regimes around the world by developing professional and effective FIUs regulatory systems involving all stakeholders. He emphasized the need to promote international co-operation and cross-border information sharing carried out in partnership with regional bodies such as MONEYVAL, EAG, and United Nations Global Programme against Money Laundering, IMF and the World Bank. He clarified that the US assistance programme will be reviewed after the upgrading of FAFT recommendations and that his country would expect partners to do likewise.

Mr. Hornbostel noted that the OSCE's comprehensive concept of security could be useful in ensuring that, in the context of AML/CFT, while strengthening State security, human rights and the fundamental freedoms of the civil society are not infringed. Finally, the US Mission hoped that the 1<sup>st</sup> Preparatory Meeting would spark thinking about how the OSCE can serve as a platform for discussion, training and information exchange that promotes awareness of the essential linkages between the OSCE's human dimension commitments and the implementation of AML/CFT measures.

*The Moderator* stressed the relevance of the interaction between public and private sectors. In his view, this co-operation is for instance necessary to better control the gambling industry.

*Mr. Volovik* took advantage of this comment to reaffirm the need to uphold rule of law in the gambling industry as it is sometimes used to launder money and finance terrorism.

*The Moderator* concluded the Session by stating that it is useful to hear national experiences of public-private co-operation and that there is need for a comprehensive approach in dealing with this challenge. He also added that for this purpose the OSCE's contribution was essential.

## **SESSION II: CAPACITY BUILDING - IDENTIFYING AND SUPPRESSING MONEY LAUNDERING AND THE FINANCING OF TERRORISM**

**Moderator: Ambassador Andrey Kelin**, Permanent Representative to the OSCE, Russian Federation

**Rapporteur: Ms. Jelena Suvorova**, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

The Moderator, *Mr. Andrey Kelin, Permanent Representative to the OSCE, Russian Federation*, opened the second session by declaring that global economic instability has made more difficult countering money laundering and the financing of terrorism. He added that criminal activities are becoming increasingly globalized and know no boundaries. In this regard, he emphasized the usefulness of detecting, tracing and preventing activities related to money laundering and the financing of terrorism. Further on, Ambassador Kelin announced that the experts of the Second Session would familiarize participants with the AML/CFT systems existing in different countries and the discussion would aim at finding a greater agreement on the relevance of exchanging useful information on AML/CFT.

*Mr. Bill Peace, Deputy Director, Financial Intelligence, Information Department, Serious Organised Crime Agency (SOCA), United Kingdom*, presented different investigative intelligence approaches to tackle organized crime and money laundering. Mr. Peace started by explaining that the Agency had been established as a result of bringing together units from the police, customs, former criminal intelligence and immigration services. He specified that SOCA works with

different UK agencies, gathers information and intelligence data and has enforcement powers, such as police and customs ones. Mr. Peace emphasised that a successful strategy aiming at countering organized crime must have an anti-money laundering approach.

Mr. Peace continued with the analysis of concrete approaches to tackle organized crime. He made a reference to the *knowledge based approach*. Mr. Peace explained that in the United Kingdom the *knowledge based approach* was applied by bringing together all available data across different agencies and then using it to drive the enforcement strategy to counter organized crime. To this end, the necessary knowledge/data is related to: 1) facts on key threats and areas where the criminal activities take place, as well as methodologies used by perpetrators and evaluation of the damage caused 2) the different organized criminals/organized crime groups. By collecting the data available in the different agencies, the authorities are able to have an overview of the current situation and better understand the scale of the problem. In this respect, Mr. Peace emphasised the importance of understanding how criminals acquire their incomes and how they launder them.

Mr. Peace noted that financial investigation is an essential activity of SOCA's work as it enables the Agency to understand the extent of the organized crime and to identify who could be the real upstream beneficiaries. Then, he mentioned specific investigative approaches applied in the UK, such as asset recovery and the identification of criminal assets through civil and criminal confiscation procedures.

Additionally, Mr. Peace mentioned other non-criminal justice interventions (legitimate regulatory approaches) against individuals who may be accomplice to support of organized criminality e.g., lawyers, accountants, and businessmen. Finally, he added that lifetime management programmes applied in the UK allow monitoring criminals after their release from prison in order to prevent them to reengage in organized crime.

Mr. Peace continued by explaining that financial investigations in the United Kingdom are underpinned by Suspicious Activity Reporting regime (SARs regime) covering all potential crimes. He informed that the Agency receives around 240 000 SARs per year. These reports contribute very significantly to an intelligence repository - database called ELMER.

Mr. Peace concluded by summarizing some key points of his presentation:

- Multi-agency co-operation is equality important in both domestic and international levels;
- Financial Intelligence Units (FIUs) have a critical role to play in supporting the investigations of organized criminality and need to be seen as a part of enforcement operators within a strategy to tackle organized crime.

*The Moderator* asked Mr. Peace if the UK financial organizations are obliged to report to the appropriate investigative bodies on suspicious transactions. Mr. Peace noted that in the UK the investigative bodies indicate to the financial sector what kind of information they find useful and what kind of transactions are likely to be suspicious.

**Mr. Nicolae Fuiorea**, *Head of Office for Inter-Institutional Co-operation, Division for Inter-Institutional Co-operation and International Relations, National Office for Preventing and Combating Money Laundering, Romania*, started his presentation with a brief historical description of Romanian FIU. He noted that the main competences of the FIU are preventing and fighting money laundering and combating the financing of terrorism. With this aim, an electronic reporting system had been created. Through this system the FIU receives three types of reports: 1) suspicious transaction reports (STRs); 2) cash transaction reports; 3) external transfer reports. Moreover, Mr. Fuiorea indicated that the Romanian FIU has broad access to relevant data bases, such as those from the Ministry of Finance, Ministry of Interior, Trade Register, Bank Register or the Real Estate

Register. To emphasise the importance of international co-operation Mr. Fuiorea noted that Romanian FIU has access to the Egmont Group secure web network. The Speaker closed his presentation with some case-studies which reflected the successful experience of the Romanian FIU.

**Mr. Dmitry Putyatin**, Administrator, the Eurasian Group (EAG), started his presentation by emphasising the importance of sharing experiences on AML/CFT issues. Mr. Putyatin explained that the main goal of the EAG is to monitor member States compliance with the FATF standards. To reach this goal the EAG uses mechanisms of mutual evaluation and follow-up. Among the key activities carried out by the EAG, Mr. Putyatin mentioned the typology research on criminal practices of ML/TF, as well as technical assistance to EAG member States.

Mr. Putyatin signalled that in the upcoming plenary meeting of the FATF in February, new FATF standards would be adopted. In this regard he indicated that all FATF-style regional bodies (FSRBs) will have to undertake additional functions and clarify the novelties stemmed from the recommendations.

Mr. Putyatin informed that since it was established, EAG together with its observers has gained a lot of relevant experience in the AML/CFT field. In 2011, EAG signed a new Group's agreement which was followed-up by the update of the EAG's observers list. In this regard Mr. Putyatin thanked the OSCE, EAG observer, for having expressed interest in providing technical assistance to EAG member States.

After these presentations, the floor was opened for discussion.

**A representative of the Russian Federation** commented on the differences between *administrative* and *enforcement* financial investigative bodies. Further on, he described some proactive and reactive investigative approaches used by the Russian financial intelligence service to tackle illicit drug trafficking. For example, he mentioned that proactive investigative approach is being applied in the following way: first, the financial intelligence service analyses the information received from reporting entities and then it compares this information with the data received from tax, customs and other authorities.

Before closing the session, the *Moderator* concluded that the meeting enabled representatives of AML/CFT bodies to share their experience in the field and led to better understand the threats and challenges posed by money laundering and financing of the terrorism.

### **SESSION III: AML/CFT NATIONAL RISK ASSESSMENTS**

**Moderator: Ambassador Eustathios Lozos**, Chair of the Economic and Environmental Committee, Permanent Representative of Greece to the OSCE

**Rapporteur: Ms. Katy Long**, Permanent Mission of Ireland to the OSCE

The session was opened by **Mr. Paul Ashin**, Senior Financial Sector Expert, Legal Department, International Monetary Fund (IMF), with an introduction to National Risk Assessment (NRA) procedures and how these procedures can be applied in the areas of AML and CFT. Mr. Ashin defined the components of risk as *threat*, *vulnerability* and *consequence*. The 'threat' of money laundering can be better understood as the 'demand' for money laundering, including where the money is coming from (drugs, crime, fraud, etc.) and in what composition it is being demanded in (cash, external transactions, etc). Understanding the threat can help countries to understand where the money is ultimately directed. Likewise, 'vulnerability' encompasses the weaknesses in AML/CFT systems which allow money laundering services to be supplied. Elements such as a country's geography, social structure, economic condition and financial services sector can all

contribute to the threat of vulnerability. Using these variables, countries should then assess the likelihood that ML/FT will be ‘supplied’ and ‘demanded’ and compare it to the level of consequence. The IMF proposes taking a classical risk management analysis and linking it to a national risk-based strategy. As strict data is rarely sufficient, Inter-Agency work is extremely valuable and crucial in combating the issue. In this aspect, the OSCE has a potential large role to play in providing practical, inter-agency assistance for more proper resource allocation.

Following Mr. Ashin’s presentation, **Mr. Klaudijo Stroligo**, *Senior Financial Sector Specialist and World Bank/UNODC AML/CFT Mentor for Central Asia, the World Bank*, addressed NRA and the links between the IMF and the World Bank approaches. He stressed the need for a more streamlined NRA model to replace improvisation and allow countries to operate in a more organized way. He stated that a national-based approach should be designed separately for each country so as to provide flexibility for the differences in jurisdictions, compliances levels, internal structures, etc. In preparing for a NRA, the first step, per the World Bank model, is to establish a task force of relevant authorities who are able to take the available tools and adapt them to individual needs. The task force will then organize, assess, and interpret the collected data in terms of threats and vulnerability; quite similar to the provisions of the IMF model. Throughout the entire process, it is of particular importance that countries know what the NRA process is about and how to correctly utilize the provisions and flexibility of the first and/or second generation tools.

The third and final presentation by **Mr. Christian Larson**, *Programme Officer, Economic Co-operation and Governance, Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA)*, examined ways in which the OSCE can continue and improve its focus on AML and CTF. In the past six months, two countries have been actively engaged in working through NRAs with the World Bank. The assessments have so far been very useful in effectively targeting resources and voluntary compliance. Mr. Larson signalled that the OCEEA is not trying to develop new standards and guidelines, but rather to prepare countries for engagement in the process. The aim is therefore to compliment, not replicate, the models of the IMF and the World Bank. He announced that an updated report of these best-practices will be made prepared. The report will show how best-practices have developed over time into a more high-level system which requires countries to think critically about their national components. Currently, he stated that the OSCE is particularly interested in adding value to the issue of *data collection*. The value of funds from crime can seem as little more than “structured perceptions”, but by regulating and normalizing reporting methods and time periods across countries, the OSCE should be able to make a difference in the reporting process. Mr. Larson concluded by encouraging countries to share their results from a national perspective so as to help further clarify and focus the OSCE approach.

After the presentation, the Moderator opened the floor for discussion,

**Mr. Hornbostel**, *OSCE Policy Officer from US Department of State*, opened the discussion stating US interest in reading the updated report and continuing to work towards adding value to NRAs. He also expressed interest in hearing reports from OSCE countries which have undergone the NRA process with the World Bank or the IMF. He then raised questions on what role the OSCE can play supporting risk mitigation and how to balance the private sector strategies and interests, if they should even be included at all.

**Mr. Ashin** noted the best role for the OSCE would be in making countries aware of the inherent value and benefits of NRAs. The OSCE, he stated, is in the position to mobilize technical resources while at the same time helping to organise national and regional resources and task forces.

**Mr. Stroligo** also stressed the role of the OSCE in providing technical support as well as the educational support necessary for understanding the specific tools and thus fully committing to the action plan. In helping to achieve these points he urged Kazakhstan, Serbia and Ukraine to share

their experiences from the workshop. He concluded by noting that the private sector should be included at a need-to-know/country specific basis.

*The Moderator* interceded with a question regarding the availability of the data publications, to which *Mr. Stroligo* replied that while countries should be open and willing to share any methodology and gaps in the structure, this is an issue which has not yet been determined and will be discussed in the final workshop segments.

*Mr. Vincent Schmoll*, Senior Policy Analyst, Financial Action Task Force (FATF) raised the question of which method countries should choose for their NRA – the WB or IMF model.

*Mr. Ashin* responded first, stating frankly that the model does not matter. What matters is the process within the countries, the process of sitting down and discussing threats in an intuitive and constructive way.

*Mr. Stroligo* largely agreed, stating that whichever organization has the time and money to help should be model which the country chooses. For countries which have more of a luxury of choice, they should examine the tools available and choose the model which best fits their capabilities, goals and awaited conclusions.

*Mr. Schmoll* followed up this discussion with a question as to the merit of combining the IMF and WB model rather than utilizing a “first come, first serve” basis. He also pointed out that while data collection is a very noble goal, it is one which will be very difficult, if not impossible, to realize. He urged the OSCE to think ‘bigger’ in terms of threat and risk assessment measures of effectiveness.

*Mr. Ashin* agreed that the IMF and WB working together could only benefit their clients, but stressed the need to leave it at that – a system of shared approaches and mistakes.

*Mr. Stroligo* again stressed that States have the possibility of obtaining a more tailored approach by being able to choose between the IMF and WB options. He stressed the need to change the focus from rouge data collection to effective application – using either of the models offered.

*Ms. Elisabeth Florkowski*, Head of Group Compliance & Corruption Prevention, Raiffeisen Bank International, Austria, raised the final discussion point, asking countries to welcome private banks “on to the boat” when defining the specific vulnerabilities and risk assessments. She stated that the private sector is, by necessity, already subjected to global, group risk assessments concerning fraud, phishing, money laundering, terrorism. Further, she urged delegates to include the private sector in NRA as they also do not want to put a great deal of resources into general obligations which are not relevant to their country.

*Mr. Ashin* reminded that risk assessments take place on numerous levels and while private banks have a role in going through analyses of their clients, it is up to the international organizations to oversee the analyses at the national level.

*Mr. Stroligo* noted a need for communication to keep knowledge consistent across sectors, but again cautioned against the over involvement of private institutions in high-level discussions as they may be laden with corruption.

**Highlighted issues relevant for possible follow-up activities and initiatives by the OSCE included:**

1. Encourage input and perceptions from States currently in the process of undertaking NRAs to make Inter Agency work more valuable and crucial.

2. Educate countries on why the assessments are taking place and how to properly use the flexible assessment tools to abide by the agreed action plan.
3. Add value/assistance to the task of data collection.
4. Help in mobilizing technical and regional resources necessary for conducting NRAs.
5. Raise awareness of NRA at the political level to assist States in adopting resolutions.

#### **SESSION IV: DOMESTIC INTERAGENCY CO-OPERATION**

**Moderator: Mr. Klaudijo Stroligo**, Senior Financial sector Specialist and World Bank/UNODC AML/CFT Mentor for Central Asia, the World Bank

**Rapporteur: Ms. Madina Ibrasheva**, National Economic and Environmental Officer, Economic/Ecological Dimension, OSCE Centre in Astana

*Mr. Klaudijo Stroligo, the Moderator*, started the discussion by emphasising that the issue of domestic interagency co-operation is crucial for achieving sustainable anti-money laundering and combating the financing of terrorism policy framework. He noted that the success of the national AML/CFT rests on advanced legislation and enforced domestic co-operation which should be admitted by the Governments at the high strategic level. The Moderator continued the discussion by inviting speakers to provide an overview of the topic from the perspective of existing best practices and international tools.

*Mr. Peter Oakes, Director of the Enforcement Directorate of the Central Bank of Ireland*, started his presentation by referring to the fact that the co-operation and information exchange between credit and financial institutions, the FIU and the Irish competent AML/CFT authorities is extensive and deems to be a legal obligation. The Speaker stressed the role of the Central Bank of Ireland, which is to ensure that credit and financial institutions maintain the appropriate AML/CFT control systems and make certain that they are in a position to identify and report any suspicious transaction. Mr. Oakes also noted that the Central Bank is primarily focused on “control failures” in financial services providers, while the judiciary examines its right to freeze an account and provide no conduit for information in the manner the FIU and Central Bank do. While referring to the Irish police force, he signalled that it primarily focuses on the investigation of actual laundering with a view to eventual prosecution. This gives a clear distribution of tasks between the judiciary, the executive and the legislative in the overall AML/CFT framework, where enhanced co-operation plays a vital role on the whole exercise.

Mr. Oakes drew the attention of participants to the fact that Ireland has lately made efforts to introduce sufficient AML/CFT law and entities, which provide its Central Bank with the necessary power and means to carry out its key role and satisfying FATF recommendations. He listed the following ones:

- The Financial Intelligence Unit, set up as a national centre for receiving, analysing and disseminating suspicious transactions and other information regarding potential money laundering and terrorism financing ;
- The supervisor, like the Central Bank of Ireland, has an adequate power to monitor AML/CFT compliance and the authority to conduct inspection and impose adequate administrative sanctions;
- Effective mechanisms put in place to ensure co-operation among policy makers, FIU, law enforcement agencies and supervisors.

The Speaker continued by informing that the Central Bank of Ireland operates in close partnership with the FIU, which is embedded in a single police force and is a centre of domestic information flow. He stressed that within Ireland’s domestic agency interchange model, the Central Bank acts as a single regulator of multiple sectors of financial services industry and, therefore, ensures both ways



communication with the financial institutions. Furthermore, according to him, Ireland is considered as super-compliant country, since suspicious transactions go in parallel to the Tax Authorities and the Irish FIU to secure AML/CFT safeguard stability. This requirement contributes to the successful ongoing domestic co-operation among the FIU, the Garda Bureau of Fraud Investigation, the Tax authorities, the Customs and Excise and the Criminal Assets Bureau. There is also in place a sound legal basis for information exchange between the Central Bank of Ireland and the competent authorities and financial institutions.

**Mr. Aleksandar Vujčić, Head of the Financial Intelligence Unit of Serbia** gave an overview of the functions and the involvement of the Administration for the Prevention of Money Laundering (APML) in Serbia as well as the assistance provided in communication's chain to other AML/CFT competent authorities. According to him, the APML powers and responsibilities are included in the Law on the Prevention of Money Laundering and Terrorist Financing, which rules the co-operation with other bodies and organizations in this area. Mr. Vujčić drew participants' attention to the fact that in the past there was an initial lack of trust of traditional law enforcement, awareness and knowledge. In this situation the success was to build trust, strengthen education, develop efficient network of connections and reduce the money laundering/terrorist financing risks by using the FIU as a service for obtaining data from the financial sector. An effort was made to introduce a Coordination group back in 2009, which has now 22 representatives of different competent authorities and is responsible for a) implementation of the National AML/CFT strategy b) proposing measures to the AML/CFT authorities for enhancing the system and c) improving co-operation an information exchange among the authorities. Finally, Mr. Vujčić indicated that an example of this fruitful interagency co-operation is the capacity Serbian authorities have nowadays to suspend accounts of offenders during seventy two hours, while the arrests are sanctioned and executed. This is possible thanks to the exchange of information between APML and the police.

**Mr. Oleksii Bereznyi, Director, AML/CFT Department, National Bank of Ukraine** stressed the importance of interagency domestic co-operation and the role of the Central Bank in the national AML/CFT exercise. He signaled that domestic co-operation in Ukraine reflects basic FATF recommendations and ensures

- a) that all relevant authorities co-operate and co-ordinate domestically with each other
- b) that at all levels, co-operation includes policy making and is operational;
- c) the development and implementation of policy and activities.

He declared that at the *policy level* co-operation is being enhanced by adopting the Annual Action Plan. At the *execution level* the co-operation has be reinforced by establishing Inter-agency working group typologies for representatives of State agencies, judiciary and private sector associations, and by enforcing the co-ordination between the regulations and the FIU.

The Speaker noted that the Ukrainian Central Bank and the FIU share an e-mail communication system in accordance with a bilateral Memorandum of Understanding. The FIU has thus access to the Central Bank e-mailing system as well as to the cryptographic software for electronic information exchange with banks. Mr. Bereznyi underlined the good communication and exchange of reports between the law enforcement agencies and the Central Bank on suspicious transactions and investigated cases that may require supervisory action. "Trust building measures" were named as key prerequisites for the success of the AML/CFT venture, which should dwell on enhanced domestic co-operation within and between the following layers: executive branch/central bank, reporting agencies and the judiciary.

**Mr. Hector Colon, Unit Chief, Illicit Finance, Immigration and Customs, United States of America** provided a comprehensive overview of the national AML/CFT legal and institutional frameworks in the US, exposing the role and mandate of the Homeland Security Investigations (HIS) and it's Financial Investigative Strategy (FIS). He noted that the domestic inter-agency co-operation as part

of the FIS is considered an essential tool for identifying, disrupting and dismantling the transnational criminal organizations in the US. This co-operation consists of a number of formalized Task Forces and initiatives with inclusive participation of competent authorities, known as:

- *Border Enforcement Security Task Force (Best)*, organised in partnership with the federal, State, local and foreign law enforcement counterparts and aimed at securing the border and combating criminal smuggling;
- *Organized Crime Drug Enforcement Task Force (OCDETF)*, created in 1982 “to establish co-operation and co-ordination among federal, State and local law enforcement engaged in joint drug enforcement investigations/initiatives” at domestic level. To serve the needs in the above sector the OCDETF created under its umbrella the Fusion Centre (OFC) for gathering and fusing the data from multiple sources to analyze previously unidentified offenders relationships and links;
- *High Intensity Financial Crimes Area (HIFCA)*, established in 1999 to provide the authority and the mechanism to designate an area where money laundering or related financial crime appear on somewhat regular basis. It equips law enforcement with the analytical tool for prosecute money laundering case and relies on information sharing opportunities;
- *Suspicious Activity Report (SAR) Review Team*, comprising special agents, intelligence analysts and State and local task force officers to identify individuals who may be engaged in criminal activities, as well as to co-ordinate, disseminate and lead to appropriate agencies follow-up;
- *High Intensity Drug Trafficking Area (FIDTA)*, initiated in 1990 to designate certain areas of intense drug trafficking activities;
- *El Dorado Task Force*, to disrupt, dismantle organizations involved in laundering of proceeds of narcotics trafficking and other financial crimes in New York.

The Speaker emphasized the fact that law enforcement bodies were brought together to conduct/ensure complex and thorough investigations. Some of the initiatives allow the competent authorities to meet on regular basis and even sit in one office to scrutinize organized crime specific cases.

*During the general discussion* a number of participants and delegations expressed gratitude to speakers for presenting best practices on the domestic interagency co-operation and highlighted OSCE’s capacity building role in supporting better policies via possible training exercises and enhanced dialogue among the AML/CFT counterparts. It was agreed that efficient co-operation fully depends on well placed AML/CFT systems and a clear understanding of the role of each party in this process.

## **SESSION V: INTERNATIONAL INFORMATION EXCHANGE**

**Moderator:** Ms. Katherina Sakharenko, Head of International Cooperation Department, State Financial Monitoring Service of Ukraine

**Rapporteur:** Ms. Zeinep Isakova, Senior Programme Assistant, OSCE Centre in Bishkek

*Ms. Katherina Sakharenko, Moderator of the Session and Head of International Co-operation Department of the State Financial Monitoring Service of Ukraine* opened the session by noting that though standards of informational exchange are established, there is a need for further strengthening them.

*Mr. Boudewijn Verhelst, Chair of the Egmont Group and Deputy Head of the Financial Intelligence Unit of Belgium* indicated that the national characteristics of different FIUs make in many cases their collaboration and the information exchange difficult. He explained that depending on the country, the FIU can be a *law enforcement* one or and *administrative* one. The main difference between them is that while law enforcement units combine intelligence analysis and

investigation, administrative units separate analysis from investigation. This fact, together with a sometimes inadequate legislation, can create practical obstacles for collaboration.

Besides the obstacles related to an inadequate legislation, Mr. Verhelst mentioned other impediments preventing the strengthening of international information exchange. Among them, he pointed out lack or incomplete response to the requests and delays due to low capacity of FIUs.

The speaker highlighted the importance of protecting this exchange of information from third parties that could misuse this data. In this regard he stressed that on the one hand, information should only be exchanged among Egmont Group members; and on the other hand, the FIUs should be functionally independent as recommended by FATF.

Mr. Verhelst pointed out that efforts should be made in order to promote the international availability of domestic sources of information and listed as possible activities, the organization of joint events and the signing of bilateral agreements on co-operation.

Finally, he summarized the main points of his presentation by stating that whereas many steps have been done towards the improvement of the informational exchange, there is still a need to increase the quality, the speed, and the efficiency of the FIUs' operations. Moreover, he highlighted that mutual trust should be an inalienable part of international information exchange.

Next in taking the floor was **Mr. Bolot Sadykov**, *State Secretary of the Financial Intelligence Service of the Kyrgyz Republic*. Mr. Sadykov's presented a good example of the Kyrgyz FIU benefiting from international co-operation. He informed that Kyrgyzstan collaborates with the Egmont Group since 2009 and throughout the years the number of requests the FIU has received and processed has been growing. In order to illustrate his statement, he indicated that in 2011 the FIU processed 660 requests, whereas in 2010 the number was around 330. He clarified that the requests processed through the Egmont Group are commonly related to drug trafficking, money laundering, organized crime, real estate, search of persons migrated to other countries and general contraband.

Mr. Sadykov noted that the international information exchange with Kyrgyzstan is efficient because the FIU has established a good mechanism of collaboration with domestic law enforcement bodies which operatively provide the FIU with information as stipulated by law.

The third speaker of the session **Mr. Mijo Golub**, *Deputy Head of the Financial Investigation Unit of the State Investigation and Protection Agency of Bosnia and Herzegovina*, made a presentation on co-operation among South Eastern European countries in the field of anti-money laundering and countering the financing of terrorism. According to Mr. Golub, after the dissolution of Yugoslavia, the region was a favourable place for ML/FT. In order to counter these activities, the FIUs of the region decided to establish a platform for informational exchange and promotion of co-operation among themselves. In the future, the involved FIUs plan to conduct a thematic conference, elaborate joint work plans, harmonize the statutory legislation and expand the membership. Mr. Golub signalled that in several meetings the FIUs have proposed initiatives to improve the protection of data and advanced mechanisms of informational exchange.

The presentation of the fourth speaker, **Mr. Jaromir Neužil**, *Head of International Co-operation Department, Financial Analytical Unit of the Ministry of Finance of the Czech Republic*, focused on the Czech approach on enhancing the international informational exchange among FIUs. Mr. Neužil indicated that during four non-consecutive years, the Czech analytical division carried out an evaluation of international information exchange with its counterparts. The evaluation revealed a number of obstacles which hamper the efficient international information exchange, such as non-collaborative countries, complexity of requests, delays in responding and national legal deficiencies.

Mr. Neuzil stressed that in its work, the Czech FIU uses a broad range of databases from various domestic entities.

The Speaker suggested that in order to facilitate efficient international information exchange, the FIUs should have access to financial information in their own countries, apply the reciprocity principle with their counterparts and deal with the external requests in the same way they would do if they had to do with their own Suspicious Transaction Reports (SRTs). He also proposed a comprehensive revision of the FIUs standards and regulations, especially in countries where FIUs lack access to financial information.

After the four presentations, the Moderator opened the floor for discussion,

*The representative of the United States Mission to the OSCE* asked speakers how international information exchange can be maintained in a way that human rights and freedoms of citizens are protected. He continued by indicating that the misuse of informational exchange rules reduces their effectiveness and may require in the future longer and more accurate processing in order to ensure that the shared information is not used for illegitimate purposes.

*The Permanent Delegation of Belarus to the OSCE* joined previous speakers in agreeing that the development of international information exchange is essential in the fight against transnational threats, money laundering, tax evasion, etc. Referring to the previous intervention, the representative stated that the collaboration between the US and Belarus's financial intelligence services is a good example of fruitful co-operation. In this regard, the delegation informed that thanks to joint actions of law enforcement agencies of Belarus, USA and Ukraine, a group of hackers who stole about 2 million of USD from bank accounts was detained.

## **SESSION VI: TRIANGULATING CO-OPERATION BETWEEN PUBLIC, PRIVATE AND INTERNATIONAL ORGANIZATIONS**

**Moderator: Ambassador Fredericka Gregory**, Permanent Representative of Canada to the OSCE  
**Rapporteur: Mr. Richard Delisle**, Second Secretary, Delegation of Canada to the OSCE

*The Moderator* introduced the topic by noting that governments, the private sector and international organizations have a common interest in anti-money laundering and countering the financing of terrorism (AML/CFT). However, building partnerships of trust and co-operation is neither easy nor automatic. The challenge for the OSCE in that regard is to identify positive methods of co-operation between those three actors. To that end, the Moderator asked speakers to use examples of what works, highlight existing gaps, and identify any role that the OSCE could play in that area.

*Mr. Shane Riedel*, Director in Compliance at Citigroup London, offered an overview of how large banks implement AML/CFT laws and regulations. In addition to meeting legal requirements, banks have incentives to combat money laundering because it is bad for business (illicit funds move quickly and can lead to a liquidity crisis) and promoting criminal entrepreneurship can hurt their reputation.

Risk management is one of the primary functions of a financial institution, and Citi assesses risks related to jurisdictions, products, clients, etc. It constantly reassesses its programme effectiveness and makes adjustments where necessary. Citi's AML regime is based on four pillars: responsible finance, uncompromising internal standards, close co-operation with key stakeholders, and insisting on robust standards with all partner banks.

In terms of existing gaps, Mr. Riedel noted that while banks can conduct cross-border investigations fairly easily, governments are not always able to establish the same level of communication with

their counterparts. He also noted that international organizations should acknowledge that banks have similar goals in fighting money laundering and terrorist financing. While they are accountable to shareholders, this responsibility does not come at the expense of strong AML/CFT standards.

With respect to an OSCE role, Mr. Riedel noted that Citi's risk assessment methodology includes not only financial and economic indicators, but others such as the role of the military in politics and the independence of the judiciary. Given that the OSCE compiles or has access to such data, it could support the development of national risk assessments at the request of participating States.

**Ms. Lisa Florkowski**, *Head of Group Compliance & Corruption Prevention at Raiffeisen Bank International*, discussed information exchange and flow within Raiffeisen's region of operations, Central and Eastern Europe. Ms. Florkowski noted that required information about banking transactions can be readily shared within the Bank's network of partners. The rules guiding the exchange of information and data protection within one country are also usually fairly clear.

What complicates the picture is when business is conducted across borders, with legislation and data protection rules varying from one country to the next. Different legal regimes with different interpretations can create different – and sometimes contradictory – obligations for banks in terms of what kind of information can be shared and when.

As such, Ms. Florkowski noted that national authorities should address this issue by consulting financial authorities to make sure expectations are unambiguous and to offer clarity on what their objectives are. She added that good governance requires policy objectives to be clearly outlined and do not contradict each other in their implementation.

**Mr. Ric Power**, *Anti-Money Laundering Adviser (Law Enforcement) with the United Nations Office on Drugs and Crime (UNODC)*, offered three examples of public/private initiatives, two of which were triangular.

The first example was the establishment of a public-private advisory group, which within one country brings together representatives from national authorities and key financial institutions to discuss the implementation of the AML/CFT regime. Such a group allows all key actors to feel part of the solution, which is key to an effective regime.

The second example was a joint publication/training initiative on the *Risk of Money Laundering Through Financial Instruments*, which explores the uses and misuses of financial instruments, and provides indicators to recognize when such instruments are used for money laundering. The publication was drafted on the basis of many workshops held for prosecutors and judges, but also representatives of the banking sector.

The third example was a “Partnership on Secure and Responsible Commerce to Combat Money Laundering” between UNODC and the Bogota Chamber of Commerce. This multifaceted initiative included a public awareness campaign, a focus on investigative journalism, a business risk management model for enterprises, the exchange of best practices between the public and private sectors, and the development of guidance for the private sector.

While highlighting successful examples, Mr. Power also noted that various obstacles (legislation, policy, attitudes, etc.) still harm the AML/CFT regime. In this regard, he stressed the very positive role that joint advisory groups can play in fostering dialogue and co-operation, and suggested that the OSCE could promote their establishment.

In the ensuing discussion, the *representative of the United States* underlined the importance of ensuring that the private sector is part of the solution. He also asked speakers for examples of positive experience with governments in establishing an AML regulatory regime.

**Mr. Riedel** noted that while most OSCE participating States have regulatory regimes, that is not the case in Eastern Africa. He offered an example of the pragmatic and co-operative approach adopted by the authorities of an Eastern African country in the establishment of a regulatory regime for mobile banking.

**Ms. Florkowski** noted that Raiffeisen is the largest bank in a number of countries, particularly in South Eastern Europe. As such, the Bank actively shares within these countries the group-wide standards it has developed.

**Mr. Riedel** added that the work of his unit is not solely about implementing regulations, but rather has a strong social component in that its objective is to prevent criminals, such as drug traffickers and terrorists, from gaining access to the financial sector. In that regard, the potential for co-operation between the private and public sectors is infinite.

**The representative of the United Kingdom** agreed with Mr. Riedel's comment. He stressed that, from a law enforcement perspective, the information received from financial institutions through Suspicious Transactions Reports was invaluable. Working together is therefore critical to the success of this common endeavour.

**The Moderator** concluded by noting that this session provided valuable food-for-thought by highlighting the importance of building connections between the private and public sectors. She added that there is much potential for co-operation, but ensuring the buy-in of all stakeholders is essential to the success of an AML/CFT regime.

#### **CONCLUDING SESSION: THE OSCE'S ROLE IN FOLLOW-UP TO THE FORUM**

**Moderator: Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

**Rapporteur: Ms. Dildora Djuraeva**, Programme Assistant, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

The moderator of the Concluding Panel Debate, **Mr. Goran Svilanović**, opened the floor by recalling some of the key ideas expressed in course of the two-day discussions. Initially, he stressed upon the complementary role of the OSCE in AML/CFT. Hereby the crucial share is bringing together national and international stakeholders in a platform for discussion on common priorities. Still, while being vigilant at all times to avoid duplication, the OSCE can continue to identify other niches where an efficient contribution to countering money laundering and the financing of terrorism could be made. At the technical level, he continued, the OSCE will further assist participating States in implementing relevant national legislation and international standards. Listing possible priority areas for OSCE action in this field, the Chair declared the floor open for a general debate.

The first intervention was made by **Mr. Charles Hornbostel**, OSCE Policy Officer from US Department of State. In his statement the Speaker reiterated that the US considers the OSCE concept of comprehensive security as an added value in the sphere of AML/FT. As it was aptly noted during the earlier sessions, the initiative will only be successful if common efforts take place in the context of strong governmental institutions that are transparent and accountable to their citizens. The OSCE can play a role not only in awareness raising, capacity building at the local level, and facilitating co-ordination and collaboration among the experts in the field, although these are important OSCE functions as well. The OSCE, he continued, could also, engage on a more fundamental level to strengthen governance structures in those places where good governance is

still taking root. He has further highlighted that the political nature of the OSCE is a strong point, allowing flexible approaches, a wide geographical outreach and a powerful support based on promotion of shared values.

The Speaker also addressed the issue of confidentiality of suspicious transaction reports and their use in light of law enforcement investigations. One shall be mindful, he maintained, of a distinction between confidential intelligence and evidence gathered in the course of an investigation. The latter shall be generated by the prosecution itself and STRs can only provide investigative leads as public disclosure of their clients' data would imperil co-operation with banks and other financial institutions.

Recalling FATF recommendation # 31 calling for an expansive interagency and cross-border co-operation, the Speaker suggested that the OSCE could facilitate these practices by encouraging already mentioned "human-being" relationships among law enforcement and FIUs of participating States. Appreciating OSCE expertise in building public-private partnership and successfulness in engaging civil society, he also proposed that integration thereof into AML/CTF activities would promote legitimate economic activity by furthering transparency and accountability.

**Mr. John Baker**, *MONEYVAL Administrator*, on behalf of the Council of Europe also spoke about political involvement. He emphasised that a very close co-operation is needed. He further elaborated on an existing escalation process within the setting of MONEYVAL, whereby countries, identified to have suspicious records, receive warnings. The process also prescribes a procedure of informing the Secretary General for his further action in respect of a government under scrutiny and active intergovernmental co-operation. In his opinion, this practice could be an example to follow.

**A delegate of Belarus** started his intervention by acknowledging the relevance and actuality of the meeting's theme as it is also Belarus' national priority. Belarus has been accepted to Egmont Group in 2003 and its national AML/CFT capabilities have consequently increased. To this end, mutual legal assistance is important. The OSCE, he contemplated, is a unique organization and the nature of its activities is often cross-dimensional. According to the speaker, taking into account the expertise and experience of the OSCE in this field, the Organization could engage itself in primarily cross-dimensional and interregional efforts.

**Mr. Vincent Schmoll**, *Principal Administrator, FATF* drew attention to the necessity of avoiding duplication and contradiction. He highlighted the positive contribution of organizations like MONEYVAL, EAG, and the World Bank that have been working in this area for years and have paved a wide way forward. Mindful of their efforts, the OSCE shall promote values and strategies supporting those developed by others. The Speaker concluded it is one common aim all are pursuing.

In response to this statement the Chair stated that joint action is needed in pursuing these objectives and each actor should bring in its comparative advantage. As the OSCE retains a well-established culture of collaboration, the Organization is in many senses a complementary initiative to those existent within the frames of other international settings.

**Ms. Suzanne Hayden**, *Senior Academic Programme Specialist, International Anticorruption Academy (IACA)*, recalled that in the past tackling money laundering was an isolated and singular effort due to a general atmosphere of distrust. Now, she added, we have expanded our work outside our national frontiers and these lessons of co-operation and combined action have developed into a common principle. As already suggested by the US Department of State representative earlier, she urged the listeners to engage other stakeholders, especially civil society organizations into AML/CFT.

*Mr. Evgeny Volovik, Deputy Head of Department International Co-operation Department, Federal Monitoring Service of the Russian Federation* also spoke about international co-operation as it is indeed a vital aspect of any successful AML/CFT action. Yet, he reminded the audience of challenges hindering smooth movement on this path as listed previously by the representative of the Czech Republic.

*The Czech Republic delegate* thanked his Russian counterpart for supporting and recollecting his earlier deliberations, and emphasized the appropriateness of an approach taken by FATF in this regard. He continued by saying that FIUs shall perceive a fight against money laundering as an apolitical initiative to ensure an impartial and objective investigation.

By the end of the debate the Chair passed the floor to *Ambassador Eoin O'Leary, Chairperson of the OSCE Permanent Council, Head of the Permanent Mission of Ireland to the OSCE, OSCE Chairmanship*, for his closing statement. The Ambassador briefly restated the priority issues and possible future engagement areas for the OSCE discussed in course of the meeting. Thanking the wide range of participated experts for proving valuable food-for-thought during the discussions, he reminded delegates that an upcoming FATF Plenary meeting is expected to adopt revised Recommendations in this field to reflect latest trends and developments. Reiterating one of the key strengths of the OSCE, a platform for multi-stakeholder dialogue, he added that another important activity to engage in is capacity building. In this area the OSCE field operations can play an important role in identifying local needs and supporting coordinated national efforts. He has also shared about a planned conference for FIUs, organised jointly by the OCEEA and the OSCE field presences in Kyrgyzstan on exchange of experiences in the region.

In conclusion, he underscored once again that the international AML/CFT system is only as strong as its weakest link. A political will, maintained in frames of the OSCE is therefore a pivotal factor for successful joint action. As global economic downfall has proven, good governance must be the foundation for the road to recovery. To tackle these problems states are reliant on one another. Building consensus for the adoption of a strongly supported good governance Ministerial Council decision in Dublin shall remain at the top of Irish Chairmanship agenda.

**The overall conclusions of the Session were the following:**

- **A closer interagency co-operation shall be sought on intergovernmental level to ensure a swift and coordinated response to security threats posed by financial crime;**
- **In their activities FIUs and law enforcement agencies shall be mindful of borders between evidentiary documents necessary to open an investigation and those requiring stricter regimes of secrecy;**
- **The OSCE shall endeavour to circumvent contradictory or duplicative efforts in the field of AML/CTF but rather continue to provide its complementary activities by serving as a platform of extended dialogue, sharing experiences and exchange of information;**
- **In their fight against money laundering and financing of terrorism the OSCE participating State shall be guided by strategies presupposing involvement of private sector and civil society.**



## ANNEX



**Organization for Security and Co-operation in Europe  
Permanent Council**

PC.DEC/1004  
22 July 2011

Original: ENGLISH

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### **875th Plenary Meeting**

PC Journal No. 875, Agenda item 4

## **DECISION No. 1004 THEME, AGENDA AND MODALITIES FOR THE TWENTIETH ECONOMIC AND ENVIRONMENTAL FORUM**

The Permanent Council,

Pursuant to Chapter VII, paragraphs 21 to 32, of the Helsinki Document 1992; Chapter IX, paragraph 20, of the Budapest Document 1994; Ministerial Council Decision No. 10/04 of 7 December 2004; Ministerial Council Decision No. 4/06 of 26 July 2006; Permanent Council Decision No. 743 of 19 October 2006; and Permanent Council Decision No. 958 of 11 November 2010,

Relying on the OSCE Strategy Document for the Economic and Environmental Dimension (MC(11).JOUR/2), Ministerial Council Decision No. 11/04 of 7 December 2004 on combating corruption, and Ministerial Council Decision No. 2/09 of 2 December 2009 on further OSCE efforts to address transnational threats and challenges to security and stability,

Building on the outcomes of past Economic and Environmental Forums, as well as on the results of relevant OSCE activities, including follow-up activities,

Decides that:

1. The theme of the Twentieth Economic and Environmental Forum will be: “Promoting Security and Stability through Good Governance”;
2. The Twentieth Economic and Environmental Forum will consist of three meetings, including two preparatory meetings, one of which will take place outside of Vienna. The concluding meeting will be held from 12 to 14 September 2012 in Prague. These arrangements shall not set a precedent for future meetings of the Economic and Environmental Forum. The Office of the Co-ordinator of OSCE Economic and Environmental Activities, under the guidance of the OSCE Chairmanship for 2012, will organize the above-mentioned meetings;
3. The agenda for the Forum will focus on the following topics in relation to good governance:
  - Strengthening of the implementation of anti-money laundering and counter terrorist Financing mechanisms with a focus on risk assessment and international co-operation;

- Promotion of good governance and transparency, including through the combating of corruption, particularly with a view to strengthening socio-economic development;
  - Contribution of civil society, the media and the private sector in support of good governance and initiatives to combat corruption;
4. The agendas of the Forum meetings, including the timetables and themes of the working sessions, will be proposed and determined by the OSCE Chairmanship for 2012, after being agreed upon by the participating States in the Economic and Environmental Committee;
  5. Moreover, having a view to its tasks, the Economic and Environmental Forum will review the implementation of OSCE commitments in the economic and environmental dimension. The review, to be integrated into the agenda of the Forum, will address OSCE commitments relevant to the theme of the Twentieth Economic and Environmental Forum;
  6. The discussions of the Forum should benefit from cross-dimensional input provided by other OSCE bodies and relevant meetings, organized by the Office of the Co-ordinator of OSCE Economic and Environmental Activities, under the guidance of the OSCE Chairmanship for 2012, and deliberations in various international organizations;
  7. Moreover, having a view to its tasks, the Economic and Environmental Forum will discuss current and future activities for the economic and environmental dimension, in particular the work in implementation of the OSCE Strategy Document for the Economic and Environmental Dimension;
  8. The participating States are encouraged to be represented at a high level, by senior officials responsible for shaping international economic and environmental policy in the OSCE area. The participation in their delegations of representatives from the business and scientific communities and of other relevant actors of civil society would be welcome;
  9. As in previous years, the format of the Economic and Environmental Forum should provide for the active involvement of relevant international organizations and should encourage open discussions;
  10. The following international organizations, international organs, regional groupings and conferences of States are invited to participate in the Twentieth Economic and Environmental Forum: Asian Development Bank, Barents Euro-Arctic Council, Organization of the Black Sea Economic Co-operation, Central European Initiative, Collective Security Treaty Organization, Commonwealth of Independent States, Conference on Interaction and Confidence-Building Measures in Asia, Council of Europe, Council of the Baltic Sea States, Economic Cooperation Organization, Egmont Group, Eurasian Economic Community, Eurasian Group on Combating Money Laundering and Financing of Terrorism, European Bank for Reconstruction and Development, European Investment Bank, Europol, Financial Action Task Force, International Anti-Corruption Academy, International Labour Organization, International Monetary Fund, Interpol, Middle East and North Africa Financial Action Task Force, MONEYVAL, North Atlantic Treaty Organization, Organisation for Economic Co-operation and Development, Organization for Democracy and Economic Development – GUAM, Organization of the Islamic Cooperation, Regional Cooperation Council, Secretariat of the Extractive Industries Transparency Initiative, Shanghai Cooperation Organization, Southeast European Cooperative Initiative, United Nations Commission on International Trade Law, United Nations Conference on Trade and Development,

United Nations Development Programme, United Nations Economic Commission for Europe, United Nations Economic and Social Commission for Asia and the Pacific, United Nations Environment Programme, United Nations Industrial Development Organization, United Nations Office on Drugs and Crime, World Bank Group, World Customs Organization, World Trade Organization and other relevant organizations;

11. The OSCE Partners for Co-operation are invited to participate in the Twentieth Economic and Environmental Forum;

12. Upon request by a delegation of an OSCE participating State, regional groupings or expert academics and business representatives may also be invited, as appropriate, to participate in the Twentieth Economic and Environmental Forum;

13. Subject to the provisions contained in Chapter IV, paragraphs 15 and 16, of the Helsinki Document 1992, the representatives of non-governmental organizations with relevant experience in the area under discussion are also invited to participate in the Twentieth Economic and Environmental Forum;

14. In line with the practices established over past years with regard to meetings of the Economic and Environmental Forum and their preparatory process, the Chairperson of the Twentieth Economic and Environmental Forum will present summary conclusions and policy recommendations drawn from the discussions. The Economic and Environmental Committee will further include the conclusions of the Chairperson and the reports of the rapporteurs in its discussions so that the Permanent Council can take the decisions required for appropriate policy translation and follow-up activities.

## WELCOMING REMARKS

### ADDRESS

by **H.E. Minister of State, Brian Hayes, T.D.**

Thank you Mr. Chairman.  
Secretary General, Excellencies, Ladies and Gentlemen,

I am honoured to address this opening session of the First Preparatory Meeting of the 20<sup>th</sup> OSCE Economic and Environmental Forum which takes place this year during the Chairmanship of our Organization by Ireland. I would like to convey a warm welcome to all participants both personally, and on behalf of my good colleague, Deputy Prime Minister Eamon Gilmore, the OSCE Chairperson-in-Office.

I am delighted that such a high number of distinguished participants are taking part in this conference – officials and experts from participating states, representatives from international organisations, civil society, private sector and academics. I look forward in particular to the contributions from my fellow speakers in this morning session, the OSCE Secretary General Ambassador Lamberto Zannier; the OSCE Co-ordinator for Economic and Environmental Activities, Mr. Goran Svilanović, Mr. Drew Sullivan, an Investigative Journalist from the Organised Crime and Corruption Reporting Project, based in Bosnia and Herzegovina; and Mr. Vincent Schmoll, a Senior Policy Analyst from Financial Action Task Force.

Both the FATF and the media play crucial but very different roles in the fight against money laundering and terrorist financing. The FATF are at the forefront of inter-governmental efforts to develop and promote national and international policies to combat these threats. The media and civil society more broadly, help encourage accountability on the part of Governments and assist in raising awareness on issues. Both interventions I am sure will be very helpful in providing an introduction to the key issues and current challenges.

This conference is the first of this year's Economic and Environmental Forum. From here we will travel to Dublin for the Second Preparatory Meeting in April and then finally on to Prague in September for the Final Meeting of the Forum where this process will conclude. We find ourselves positioned today at the outset of a journey, embarking on what I hope and believe will be a stimulating and fruitful endeavour. I would intend, therefore, in these opening remarks to offer some observations, drawn from the experience and activities of Ireland and the OSCE to date.

I hope our expectations will be ambitious but at the same time grounded in identifying practical options for this Organization through cooperation between participating States and in cooperation with our international partners.

Each year the OSCE Economic and Environmental Forum offers a platform to bring together OSCE participating States, OSCE Partners for Co-operation, and our partners in international organisations and civil society to discuss issues of relevance to our work in the Economic and Environmental Dimension. Today, as we find ourselves facing unprecedented economic and environmental challenges, the relevance of our work and its links to security in our States, is all the more pertinent.

The theme for this year's Economic and Environmental Forum is "Promoting Security and Stability through Good Governance". It has been acknowledged by OSCE participating States that good governance at all levels contributes to prosperity, stability and security. It makes the work of governments more transparent. In addition, clear legal and institutional frameworks attract inward investment – a factor particularly relevant in the current economic climate.

Good governance is, therefore, an issue, which Ireland believes should be at the heart of the work of a security organisation such as the OSCE.

Our discussions over the course of the Forum process will address issues related to the fight against corruption, money laundering and terrorist financing. All of these are challenges shared by participating States. All flourish where governance is weak and ineffective. All, if left unchecked, undermine economic development and expose States to greater security risks. Combating them requires political will and close cooperation between governments, the private sector and civil society, and in this regard, Ireland believes that the OSCE and indeed this Forum process, offers an excellent platform from which to progress this.

The OSCE documents and decisions agreed to-date are aimed at bolstering the OSCE's work in this area. Strengthening good governance is given a high priority in the OSCE Strategy document for the Economic and Environmental Dimension, which was adopted in Maastricht in 2003. This document also includes a commitment by participating States to develop, implement and enforce financial legislation and regulations on combating money laundering and corruption and criminalising the financing of terrorism. This specific commitment forms the basis for our discussions over the coming days.

The commitments on Good Governance contained in the so-called Maastricht Strategy have also been supplemented by several Ministerial Council and Permanent Council Decisions on specific issues such as: combating corruption; combating transnational organised crime; enhancing legal cooperation in criminal matters to counter terrorism; addressing transnational threats; suppressing terrorist financing; and supporting initiatives related to the work of the Financial Action Task Force.

Taking into account the scale of the issues which our Forum theme will address, and the level of support which I believe exists amongst the participating States for activities in this area, the number and scope of our OSCE commitments on such matters, to date, is limited. However, that has not prevented the OSCE, through the work of the Office of the Co-ordinator for Economic and Environmental Activities, led by Mr. Goran Svilanović, and the OSCE Field Operations, from undertaking vital work aimed at assisting participating States to prevent money laundering and combat the financing of terrorism. I wish to commend the OSCE for its increased efforts in recent years to tackle these destabilising activities.

Currently, the OSCE supports the participating States in adopting and following the Financial Action Task Force's 40+9 Recommendations on anti-money laundering and countering the financing of terrorism. At the request of countries, the OSCE has organised public and private sector trainings, workshops and national capacity training largely with national financial intelligence units (FIUs).

By prioritising this area, the Office of the Co-ordinator for Economic and Environmental Activities has developed a number of important objectives to enable the OSCE to aim to work at its full potential. They include:

- Improving the understanding of the underlying threat at the national, regional and international level in order to most effectively address threats to economic stability;
- Developing a coherent OSCE role that complements the activities of others;
- Proactively engaging with other international organisations, including the World Bank, IMF and the United Nations Office on Drugs and Crime (UNODC).

Last year, the OSCE made some significant strides in this field. The Organization worked with a number of participating States to assist with international information exchange aimed at addressing

money laundering and terrorist financing. The OSCE also assisted a number of States to bolster domestic interagency co-operation with the aim of increasing the effectiveness of national efforts.

Looking ahead, the OSCE plans to focus on a small number of core activities including national risk assessments, interagency co-operation, capacity building, international information exchange and better coordination between public, private and international organisations.

Ireland is particularly supportive of the work undertaken by the OSCE on national risk assessments, which it does in partnership with the World Bank and the International Monetary Fund. A national risk assessment is a process by which a threat of money laundering is identified, the country's vulnerability is examined and the likelihood of money laundering successfully occurring is assessed. As evidence of our support, Ireland is funding the preparation of an OSCE publication on Anti-Money Laundering national risk assessments. A key aspect of the publication is to provide guidance on the collection of data for a national risk assessment and to assist on how the findings of such assessments may be used to formulate national policy. This publication will be launched at the second preparatory conference in Ireland in April.

I would like to turn briefly to the situation in Ireland. In 2010, the Irish Government introduced new legislation – the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 – which strengthened Irish law against money laundering and terrorist financing and brought it in to line with the 3rd Money Laundering Directive and the latest FATF recommendations. It incorporates the Directive and FATF requirements regarding the adoption of a risk-based approach. This will allow the effected financial and other bodies to concentrate their resources where the risks of money laundering and terrorist financing are greatest.

Effective implementation of anti-money laundering legislation is critical. For this reason, the 2010 Act assigns specific responsibility to the Central Bank of Ireland and to other competent authorities to monitor compliance and to take whatever measures are reasonably necessary to secure compliance with the provisions of the Act.

It is no secret that the Irish banking sector has been through a turbulent time lately. All of us in Ireland have been affected one way or another by this crisis. Stronger and more effective regulation in the financial services sector has been identified as an essential building block of the recovery which is now underway. Effective compliance has to be the new cornerstone of this new thinking. That is now universally recognised.

In the context of money laundering, the Central Bank of Ireland clearly recognises the importance of better and more robust regulation. The money laundering unit of the Central Bank of Ireland is one of the few areas of the Irish public service which is recruiting new staff to ensure that the money laundering legislation is implemented effectively by the sectors for which it has responsibility.

The enactment of Ireland's money laundering legislation represents a significant element in the new and stronger regulatory regime for the financial services sector. It represents a commitment on the part of the State to have a legislative regime in respect of money laundering and terrorist financing which will be equal to the very best in the international arena.

Another critical aspect of the fight against money laundering and other serious crimes is a State's ability to confiscate the proceeds of criminal activity. Ireland provided a role model in this area with the establishment of the Criminal Assets Bureau in 1996 to confiscate the proceeds of crime in cases where there is no criminal conviction. The Criminal Assets Bureau is a multi-agency body consisting of police officers, customs officers, tax officers and benefit agency personnel who are able to pool the information available to each agency.

Although the Criminal Assets Bureau continues to be successful in targeting the proceeds of criminal activity, the Irish Government is committed to further strengthening its powers.

At international level, the Bureau continues to work closely with similar agencies in other jurisdictions to identify, track down, and seize assets gained through criminal activity. I am aware that this topic, and specifically the work of the Criminal Assets Bureau, will be addressed by the April conference in Dublin where it is planned to have a discussion on the identification and recovery of stolen assets.

### Conclusion

Ladies and Gentlemen, money laundering and the financing of terrorism are in many cases transnational in nature. Certainly, they represent common challenges from which no State is immune. Although efforts to combat them rely on effective policies at a national level, these are enhanced and reinforced when they form part of a broader multilateral and international approach. International organisations and multilateral fora play an important role in promoting good governance. They facilitate the crucial cooperation that is needed between States to counter challenges such as corruption, as well as to foster mutual accountability.

The OSCE is only one of a number of such organisations working on these issues. I am delighted that many of these organisations are represented here today. The task for the OSCE is to better define the role that it can play in supporting existing international efforts, both collectively and within participating States.

I also believe there is such scope. We will bring forward proposals in this regard as we prepare, later in the year, for the Dublin OSCE Ministerial Council in December. We would welcome the ideas and suggestions of all organisations represented at the Forum on what shape this might take. In this regard, I hope we will have an extremely productive discussion over the next two days.

To conclude, I would like to thank all those who have agreed to speak and moderate over the different sessions. I am certain you will offer us much food for thought and am sure your presentations will stimulate much interesting discussion both within the sessions and also outside of the meeting.

As I mentioned at the outset, the next stage in our dialogue will take place in Dublin in April. We look forward to extending you a warm welcome on that occasion.

Thank you.

**OPENING REMARKS**  
**by Secretary General Lamberto Zannier**

Minister Hayes,  
Excellencies,  
Distinguished Participants,

I warmly welcome all of you to Vienna for this First Preparatory Meeting of the 20th OSCE Economic and Environmental Forum. I am pleased to see so many representatives of the OSCE participating States, Partners for Co-operation, and various international, regional and non-governmental organizations, as well as experts from academia and the private sector.

This preparatory conference is the first building block of the Economic and Environmental Forum, the OSCE's main annual event in the economic and environmental dimension. This year's Forum will focus on the Irish Chairmanship's priority of promoting security and stability through good governance. This first preparatory meeting will address a key component of good governance: efforts to combat money laundering and the financing of terrorism.

In addressing this topic, I encourage you to think beyond the boundaries of the economic and environmental dimension, taking into account the OSCE's comprehensive concept of security, and in particular our Organization's efforts to address transnational threats.

This approach is not new to the OSCE. The 2003 *OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century*, adopted at the Maastricht Ministerial Council, noted that economic factors, including "weak governance in public and corporate spheres" and corruption "provide a breeding ground for other major threats".

At their last meeting in Vilnius, OSCE foreign ministers adopted MC Decision 9/11 *on Strengthening Co-ordination and Coherence in the OSCE's efforts to address Transnational Threats*. The decision tasked me as Secretary General, acting as a focal point for Organization-wide programmatic activities that relate to countering transnational threats, to ensure co-ordination and coherence of action across **all three OSCE dimensions**. Within the Secretariat, the establishment of the new TNT Department constitutes an important first step toward an integrated and cross-dimensional OSCE response to transnational threats to security.

Excellencies,  
Ladies and Gentlemen,

The investment of laundered proceeds of crime or corruption in criminal business enterprises increases criminality, undercuts legitimate businesses, and reduces taxes paid to governments, placing criminals in a position of power. It also provides a significant source of financing of terrorism.

While these are not new phenomena, the cross-border operations of terrorist groups and organized criminal networks, and the linkages between such groups, have intensified significantly in recent years.

To meet this challenge, the response of the international community must be robust and multi-faceted. More work remains to be done.

In the 1999 Istanbul Document, the OSCE participating States adopted commitments aimed at preventing and suppressing the financing of terrorism. Since then, in 2001, 2002 and 2003, the OSCE mandate on anti money-laundering and countering the financing of terrorism has been



further developed through other OSCE Ministerial Decisions in Bucharest, Porto and Maastricht as well as Permanent Council decisions. *Inter alia*, these documents call on participating States to implement and enforce financial legislation and regulations on combating money laundering and corruption and criminalizing the financing of terrorism, to take steps towards speedy implementation of the Financial Action Task Force's (FATF) Recommendations, and ask the executive structures to work together with partner organizations such as the UNODC to promote the organization of workshops on tackling money-laundering.

The OSCE's implementation of these mandates has been twofold. We have sought to promote the implementation of recognized international standards, such as the above mentioned FATF recommendations, taking advantage of the Organization's broad regional scope.

We have also worked, through the efforts of the Co-ordinator of OSCE Economic and Environmental Activities and our field operations, to strengthen national capacities to counter the financing of terrorism and to prevent and suppress money laundering. Over the past decade, the OSCE has conducted targeted projects to raise awareness of this issue, to assist in harmonizing national legislation with international commitments, to facilitate the exchange of best practices, and to provide training and materials throughout the OSCE area. Specific areas in which the OSCE has responded to participating State requests have included interagency and international co-operation, the recovery of criminal assets, and capacity building for national financial intelligence units.

Excellencies,  
Ladies and Gentlemen,

In carrying out its work in this area, the OSCE has worked in partnership with other international and regional organizations, taking advantage of our respective comparative advantages. Many of our activities have been conducted together with partners such as UNODC, the Egmont Group, the IMF and the World Bank. In this regard, the OSCE-UNODC commitment to a Joint Plan of Action aimed at strengthening co-operation in tackling transnational threats to security provides an excellent basis for further co-ordinated action.

In this same spirit of co-operation and partnership, the OSCE has been an observer to the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) since 2006, and an observer to the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL) since 2008.

Throughout this year's Forum process, particular attention should be paid to identifying opportunities to increase the effectiveness of such co-operation. To that end, the OSCE invites the important stakeholders represented here today to share their views and to engage in a broad and inclusive dialogue.

In conclusion, I wish to express my gratitude to all the guest speakers and participants for joining us here in Vienna and for agreeing to take an active part in our deliberations. I look forward to our discussions over the next two days, and especially to practical suggestions that may arise to develop further international networks and partnerships in this vital area.

Thank you.

## OPENING REMARKS

by Mr. Goran Svilanović, Co-ordinator of OSCE Economic and Environmental Activities

Your Excellencies,  
Distinguished participants,

I would like to join Minister Hayes and the Secretary General in welcoming you to this First Preparatory Meeting of the 20<sup>th</sup> OSCE Economic and Environmental Forum. To everyone here, I would like to thank you for gathering for the Forum's first phase which is devoted to anti-money laundering and countering the financing of terrorism.

As the Secretary General noted during his speech, eleven years ago in Bucharest the Ministries of the OSCE participating States acknowledged that money laundering, the financing of terrorism and, importantly, the close connection between the two, pose grave threats to our individual and collective security. Since Bucharest, the participating States have provided the OSCE with several mandates in Ministerial Council and Permanent Council decisions to tackle money laundering and the financing for terrorism, and these mandates have resulted in a number of AML/CFT successes in the OSCE region, several of which will be discussed during today's and tomorrow's sessions.

I would like to take this opportunity to commend the Irish Chairmanship for providing continuity to our work in the fight against money laundering and the financing of terrorism by putting our commitments in these areas on the top of the agenda for 2012. This decision by the Irish Chairmanship is timely and opportune for several reasons.

First, criminals are taking advantage of the economic downturn in the OSCE region by purchasing real estate and businesses at a low cost. This in turn allows crime to pay and enhances criminals' influence in our societies and economies.

Second, nearly all of the OSCE participating States now have legislation and specialized agencies in place to counter money laundering and the financing of terrorism. As this phase is largely complete, now is an appropriate time to consider how States can more effectively and more efficiently use these tools.

Third, the Financial Action Task Force, which is the key standard-setter for policy on combating money laundering and the financing of terrorism, is in the process of reviewing its recommendations. The resulting changes will require some adjustments by all of the OSCE participating States.

Dear participants,

A number of organizations play a role in the global effort to prevent and suppress money laundering and the financing of terrorism. The Financial Action Task Force sets the global standard. The Eurasian Group on Combating Money Laundering and Financing of Terrorism, together with MONEYVAL, work with the OSCE participating States to assess their members against those standards. The Egmont Group of Financial Intelligence Units provides a platform for co-operation, capacity building and information exchange between financial intelligence units. The International Monetary Fund and World Bank provide technical assistance. And the United Nations provides an international legal framework and technical assistance for tackling organized crime, money laundering and the financing of terrorism.

The OSCE also has a role to play in leveraging the political will of its participating States and the added value of its field presences. At the political level, the OSCE can throw additional weight behind established initiatives and standards. In the past, this support has taken the form of MC and

PC Decisions calling upon the OSCE participating States to swiftly implement the Financial Action Task Force's recommendations.

At the technical level, the OSCE has played a catalytic role in bringing technical expertise to participating States that request it. Often in close collaboration with the partner organizations represented here, my office and the OSCE field presences have responded to participating State requests for training, exchange of experience, platforms for regional dialogue and capacity building in the fight against money laundering and the financing of terrorism. Building on the close relationship with their host governments, the OSCE field presences are often in a unique position to respond to national requests in this area and I am pleased to note that some of the resulting activities will be presented during this 1<sup>st</sup> Preparatory Meeting by the field presences and host countries involved.

I would like to take advantage of this opportunity to mention some of the latest activities the OSCE has carried on AML/CFT:

- In July 2011, in Yerevan, on the margins of the Plenary of the Egmont Group of Financial Intelligence Units, the OCEEA organized a joint "FIU Development Workshop" which gathered representatives from the five Central Asian participating States to exchange experiences and lessons learned.
- In September 2011, in Kyiv, OCEEA and SPMU supported a Regional Seminar on Seizing and Recovering the Illegal Proceeds of Drugs and Crime.
- In 2011, OCEEA, ATU and UNODC organised in Kyiv, Chisinau and Bucharest a series of three Sub-regional Workshops on Preventing and Countering the Financing of Terrorism.
- In October 2011, in Vienna, the OSCE (OCEEA, OHR/CTHB and SPMU) and UNODC organised an "Expert Seminar on Leveraging Anti-Money Laundering Regimes to Combat Human Trafficking".

Ladies and Gentlemen,

This First Preparatory Meeting must be understood as an opportunity to learn from others and to identify weaknesses and gaps in our work. However, the Forum process should not be reduced to a collective brainstorming exercise. We should be ambitious and avoid translating our discussion into a compilation of best practices and failures.

Our aim should be to use this exchange of information to better define the OSCE's goals and strategies in this field. I have already mentioned the important role played by our partner organizations, and I would also like to bring your attention to the representatives of NGOs, academia, investigative journalism and the private sector present in this room. I warmly welcome this civil society engagement in the Forum process and I look forward to the recommendations that will stem from these discussions.

Ladies and Gentlemen,

This First Preparatory Meeting is divided into six sessions aimed at increasing our effectiveness in the fields of anti-money laundering and countering the financing of terrorism. We have an opportunity today and tomorrow to examine these areas from both a technical and political perspective and to inform the OSCE's work in 2012 and beyond.

This is an ambitious goal, but I am confident that with your inputs and ideas we will come a long way. I look forward to dynamic and fruitful discussions both from the podium and the floor.

Thank you.

## CLOSING REMARKS

### Closing Statement by Mr. Goran Svilanović Co-ordinator of OSCE Economic and Environmental Activities

Dear Ambassador,  
Dear Participants,  
Ladies and Gentlemen,

This First Preparatory Meeting on Anti-Money Laundering and Countering the Financing of Terrorism has proved to be a very promising starting point for this year's Economic and Environmental Forum. I would like to thank all participants, in particular the distinguished speakers and moderators, for their excellent work in generating very thought provoking debates and relevant recommendations. The discussions undertaken during this two-day event have confirmed that there is room for our Organization to continue contributing to the fight against money laundering and the financing of terrorism. Thanks to the *rapporteurs*, a Summary including the main key suggestions made by participants during the deliberations will be compiled by my Office. In the meanwhile, allow me to pick some of the ideas that have been pointed out by participants in this very first meeting:

Dear participants,

The OSCE has a complementary role to play in AML/CFT, which the discussion today and yesterday have reconfirmed:

At the political level, our goal should be on promoting and supporting the implementation of agreed standards and objectives in the fields of AML/CFT. In this regard, I am convinced of the essential role that our Organization can play in bringing together national and international stakeholders in a platform for discussion on common priorities in fighting AML/CFT.

It is our responsibility to follow our debates with tangible results. On a technical level the OSCE should continue to assist participating States in implementing national legislation and international standards related to AML/CFT. By leveraging their expertise and knowledge of the host country, the OSCE Secretariat and the field presences have demonstrated their ability to effectively identify national needs and to provide tailored initiatives to respond to pS requests.

We have seen, for example, how the OSCE field presences have worked in close co-operation with the Secretariat, their host governments, as well as with the private sector, to provide training, to compile local money laundering typologies and to raise awareness of specific money laundering risks present at the national level.

The OSCE has expertise, an international presence and excellent partners, both in our pS and in the international and private organizations here today. While being vigilant at all times to avoid duplication, the OSCE can continue to identify other niches where we could efficiently contribute to countering money laundering and the financing of terrorism.

Ladies and Gentlemen,

I would like to draw your attention to a meeting this Friday at 10:00 here in the Hofburg. This meeting will provide an overview of several Extra Budgetary projects related to AML/CFT for which my office is seeking funding. One of the projects involves the creation of a publication of the findings of the October 2011 "Expert Seminar on Leveraging Anti-Money Laundering Regimes to

Combat Human Trafficking”. Another of the projects involves several capacity building activities in the area of national risk assessment and international co-operation.

A letter inviting all OSCE delegations to join the gathering has been circulated today, and I would like to personally extend that invitation to all of you here to join us on Friday and learn more about the projects.

Dear Participants,

These two days have been just the beginning. The Forum process will continue in Dublin in April and conclude in Prague in September. But as I have said, it is a good start. We should further reflect on what has been said yesterday and today and try to bring useful conclusions to Prague.

What I would like to do now is open the floor to discussions on what the participating States have taken away from the discussions yesterday and today. Areas of proposed activities for the OSCE to continue to engage in include:

- the exchange of best practices, through the organisation of workshops, seminars, trainings and conferences in participating States that so request;
- building capacity to counter money laundering and the financing of terrorism, by joining our efforts with key national stakeholders and our international partner organizations;
- assistance in implementing national and international AML/CFT legislations, and
- support to countries seeking to improve their data collection processes

Thank you.

**CLOSING REMARKS**  
**by Ambassador O’Leary**  
**Chairperson of the OSCE Permanent Council**

Dear Ambassadors, Colleagues,

Over the last two days our discussions have focused on identifying priority issues and possible future areas of engagement for the OSCE in tackling money laundering and the financing of terrorism. Both issues thrive where governance is weak. Such practices threaten the security of our states, either through by facilitating organized crime and terrorism or by undermining legitimate enterprise and economic activity.

We have listened to a wide range of speakers, drawn from national experts; from international organisations; from the private sector; and from the media. We have learned more about current trends and developments at the international level in countering money laundering and terrorism financing. Let me highlight once again that next week the FATF Plenary meeting is expected to adopt revised Recommendations in this field. It is my belief that useful synergies can be further developed between the OSCE and other organizations active in this field.

I would like to warmly thank our panellists, speakers, moderators and those who made interventions from the floor for their valuable contributions to our discussions. My thanks also go to our rapporteurs, the interpreters and all those involved in the organisation of this meeting for all your assistance in ensuring the success of this event.

When deciding on the OSCE’s role in follow-up to the Forum - be it through consensus based documents adopted by the participating States or by designing and endorsing specific activities and projects to be implemented by the OSCE’s executive structures - we should start from a sound understanding of the current situation, of the existing gaps and of the challenges ahead of us. From these perspectives, our meeting has been, in my view, quite enriching.

It appears clear from our discussions over recent days that there are a number of ways the OSCE can engage on this issue. Firstly, OSCE Meetings such as this could continue to provide a platform for multi-stakeholder dialogue. Another important activity where there may be further scope of the OSCE to play a role is in capacity building. In confronting such a complex and rapidly evolving challenge as money laundering and terrorism financing, it is important not only to adopt high standards, something other international organisations are working to define, but also to make sure that such provisions are effectively utilized and that they produce practical results. For that, capacity building and practical implementation should be strengthened. In this area the OSCE field operations can play an important role in identifying local needs and supporting coordinated national efforts. The OCEEA can in turn be instrumental in mobilizing advice and assistance from individual experts and other organizations. One existing example of this that has been highlighted over the last two days is the OSCE support to national risk assessments.

Another activity currently being planned by the OCEEA and the OSCE field presences in Central Asia is a “Financial Intelligence Unit Regional Exchange of Experience” for the financial intelligence units of Central Asia, to be held in Bishkek this spring. A final crucial element that the OSCE can offer in the fight against money laundering and terrorist financing is political will. As is stated regularly, not least over the last two days, the OSCE is a political organisation that works to build consensus at a political level on security issues. Money laundering and terrorist financing are threats to security that require a political response.

As the Irish Chairmanship announced at the beginning of the year, we will endeavour to build consensus around a decision on good governance issues for adoption at the Dublin Ministerial Council in December. I am encouraged that this priority of the Irish Chairmanship has been so well received by participating States. I believe that is in no small part due to the broader challenging economic circumstances that confront the international community at this time. The financial crisis has shown

how poor governance can lead to economic downfall and how good governance must be the foundation for the road to recovery. Moreover, there is nothing more corrupting to the concept of the rule of law than seeing a rich criminal untouched.

Political will to take on tough and sensitive issues is often forged during such times of crisis. Perhaps the challenging circumstances that we currently face will encourage us to be bold as we consider what further steps this organisation might take. The issues that we have discussed over the last two days affect all OSCE participating States. There is no East-West division. To tackle these problems we are reliant on one another. As has been repeatedly emphasized, the international AML/CFT system is only as strong as its weakest link. So too in progressing the work of this organisation, we can only move forward if we all agree to move forward together.

I look forward to ongoing discussions in this regard over the coming months. To facilitate follow-up discussion in the Economic and Environmental Committee, an executive summary will be prepared with the recommendations of this meeting together with the more detailed report of our discussions. We will also draw on the outcomes of this meeting and the next preparatory meeting when defining the agenda for the final meeting of the Forum in Prague in September.

Before concluding, I have the pleasure to warmly invite all of you to participate actively in the Second Preparatory meeting of the 20<sup>th</sup> OSCE Economic and Environmental Forum, on the 23<sup>rd</sup> – 24<sup>th</sup> April, in Dublin. The theme for this meeting is “Promoting Good Governance and Combating Corruption in Support of Socio-Economic Development. A draft agenda for the meeting has already been circulated. Once again can I express my thanks to all who contributed to this meeting. To those travelling back from Vienna may I wish you a safe and speedy journey home. We look forward to seeing you again soon in Dublin or Prague.

Thank you.



Organization for Security and Cooperation in Europe  
The Secretariat

Vienna, 3 February 2012

## 20<sup>TH</sup> OSCE ECONOMIC AND ENVIRONMENTAL FORUM

“Promoting Security and Stability through Good Governance”

### FIRST PREPARATORY MEETING

#### Anti-Money Laundering and Countering the Financing of Terrorism

Vienna, 6-7 February 2012

Venue: OSCE Congress Centre, Hofburg, Heldenplatz, 1010 Vienna,  
Neuer Saal, 2nd Floor

#### ANNOTATED AGENDA

##### Monday, 6 February

**09.30 – 11.00**      **Opening Session:**      **Overview of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) in the OSCE Region** (Welcoming remarks and opening statements, open to the Press)

##### **Welcoming remarks:**

- **H.E. Brian Hayes**, Minister of State at the Department of Finance, Representative of the Chair-in-Office, Irish 2012 OSCE Chairmanship
- **Ambassador Lamberto Zannier**, OSCE Secretary General
- **Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities

##### **Opening statements:**

Introduction to key AML/CFT issues and current challenges, including existing international and regional frameworks, prevention and suppression mechanisms, and the level of implementation

##### **Speakers:**

- **Mr. Drew Sullivan**, Investigative Journalist, Organized Crime and Corruption Reporting Project, based in Bosnia and Herzegovina
- **Mr. Vincent Schmoll**, Senior Policy Analyst, Financial Action Task Force (FATF)

##### **Statements by Delegations**

**11.00 – 11.30**      Coffee/Tea break (Press Conference)



11.30 – 13.00

**Session I: Capacity Building - Preventing Money Laundering and the Financing of Terrorism**

**Moderator:** Ambassador Tacan Ildem, Permanent representative to the OSCE, Turkey

**Rapporteur:** Ms. Olivera Zurovac-Kuzman, Environmental Advisor, Environmental Affairs Section, Democratization Department, OSCE Mission to Serbia

**Selected topics:**

- Identifying capacity building needs of OSCE participating States in preventing money laundering and financing of terrorism
- Exchange of good practices on customer due diligence by financial institutions as a key prevention instrument
- Understanding the links between AML/CFT and combating corruption
- The capacity building role of international organizations, including examples of OSCE specific contributions

**Speakers:**

- **Mr. Alimjan Tadjibaev**, Head of Division, Department on struggle against tax, currency crimes and legalization of criminal incomes under the Prosecutor General's Office of the Republic of Uzbekistan, and **Mr. Murod Khusanov**, National Project Officer, OSCE Project Co-ordinator Office in Uzbekistan
- **Mr. Milovan Milovanović**, Head of International Cooperation, Administration for the Prevention of Money Laundering of Serbia and **Mr. Mato Meyer**, Economic Transparency Adviser, OSCE Mission to Serbia
- **Mr. Evgeny Volovik**, Deputy Head, International Co-operation Department, Federal Financial Monitoring Service, Russian Federation

**Discussion**

13.00 – 14.30

Lunch break

14.30 – 16.00

**Session II: Capacity Building - Identifying and Suppressing Money Laundering and the Financing of Terrorism**

**Moderator:** Ambassador Andrey Kelin, Permanent Representative to the OSCE, Russian Federation

**Rapporteur:** Ms. Jelena Suvorova, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

**Selected topics:**

- Exploring the benefits of using intelligence and financial investigations as instruments to tackle organized crime
- Capacity building on identifying and detecting specific inter-related criminal offences (i.e. leveraging AML regimes to combat human trafficking)
- The added value of the OSCE's comprehensive security approach in addressing these issues

### **Speakers:**

- **Mr. Bill Peace**, Deputy Director, Financial intelligence, Information Department, Serious Organised Crime Agency (SOCA), United Kingdom
- **Mr. Nicolae Fuiorea**, Head of Office for Inter-Institutional Co-operation, Division for Inter-Institutional Co-operation and International Relations, National Office for Preventing and Combating Money Laundering, Romania
- **Mr. Dmitry Putyatin**, Administrator of the Eurasian Group (EAG) Secretariat

### **Discussion**

16.00 – 16.30 Coffee/Tea break

**16.30 – 18.00** **Session III: AML/CFT National Risk Assessments**

**Moderator: Ambassador Eustathios Lozos**, Chair of the Economic and Environmental Committee, Permanent Representative of Greece to the OSCE

**Rapporteur: Ms. Katy Long**, Permanent Mission of Ireland to the OSCE

### **Selected topics:**

- Introduction to National Risk Assessments
- Key issues related to data collection
- OSCE Guidebook to AML/CFT National Risk Assessments

### **Speakers:**

- **Mr. Paul Ashin**, Senior Financial Sector Expert, Legal Department, International Monetary Fund (IMF)
- **Mr. Klaudijo Stroligo**, Senior Financial sector Specialist and World Bank/UNODC AML/CFT Mentor for Central Asia, the World Bank
- **Mr. Christian Larson**, Programme Officer, Economic Co-operation and Governance, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

### **Discussion**

**18.30** **Reception hosted by the Irish 2012 OSCE Chairmanship (Hofburg – Gallery Hall)**

## Tuesday, 7 February

09.30 – 11.00

### Session IV: Domestic Interagency Co-operation

**Moderator:** Mr. Klaudijo Stroligo, Senior Financial sector Specialist and World Bank/UNODC AML/CFT Mentor for Central Asia, the World Bank

**Rapporteur:** Ms. Madina Ibrasheva, National Economic and Environmental Officer, Economic/Ecological Dimension, OSCE Centre in Astana

#### **Selected topics:**

- Information exchange and co-operation between financial intelligence units, law enforcement, judiciary, central banks and financial intermediaries
- Exchanges of national best practices from across the OSCE region
- Concrete examples of OSCE support

#### **Speakers:**

- Mr. Peter Oakes, Director of the Enforcement Directorate, Central Bank of Ireland
- Mr. Aleksandar Vujčić, Head of the Financial Intelligence Unit, Serbia
- Mr. Oleksii Berezhnyi, Head of AML Department, National Bank of Ukraine
- Mr. Hector Colón, Unit Chief, Illicit Finance, Immigration and Customs, United States of America

#### **Discussion**

11.00 – 11.30

Coffee/Tea break

11.30 – 13.00

### Session V: International Information Exchange

**Moderator:** Ms. Katherina Sakharenko, Head of International Cooperation Department, State Financial Monitoring Service of Ukraine

**Rapporteur:** Ms. Zeinep Isakova, Senior Programme Assistant, OSCE Centre in Bishkek

#### **Selected topics:**

- Overview of existing mechanisms for international/regional information exchange and best practices examples from across the OSCE region
- Overcoming the remaining obstacles to international information sharing

#### **Speakers:**

- Mr. Boudewijn Verhelst, Chair of the Egmont Group and Deputy of the Financial Intelligence Unit, Belgium
- Mr. Bolot Sadykov, the State Secretary of the State Financial Intelligence Service, Kyrgyzstan
- Mr. Mijo Golub, Deputy Head of the Financial Investigation Unit at the State Investigation and Protection Agency (SIPA), Bosnia and Herzegovina
- Mr. Jaromír Neužil, Head of International Co-operation Department,

Financial Analytical Unit of the Ministry of Finance of the Czech Republic

### **Discussion**

13.00 – 14.30 Lunch break

**14.30 – 16.00**      **Session VI:    Triangulating Co-operation between Public, Private and International Organizations**

**Moderator:** **Ambassador Fredericka Gregory**, Permanent Representative of Canada to the OSCE

**Rapporteur:** **Mr. Richard Delisle**, Second Secretary, Delegation of Canada to the OSCE

#### **Selected topics:**

- Strengthening public - private co-operation on AML/CFT issues
- Engaging private financial institutions and providing incentives for the business sector encouraging them to step up their efforts in combating money laundering and financing of terrorism
- The role of private financial institutions in providing technical assistance
- Additional avenues for the co-ordination of international efforts and the OSCE's role in this regard

#### **Speakers:**

- **Mr. Shane Riedel**, Director in Compliance at Citigroup London, United Kingdom
- **Ms. Elisabeth Florkowski**, Head of Group Compliance & Corruption Prevention, Raiffeisen Bank International, Austria
- **Mr. Ric Power**, Anti-Money Laundering Adviser (Law Enforcement), Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML), United Nations Office on Drugs and Crime (UNODC), Vienna

### **Discussion**

16.00 – 16.30 Coffee/Tea break

**16.30 – 18.00**      **Concluding Session: The OSCE's Role in Follow-up to the Forum**

Rapporteur: Ms. Dildora Djuraeva, Programme Assistant, Office of the Co-ordinator of OSCE Economic and Environmental Activities, OSCE Secretariat

#### **Concluding Debate**

- Identifying priority areas for future engagement
- Ways and means to tackle existing gaps and strengthen co-operation

**Closing Statements:**

- **Mr. Goran Svilanović**, Co-ordinator of OSCE Economic and Environmental Activities
- **Ambassador Eoin O’Leary**, Chairperson of the OSCE Permanent Council, Head of the Permanent Mission of Ireland to the OSCE, OSCE Chairmanship

