

# The Egmont Group

## Membership Process

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- What is the Egmont Group?
- Structure of the Egmont Group & Governance
- Egmont Working Groups
- Requirements for Egmont Group membership
- Stages of membership procedure

# What is an FIU?



## Egmont definition (since 1996)

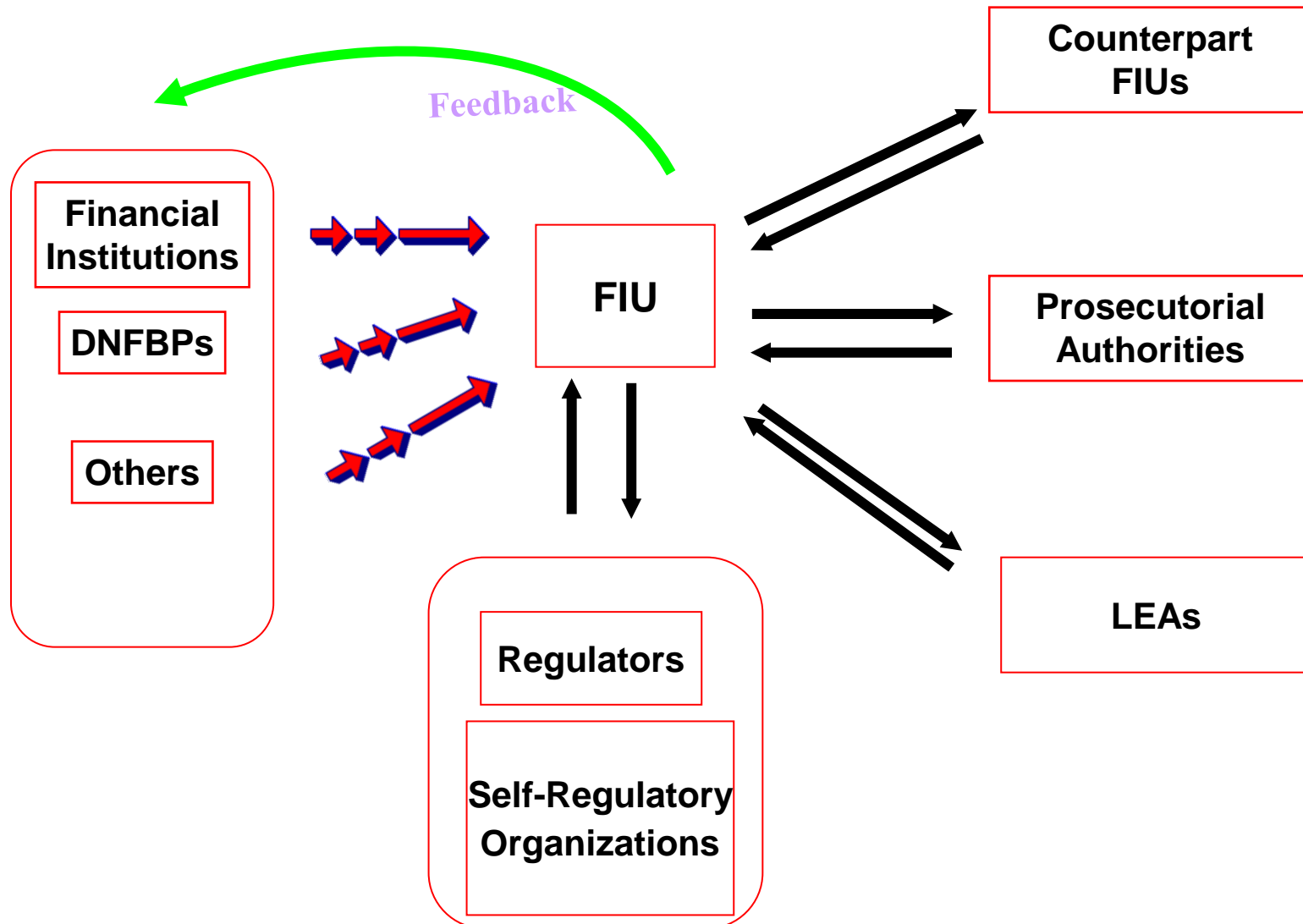
A “financial intelligence unit” (FIU) is a central, national agency responsible for receiving, (and as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information:

- (i) concerning suspected proceeds of crime and potential financing of terrorism, or
- (ii) required by national legislation or regulation, in order to combat money laundering and terrorism financing

## New definition (according with new Recommendation 29 (2012))

Countries should establish a financial intelligence unit (FIU) that serves as a national centre for the receipt and analysis of: (a) suspicious transaction reports; and (b) other information relevant to money laundering, associated predicate offences and terrorist financing, and for the dissemination of the results of that analysis.

# What are main FIU Relationships?



# What is the Egmont Group?



A non political, international entity of Financial Intelligence Units (FIUs) to:

- unite efforts to improve effective exchange of information to combat ML and TF
- exchange information on experiences in order to promote the development of effective FIUs

**131** Members

- **The Heads of FIUs:** are the governing body of the Egmont Group. Plenary Meetings are held once a year, with each FIU represented by its Head or designate
- **The Egmont Committee:** serves as a consultative and coordination mechanism for the Heads of FIUs and for the Working Groups
- **The Egmont Group Secretariat:** provides administrative and other support to the overall activities of the Heads of FIU, the Egmont Committee and Working Groups. The Secretariat is located in Toronto, Canada
- **The Regional Representatives:** represent the region's FIUs and work closely with the Outreach Working Group and FSRBs to assist developing and emerging FIUs to meet the Egmont criteria for membership. Oceania Regional Representative: Mr. Peter Clark, AUSTRAC. Asia Regional Co-representatives: Mr. Praveen Tiwari (FIU-India) Sheikh Ahmed bin Eid Al Thani (QFIU)

- **Outreach Working Group:** works to enhance the global network of FIUs by identifying and supporting candidates for Egmont membership.

The OWG also decides when the on-site visit should take place; conducts the visit; drafts the report; and decides on the operational status of the FIU and if the FIU is ready to be recommended for membership to the Heads of FIUs

- **Legal Working Group:** reviews the candidacy of potential members and handles all legal aspects and matters of principle within Egmont, including cooperation between FIUs

## Egmont Working Groups (cont.)



- **Operational Working Group:** bring FIUs together on typologies development and aims at improving cooperation between Egmont FIUs in the exchange and analysis of financial information and intelligence
- **IT Working Group:** provides advice and technical assistance to new and existing FIUs to develop, enhance or redesign their IT systems.

It also examines new software applications that might facilitate analytical work and encourages and facilitates the electronic exchange of information between FIUs

- **Training Working Group:** identifies training needs and opportunities for FIU personnel and conducts FIU training seminars, often in conjunction with partner international organizations



# What are the Benefits of Egmont Membership?



- Opportunity to enhance ways of operating and cooperating
- Increase in cooperation and intelligence sharing with other FIUs
- Access to the Egmont Secure Web
- Access to information and advice from other FIUs
- Participation in Egmont Group sponsored training
- Sharing ways through which FIUs can support national AML/CFT programs

# What are the main Requirements for Egmont Membership?



- AML-CFT legislation is in place
- Legislation is in place that establishes the FIU as a formal entity
- The FIU is fully established and operational
- The FIU meets the Egmont definition of FIU
- The FIU has the ability to exchange information with other FIUs
- Sufficient dedicated resources
- Being sponsored and / or monitored by other Egmont FIUs during the membership process

# What are the Stages of Membership?



- Step 1: Submit Application
- Step 2: Identify Sponsor FIUs
- Step 3: Monitoring Phase
- Step 4: Preparation for the Onsite Visit
- Step 5: Final Onsite Visit
- Step 6: After the Final Onsite Visit:
- Step 7: Invitation to attend the Egmont Plenary
- Step 8: Acceptance by the Heads of FIUs

Full details on the membership application process can be found on:

[www.egmontgroup.org](http://www.egmontgroup.org)

# Step 1: Submit Application



An expression of interest should be submitted to the Executive Secretary of the Egmont Group Secretariat (EGS), including:

- *A letter of request for Egmont Group membership. A model for this can be found at the Egmont Group website ([www.egmontgroup.org](http://www.egmontgroup.org))*
- *Copies of AML-CFT legislation and other FIU relevant information translated into English*
- *General information on the FIU*

## Step 2: Identify Sponsor FIUs



- The EGS submits the expression of interest documents to the Chair OWG and the Egmont Regional Representative
- Two Egmont Group FIU sponsors are identified, in consultation with the applicant FIU
- Sponsor FIU's task is to guide and support the applicant FIU during the process to become an Egmont member
- The Chair OWG writes to the applicant FIU to confirm the FIUs that have agreed to sponsor the FIU's Egmont Group membership process

## Step 3: Monitoring Phase



Sponsor FIUs initiate the monitoring phase in close consultation with the applicant FIU. The on-going monitoring activity may include:

- Collecting basic information, such as additional contact details
- Confirmation of the level of interest from the unit
- Basic information on the operational aspects of the FIU
- Any additional legislation or related documentation
- Providing technical advice, assistance and additional information on Egmont Group
- The Sponsor FIUs are the main Egmont Group contact point for the applicant FIU

# Types of Candidates



- A short term candidate is considered to be within two (2) years of the likelihood of becoming an Egmont member
- A medium-term candidate is within three years (3)
- A long term-candidate is four (4) years or more

## Step 4: Preparation for the Onsite Visit



- The Sponsor FIUs will decide when the onsite visit will take place. In preparation for the onsite visit by the Sponsor FIUs, they will request the candidate to send to the EGS a complete legislation package, which will be forwarded to the LWG in order to seek a preliminary opinion on the candidates legislation
- The LWG will provide to the Sponsor FIUs a list of questions on the legislation that need to be clarified.
- The candidate, assisted by the Sponsor FIUs, will provide clarifications to that questions. Such questions and clarifications will be included as a part of the onsite assessment report (OAR)



## Step 4: Preparation for the Onsite Visit (cont.)



- The Egmont Group Secretariat will submit the LWG Questionnaire to the applicant FIU
- The Questionnaire should be completed by the applicant FIU, with the assistance of the Sponsor FIUs during the onsite visit, if necessary, and should be returned not later than one week after the onsite visit
- The applicant FIU will also receive information on the amount of their membership contribution payment, and other relevant Egmont Group documents

## Step: 5 Final Onsite Visit



The Sponsor FIUs, who are usually members of the OWG, conduct the on-site visit, the timing for which depends on the applicant FIU's compliance with the basic Egmont criteria and requirements.

The onsite visit aims to:

- confirm the operational status of the applicant FIU
- discuss operational issues
- finalize answers to the previously submitted questionnaire
- clarify issues with regard to the legislation

## Step 6: After the Final Onsite Visit



The Sponsor FIUs will draft a confidential onsite assessment report (OAR). This document has a format created and endorsed by the OWG members

- The onsite assessment report OWG is signed by the Sponsor FIUs, concluding that the applicant FIU has reached fully operational status and is ready to be recommended for Egmont membership
- The EGS compiles a comprehensive information package on the applicant FIU that includes at least:
  - The OAR drafted by Sponsor FIUs
  - The final completed Egmont Group Questionnaire
  - All relevant legislation and other supporting documents

## Step 6: After the Final Onsite Visit (cont.)



- Information package is provided to the Chairs and members of the OWG and the Legal Working Group (LWG) for their consideration
- During the next session of the Egmont Working Group meetings (except those that precede the Egmont Group Plenary):
  - the OWG discusses the on-site assessment report and decides if the candidate has reached full operational status
  - the LWG discusses the relevant legislation and decides if the applicant is in full compliance with the Egmont legal requirements
  - at the conclusion of both OWG and LWG meetings, both groups will decide by consensus if the candidate is ready to be recommended to the HoFIUs

## Step 7: Invitation to the Applicant FIU to Attend the Egmont Plenary



The Sponsor FIUs may recommend that the Egmont Group invite an applicant FIU to attend the Egmont Group Annual Plenary

There are two ways that an applicant FIU can be invited to the Egmont Plenary:

- An Observer
- or
- A Candidate FIU

## Step 7: Invitation to the Applicant FIU to Attend the Egmont Plenary (cont.)



An observer FIU:

- Is invited as an encouragement to continue the way forward in becoming a member of the Egmont Group
- Will be able to attend any scheduled training and open plenary sessions
- Will have the opportunity to meet with the FIU community by participating in the events (including social activities) during the plenary week
- Needs to understand that invitation does not grant it a permanent “observer status”, nor does it provide any guarantees on pending membership decisions

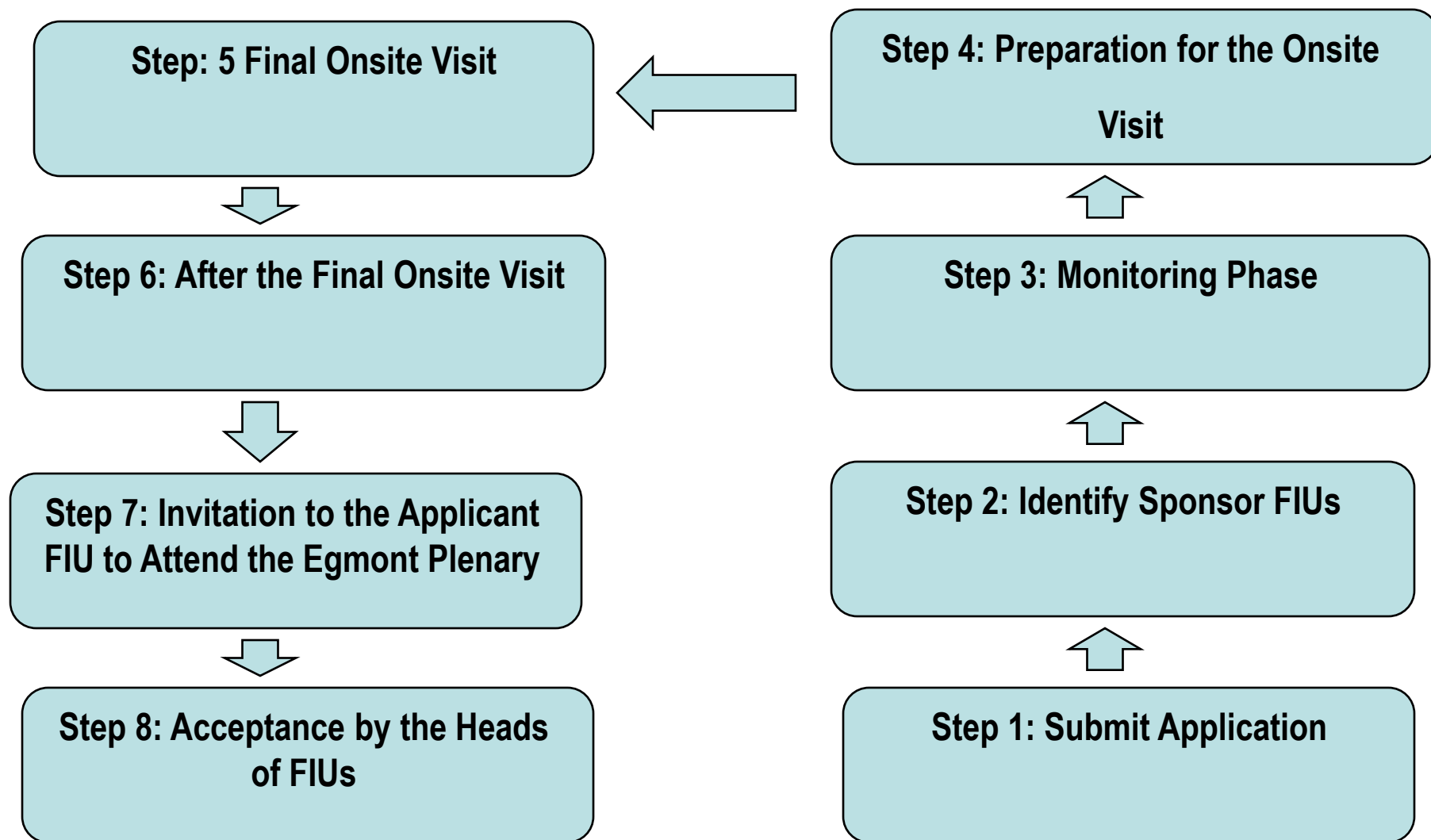
## Step 7: Invitation to the Applicant FIU to Attend the Egmont Plenary (cont.)



A candidate FIU:

- Is invited to indicate that its candidacy as Egmont member will be discussed by the Heads of FIUs during that plenary period
- Will receive a model Charter Commitment letter
- Is informed by the invitation letter that it will have to commit in writing to the Egmont Charter in the case where the Heads endorse their application
- May participate in the remainder of the Heads of FIUs meeting as an Egmont member, should the Heads of FIUs agree to accept it as a new Egmont member

# Outline of the Admission Process





# Lessons Learned



The following are some of the common hurdles often met:

- **Legal Obstacles:**

- Absence of TF criminalization

- Absence of TF reporting requirements

- Absence of consistency in legislation (secondary legislation amending primary)

- Inability to exchange STR information.

### - **Organizational and Operational Obstacles:**

- Only one sponsor
- Untimely application for membership (two meetings per year)
- Sponsors are not fully aware of the legal structure of the candidate
- Slow reaction by candidate to advise of the sponsors
- Operational Independence (Decision making, international coop...)
- Lack of international cooperation & not operational
- Inappropriate protection of information at the candidate FIU

# Thank You

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# QUESTIONS

