

# FINANCIAL SECURITY

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NO. 36 DECEMBER 2022

**THE ISSUE IS DEDICATED  
TO THE SECOND  
INTERNATIONAL  
FINANCIAL SECURITY  
OLYMPIAD**



International  
Olympiad  
on Financial  
Security

## **ELENA SHMELEVA:**

*"The successful Financial Security Olympiad has shown that the educational opportunities and programs in our country are unique and meet all international standards".*







# CONTENTS

## ***Introduction***

- 5 Welcoming Speech of Mr. Yury Chikhanchin, Director of Rosfinmonitoring
- 6 From the Message of President of the Russian Federation Vladimir Putin to the Finalists of the Second International Financial Security Olympiad

## ***Second International Financial Security Olympiad***

- 7 Finals of 2022 International Financial Security Olympiad at «Sirius»
- 10 How «Sirius» Facilitates Talent Identification and Development Nationwide
- 14 Financial Education and Outreach Activities for Citizens
- 16 Personal Financial Security: all Lines of Self-Defense
- 19 Correlation Between Financial Literacy and Personal Financial Security
- 22 The First Experience of BRICS Countries' Participation in the International Financial Security Olympiad

## ***Highlights of the Second International Financial Security Olympiad***

- 25 Schoolchildren and Students Play a Game to Study Basics of Combating Money Laundering: Unique Rosfinmonitoring's Method
- 29 AML/CFT Electronic Services are a Digital Tool for Conducting Financial Security Competitions and Master Classes
- 34 Business Game: Operation of the International Risk Assessment Center and Conducting International Financial Investigation Using "Graphus" Training Platform
- 37 Mentorship Institute In Rosfinmonitoring
- 40 Game-Based Learning Technologies in Financial Security: Rostov State University of Economics (RSUE) Master Class at the International Olympiad for Financial Security
- 43 Financial Security in the Banking Sector: How Major Financial Institutions Safeguard the Money of Their Depositors
- 47 New Generations of Compliance Officers
- 50 Sports Festival is the One for All Who are in Flux!
- 56 «Finalist's Diaries» at the Second International Financial Security Olympiad
- 59 «Education and Career» Exhibition - Your Way to Join Financial Intelligence Unit
- 62 EAG Development of AML/CFT Public-Private Partnership

## ***Events of the Second International Financial Security Olympiad***

- 65 International Financial Security Forum «Sirius-2022»
- 68 Section of the International Financial Security Forum «Sirius-2022»: Improvement of Financial Literacy and Protection of Citizens from Illegal Financial Market Participants
- 70 The 10<sup>th</sup> Anniversary of the Council of Heads of Financial Intelligence units of the CIS Member States
- 74 17<sup>th</sup> Meeting of the International Network AML/CFT Institute's Council

## ***Financial Security Education Promotion Tools***

- 77 Scientific and Educational Digital Platform "Sodruzhestvo"
- 80 Association of FIUs' Training and Methodology Centres as a Development Tool of AML/CFT Professional Competencies

## **EDITORIAL BOARD**



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## DEAR READERS!

This issue is dedicated to the Second International Financial Security Olympiad. It is a pleasure to note that the number of countries participating in the Olympiad has been increasing. More than two million students from twelve EAG, CIS and BRICS countries have already joined the Olympiad movement.



With the support of President of the Russian Federation, Vladimir Putin, together with Ministry of Higher Education and Science, Ministry of Education of the Russian Federation and partner organizations, we are addressing the key challenge of developing financial and legal literacy among the younger generation and are creating a new economic culture.

Another objective of the Olympiad is to find talented young people and guide them in their careers. Last year's experience

showed the effectiveness of the competitive approach in the process of personnel reserve formation.

Interactive forms of work with the participants were of particular importance in the final phase of the international competition. Game format role-based criminal proceedings and business games with the use of a special training platform contribute to the development of skills and abilities that will be useful for future AML/CFT experts and specialists in any other professional field.

We will continue our efforts to promote responsible approach to financial security in society and to create conditions for young people to develop their knowledge in this area.

*Director of Rosfinmonitoring, Chairman  
of the Editorial Board  
Yury Chikhanchin*

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<sup>1</sup> Anti-money laundering and countering the financing of terrorism.



## ПРЕЗИДЕНТ РОССИЙСКОЙ ФЕДЕРАЦИИ

## ТЕЛЕГРАММА

Прием: _____	го _____	час. _____	мин. _____	Для заметок адресата
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# FROM THE MESSAGE OF PRESIDENT OF THE RUSSIAN FEDERATION VLADIMIR PUTIN TO THE FINALISTS OF THE SECOND INTERNATIONAL FINANCIAL SECURITY OLYMPIAD:

"It is gratifying that your purposeful and timely initiative has received wide support from relevant national and international organizations, and today Sochi once again welcomes pupils and students from various regions of Russia and a number of foreign countries, giving them an excellent opportunity to demonstrate their knowledge, skills and abilities in the field of financial, legal and information literacy. I know that you have worked hard, faced serious competition in the qualifying rounds and are ready to compete against strong and worthy opponents here at

"Sirius". Our country gives priority to increasing the financial security of individuals and society, protecting the legitimate rights of citizens and improving the financial literacy of the population. Especially among young people! And your project is designed to fulfill an important training, educational and outreach mission in this area. I am sure that the Olympiad will be held at a high organizational and creative level. It will be a significant event for the participants and will deliver real results. I wish you success and all the best on your way!"



SECOND INTERNATIONAL FINANCIAL SECURITY OLYMPIAD

## FINALS OF 2022 INTERNATIONAL FINANCIAL SECURITY OLYMPIAD AT «SIRIUS»

*Financial security starts with every individual citizen of our country embracing personal financial literacy and caring for well-being of our nearest and dearest. We should keep in mind that the young might get complicit in destructive activities, and nourish a negative attitude to various kinds of fraud and crime*

Vladimir Glotov,  
Deputy Director of Federal Financial Monitoring Service



Vladimir Glotov

A country's financial security is shaped up by its citizens, businesses, and public bodies. We have been developing our knowledge capital together. Jointly with our international partners, we have been establishing a new way of economic thinking, raising financial awareness, and strengthening ties in pursuit of well-being.

Since 2021, Rosfinmonitoring has been implementing an especially important new-format project - the International Financial Security Olympiad to beef up the information, financial and legal literacy of the young.

The Olympiad comprises a range of activities split into three stages.

### ALL-RUSSIAN FINANCIAL SECURITY LESSON

A *Financial Security* lesson was held for schoolchildren from grades 8-10 in 26,000 schools in April-May 2022. This time it was on financial fraud, including Ponzi schemes. More than 2 million children attended this event, which is over 68% of this age schoolchildren.



**Since 2021, Rosfinmonitoring has been implementing an especially important new-format project to beef up the information, financial and legal literacy of young people, the International Financial Security Olympiad**

## PRELIMINARY ROUND

The second round of the Olympiad was hosted by training and educational centers of the International Network Institute for Combating Money Laundering and Terrorism Financing (INI) from Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan.

Over 40,000 schoolchildren and students from 12 countries participated in it.

## FINALS

The concept of the finals is designed to highlight the multifaceted nature of the notion 'financial security' which directly concerns every individual and expands the sphere of his/her responsibility.

Russia, EAG member-states, CIS and BRICS had several dozen thousand participants with 500 pupils and students making it to the finals, having proved a high level of proficiency in economics, law, international relations, and financial security.

The contest took place at "Sirius", Russia's federal territory, October 10-14, 2022.

The representatives of the INI and would-be employers closely followed the events.

The Olympiad winners and awardees among schoolchildren got a right to enter higher education

universities/institutes without obligatory testing. As for the best finalists-students they were granted job opportunities with Rosfinmonitoring and industrial business partners.

The awarding ceremony at the closing part of the final was attended by Dmitry Chernyshenko, Deputy Chairman of Russia's Government, Yury Chickanchin, Director of Rosfinmonitoring, Elena Shmeleva, Chair of the Federal Territory "Sirius" and Head of "Sirius" Educational Center, Oleg Yastrebov, Rector of RUDN.

A total of 27 schoolchildren and 72 students were recognized as the best performers. Every participating country had a winner or an awardee with 80 of them representing Russia. The Olympiad brought together over 200 AML/CFT experts, five international organizations, business community, seven industrial partners, 45 field-specific universities from the EAG member-states.

The event organizers did their best to make the event a platform for fulfillment, networking with fellow-thinkers and professional growth. The participants were immersed into the financial security topic. The agenda was impressive and comprehensive. The finalists had over 50 practical workshops, master classes, panel discussions, and meetings with guest experts and prospective employers. Boys and girls also took part in a mock financial investigation using "Graphus" platform, identifying





**The organizers and finalists kick-started a new tradition. The “Sirius” Federal Territory now has an alley of the International Financial Security Olympiad. The first palm trees symbolize three continents – Africa, Eurasia and South America – which were represented at the finals of the Olympiad movement in 2022**

shell companies and revealing masterminds of misuse-of-funds schemes.

In 2022, the Olympiad movement dynamically developed not just in Russia, but also internationally. The geographical coverage expanded to all the BRICS countries and Armenia. Some countries (the Kyrgyz Republic and the Republic of Kazakhstan) organized their national Olympiads. The number and quality of experts involved in preparing for the Olympiad and hosting it also grew up.

The finals brought together young members, subject-matter experts in the international AML/CFT field, as well as international businesses from 25 countries. Here some of the expert-level events are:

- International Financial Security Forum "Sirius-2022". Leading experts discussed issues and development prospects of various streams of work, and signed an address to the AML/CFT-related UN Committees and the Financial Action Task Force (FATF) seeking their support of the International Olympiad Movement for improving financial literacy and security of the youth;
- 20th Meeting of the Heads of CIS FIUs' Council. The agenda comprised important financial security issues. The meeting supported the Olympiad movement through the participation of practitioners;

- 17th meeting of the INI Council. The representatives of 45 specialized universities from six EAG countries discussed a unified educational space in the field of financial security and the development of training materials. Every participant, be them schoolchildren or students, organizers or partners, got a new and useful input. Taking part in the awareness raising events like the Olympiad is an investment you make in yourself, which will pay off many times in the future. This is a way to shape up a proper set of values and a behavioral model for the modern youth in financial literacy and security. This will become an important contribution to political stability, economic and financial security.

Everyone, from schoolchildren and students to organizers and partners, was able to find something new and useful for themselves. Participation in such educational events as the Financial Security Olympiad is self-investment that will multiply many times over in the future. Thus, a unified system has been launched, which is focused on creation of the correct value orientation and behavior model of modern youth in the context of financial literacy and security. This will form a significant contribution to the political stability, economic and financial security of states.

# HOW “SIRIUS” FACILITATES TALENT IDENTIFICATION AND DEVELOPMENT NATIONWIDE

*The “Sirius” Education Center has been creating and improving the training, support and development system for talented children for over 7 years. The Center is home to innovative science and technology projects, cutting-edge teaching methods and music competitions involving the best teachers in the country. The most highly respected teachers join us, and leading Russian companies contribute to the development and improvement of the educational center's material and technical base. At present, “Sirius” is a benchmark in the talent management system; no wonder that centers based on the experience and model of the Education Center have been established in 70 regions of Russia*

Elena Shmeleva,  
Chair of the Council of “Sirius” Federal Territory



Elena Shmeleva

## TALENT MANAGEMENT

Each month, 800 children attend the center to take part in educational programs covering three areas: 'Science', 'Sports' and 'Arts'. In seven years, the professional development programs have encompassed some 59,000 schoolchildren and nearly 8,000 teachers. Non-standard problems, new ways of solving them and a competitive environment bring the most ambitious participants to “Sirius”.

Some of them get over here thanks to school competitions and Olympiads. From 10 to 14 October, “Sirius” hosted the finals of one of these Olympiads, the International Financial Security Olympiad. Throughout the five days, schoolchildren and students took part in panel discussions, role-plays and assignments. All were based on real-life situations involving the financial fraud detection, cyber-attacks and the operation of banking systems - everything that will prove useful in their future careers.





The “Sirius” Education Center was established in 2015 at the Winter Olympics facilities upon the initiative of President of the Russian Federation Vladimir Putin. He personally chaired the “Sirius” Board of Trustees. Council of Experts included Russian leading scientists, artists and sportsmen. Their involvement helps to develop educational programs and new projects for children.

Sergey Andriyaka, People's Artist of the Russian Federation, leads the artists' programs. Svetlana Zakharova, People's Artist of Russia and ballet dancer, supervises the dancers' programs. Famous musicians Sergey Roldugin and Valeriy Pyasetskiy personally work with children in the "Sozvezdie" competition for young performers.

Athletes will be coached by Olympic champions Alexey Urmanov and Valeriy Kamenskiy, as well as by honored coach Elena Chaikovskaya.

Supervision of the scientific sphere at “Sirius” is provided by Ivan Yashchenko, Director of the Moscow Center for Continuous Mathematics Education, Andrey Stankevich, Head of the national team at the International Olympiad in Informatics, Maksim Pratushevich, Director of the Presidential Physics and Mathematics Lyceum, Anna Kartsova, Professor of the Department of Organic Chemistry at the St. Petersburg State University Institute of Chemistry, and others.

*"Olympiads for schoolchildren and students are first and foremost equal opportunities to engage in science and to apply unconventional thinking to real cases. The successful Financial Security Olympiad organized by Rosfinmonitoring has shown that the educational opportunities and programs in our country are unique and meet all international standards. In the year between the Olympiad finals, we will launch training sessions together with the INI, the “Sirius” University of Science and Technology and the PSB Academy. This will ensure the connection between our methodologists who prepare the tasks, and the perception of these tasks by participants from different countries,”* says Elena Shmeleva, Chair of Council of “Sirius” Federal Territory.

#### A MODEL OF SUCCESS: BEING IN TUNE WITH THE TREND

The “Sirius” education model programs are designed in line with the priorities of the Scientific and Technological Development Strategy of Russia. They cover relevant current and future demand areas. The best teachers in Russia work with students. To this end, the Education Center has developed and applies its own methodology for identifying, assessing and recruiting specialists to work with young people. The awards or the status of the organizations that the teachers represent do not matter. Only the real competence of the teachers counts.

Supported by its partners, "Sirius" analyzes technological trends and the real needs of each industry. In this way, the training programs content is kept up-to-date.

*"The education model is applied at all levels, from kindergarten to university. "Sirius" not only creates the development strategy of each organization, but also integrates them into a unified comprehensive program aimed at benefiting the country as a whole. This structure helps to exclude such factors as program duplication, the impossibility of practical application of the knowledge acquired and the lack of interest on the part of employers. This is the most effective way to shift from a knowledge-driven economy to a talent-driven one. This work system is focusing on training top-quality personnel addressing practical challenges from school age,"* adds Elena Shmeleva.

Such a model not only effectively identifies talent, but also shapes Russian identity. The idea of scientific civic consciousness unites the graduates of the "Sirius" educational programs. It enables them to use their potential for the country's development.

## SCHOOL FOR EVERYONE

Quality infrastructure is essential to improve the talent management system. All scientific, educational, cultural and sporting projects are managed centrally at "Sirius".

*"Sirius" has created a unified educational space with a common curriculum, involving all the facilities in the federal territory: school, college, university, Education Center, sports arenas and a botanical garden, so as to ease the organization of a pupil's or student's schedule. Schoolchildren will have the chance to study in the university's laboratories. The Sports Research Center, dedicated to studying the giftedness phenomenon, will be available to participants in sports sections. The concert complex under construction on federal territory will be a hall for performances not only by world-class musicians, but also by graduates of the High School of Music,"* explains the Chair of the "Sirius" Board.

## PARTNER PROJECTS

Partners from across the country provide assistance in the development of "Sirius" infrastructure and

facilities. Over 200 organizations are already engaged as partners. These include the state corporations Rosatom (Federal Atomic Energy Agency), Roscosmos (Federal Space Agency) and Rostec (State Corporation for Assistance in Development, Production and Export of Advanced Technology Industrial Products), the VK companies, Bank of Russia, T1 and others. They open school laboratories and co-working spaces for students and residents of the Federal Territory, launch internship programs. They are also actively involved in the creation of educational programs for schoolchildren and students, as well as grant programs.

This year, for example, "Sirius" University, in partnership with PhosAgro company, has created one of Russia's largest laboratory complexes for life science research. It is available to students and scientists, as well as to the university's academic and industrial partners. Vladimir Putin highly appreciated the complex and suggested opening up collective access to its facilities.

## SO, WHAT'S NEXT?

Work with students does not end when he or she completes the Center's educational program or graduates from a lyceum, university or college. "Sirius" implies continuous learning, development and improvement of the skills and knowledge acquired.

*"We have laid a solid foundation for the talent pedagogy development during seven years of our operation. Graduates are an important source of talent development. "Sirius" supports them to find jobs, develop projects in regions and create start-ups. The journey continues at the Innovation Science and Technology Center, where graduates can create and launch a project, at the Education Center or University as trainers or experts, and at regional centers as mentors and teachers,"* says Elena Shmeleva.

With the experimental legal system of the "Sirius" Federal Territory, the launch of breakthrough solutions can be significantly accelerated. Schoolchildren, students and young scientists are actively involved in this work. They are encouraged to take advantage of grant opportunities, internship programs with residents of the Innovation Science and Technology Center and partners, and career opportunities with top technology companies.



**The successful work of the “Sirius” Education Center has contributed to the development of a large-scale urban infrastructure around it. This includes scientific, educational, cultural and sports facilities. In 2020, Russia’s first Federal Territory “Sirius” was set up upon the initiative of President of the Russian Federation Vladimir Putin. This is a city based on a unified scientific and educational cluster.**

Graduates support programs are part of the systematic work of “Sirius”. Thus, its educational model outreaches more and more talents every year.

#### **NATIONWIDE FRAMEWORK OF THE “SIRIUS” EDUCATION MODEL**

The “Sirius” educational model should serve the interests of every pupil and student in Russia. This is the goal of the integrated learning system being implemented across the Federal Territory. Centers running the “Sirius” model in cities play a key role in best practices dissemination. To date, such centers have been opened in 70 Russian regions, and by 2024

they will be operating in all the regions of the Russian Federation. Application of relevant experiences and methods throughout the country results in millions of young people from all over Russia taking part in “Sirius” educational programs and science and technology projects every year. This year, schoolchildren from the CIS countries will join the programs.

The maximum openness of the Federal Territory's education system attracts students to take part in distance and network programs, courses and academic mobility activities. And, the application of the “Sirius” model opens up new self-development opportunities for all participants in the country's educational process.



# FINANCIAL EDUCATION AND OUTREACH ACTIVITIES FOR CITIZENS

*Financial literacy is mandatory for every modern person, because it helps to solve many life problems. We need to keep up with rapid development of financial products and services we use in our everyday life*

Mikhail Kotyukov,  
Deputy Finance Minister of the Russian Federation



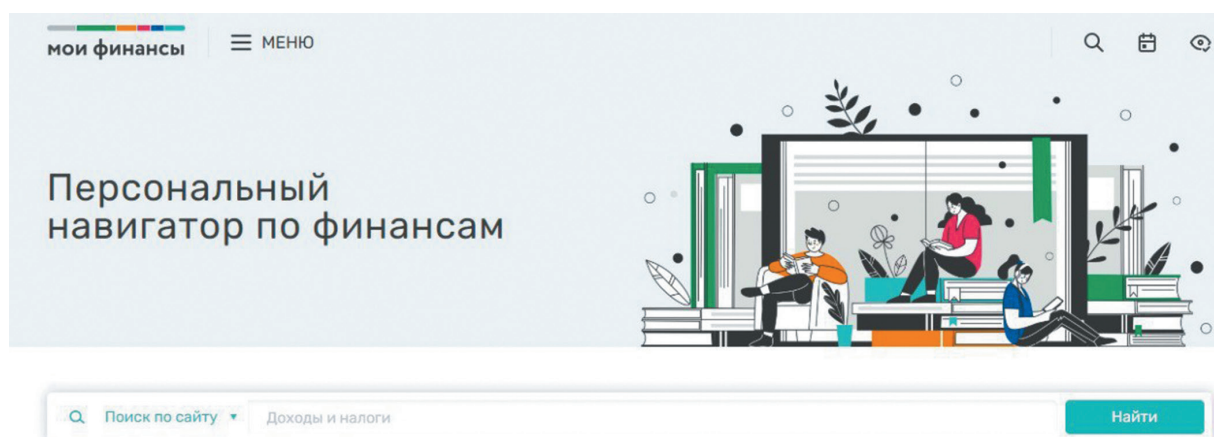
Mikhail Kotyukov

Finance Ministry is a party to the Financial Literacy Improvement Strategy in the Russian Federation. Our Ministry implements relevant measures within the departmental project "New Financial Culture (My Finances: Just About the Complex)" and adapts its financial education and outreach structure to current challenges.

Conditions have been created to provide effective financial education to different target groups. Therefore, the relevant federal standards of general, secondary vocational and higher education include financial literacy elements. This allows for teaching financial literacy since childhood as part of the educational process.

Meanwhile, it is of vital importance to introduce financial literacy in the training process of each educational institution in Russia. And we should render all possible support to achieve this.

Moreover, financial education is key to improving financial literacy.



**"Моифинансы.рф" (Moifinanci.rf) is a digital platform for developing financial literacy in Russia. Its functionality is fully based on a customer-focused approach.**

It is of great importance for educational institutions to get access to existing teaching and learning facilities. Furthermore, it is necessary to focus on academic staff training to provide high quality financial education to different categories of students.

Finance Ministry of the Russian Federation is actively engaged in public education and outreach activities. This includes organization and holding of various financial literacy events for different age groups.

The Ministry also focuses on informing citizens through the portal "Моифинансы.рф"(Moifinanci.rf). This is a digital platform for developing financial literacy in Russia. Its functionality is fully based on a customer-focused approach.

It is necessary to understand that in today's rapidly changing world, improvement of financial literacy is an ongoing process. The need for government financial education and outreach activities has been growing every day.

Our key challenge is to create a sustainable system of continuous financial education to form a sufficient level of financial culture.

# PERSONAL FINANCIAL SECURITY: ALL LINES OF SELF-DEFENSE

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*As the financial services accessibility has increased, so has the risk of financial loss.  
As a result, personal financial security is becoming more important to all of us.*

Mikhail Mamuta,

Head of Consumer Protection and Financial Inclusion Service of the Bank of Russia



Mikhail Mamuta

Financial services have become diverse and easily accessible thanks to the development of digital channels. However, as accessibility has increased, so has the risk of financial loss. As a result, personal financial security is becoming more important to all of us.

We talked about this at the master class by the Bank of Russia with participants of International Financial Security Olympiad, held last October in Sochi.

Personal financial security is made up of a few simple skills. The first is financial planning. It may sound contradictory, but there are financially literate and educated people who neglect this elementary tool in their daily lives. Yet it is a simple and publicly accessible way to achieve your financial goals while avoiding many risks.

A financial "safety cushion" is another basic concept. Life is unpredictable, events can happen that affect the amount and source of income, and thus the well-being not only of the person receiving the income, but of the whole family if it depends on it.

The next component is rational consumption. The availability of goods and services, including financial ones, makes them too easy and quick to



buy without giving it a second thought. Same goes for the "impulse goods" placed next to the cash register in the supermarket. This is risky, because every purchase is an expenditure of funds, a waste of money. Therefore, all purchases should be approached wisely, in a balanced way.

There is a science called behavioral economics that studies the cause-and-effect relationship in human behavior in the financial market. However, the point is that human behavior is determined by a variety of factors: individual experience, social environment, current emotional state, cognitive abilities, education, innate features, and much more. Besides that, the assumption that people always act purposefully and rely on the greatest benefit principles is not confirmed in practice: people very often make decisions that are irrational from an economic perspective.

There are many situations where inconsistent and irrational actions can lead to significant financial losses: loans taken in the heat of emotions, the desire to win back on the stock market, losses due to market panic, etc.

Therefore, the first thing to learn is financial self-discipline. Then be prepared to defend your rights in the financial market.

Unfortunately, not all financial institutions act with absolute honesty in their dealings with financial services consumers. In recent years, the Bank of Russia has done a lot of work to create a legal framework and develop supervisory activities to counteract such phenomena as misselling or solicitation of additional payment services when lending. Legislative changes have been adopted, regulations have been developed. Behavioral supervision is effective in identifying unscrupulous practices and encouraging market participants to modify the business models in favor of consumers. Judging by the steadily declining number of complaints in this area, we are on the right track. However, the consumer should also be vigilant, not take for granted all the verbal promises made by managers of financial institutions, clarify and ask again about anything he/she does not understand. For example, if a bank manager offers another financial product instead of a deposit and says that it is "almost like a deposit, but better and more

profitable", then in order not to become a victim of misselling, one should ask for written confirmation of both the promised profits and, most importantly, the money-back guarantees under certain circumstances.

In recent years, the Bank of Russia has done a lot of work to create a legal framework and develop supervisory activities to counteract such phenomena as misselling or solicitation of additional payment services when lending. Legislative changes have been adopted, regulations have been developed. Behavioral supervision is effective in identifying unscrupulous practices and encouraging market participants to modify the business models in favor of consumers.

When talking about financial security, we cannot avoid the topic of fraud in all its forms: from social engineering to cybercrime. The Bank of Russia works together with financial institutions to strengthen the information security of market participants, identifies and blocks websites created by fraudsters, sends information on illegal companies and pyramid schemes to law enforcement agencies, and publishes a list of such companies on its website.

However, financial security often depends on the individual himself or herself, if he/she follows basic "hygiene" rules. For example, a person does not disclose card or bank account details to anyone, does not answer suspicious phone calls or click on dubious links. He or she always checks the browser address bar when shopping online or the legality of the company when signing a contract.

I would also like to draw your attention to the numerous "gurus" on social networks who trap people into training with the promise of high returns. Often, under the guise of training, people are compelled to invest in the securities of certain

companies in which the "teacher" receives his or her interest. It is important to understand that, for example, an investment advisor gives his/her recommendations only after signing a contract, and if it is a broadcast for hundreds or thousands of subscribers, the broadcaster takes no responsibility for his/her advice. Sometimes it is even written somewhere in small print that the listeners do not pay attention to.

There is a category of socially vulnerable citizens for whom fraud is more difficult to detect: the elderly and people with intellectual disabilities. To protect them, we developed recommendations for banks back in 2021: to allow such a customer to limit remote transactions and to introduce the so-called "second hand" service. For example, an elderly person could appoint his/her son or grandson as an assistant to check all large and unusual transactions. Without confirmation from the "second hand," the bank will not execute such a transaction, and the assistant can call family members to find out where and why the money is being transferred. Some major banks have already implemented this service and others are working on it.

The idea of self-imposed limits for remote services is also in demand for all other financial services consumers. A new law has recently come into force that gives individuals the right to limit online transfers from their accounts, i.e. to set a maximum amount for a single transaction or a limit for a certain period of time. This will help reduce losses if an individual becomes a victim of fraud. You can also remove or change the restrictions at any time.

Meanwhile, work is underway to change the law to allow people to set credit and loan ban for themselves. Information about this will be stored in the credit history, and any lender will be obliged to check it for self-restrictions before granting loans and credits. If a lender still gives money despite the fact that they are in effect, it will be possible not to repay the loan granted (for example, with forged documents).

Senior pupils and students who plan their future career in this field participated in International Financial Security Olympiad. They are already quite good at it, they have their own opinions, and they are willing to share their personal experience. However, it turned out that many of the rules and regulations were new to them as well. This means that we still have a lot of work to do together so that at least a significant part of our society, if not the majority, can learn them.

The idea of self-imposed limits for remote services is also in demand for all other financial services consumers. A new law has recently come into force that gives individuals the right to limit online transfers from their accounts, i.e. to set a maximum amount for a single transaction or a limit for a certain period of time.

Financial literacy and the basics of financial security are closely related with each other, because it is impossible to live in the modern world without them. They are the foundation of stability, well-being and peace of mind for everyone, and it is very important that the younger generation sets the right priorities in this area. This is not the first year that the Bank of Russia has participated in the Olympiad. It is an important part of our cooperation with Rosfinmonitoring. Identification and fight against illegal activities in the financial market, as well as training of competent specialists in this area are always more effective if various forces and resources are combined.

# CORRELATION BETWEEN FINANCIAL LITERACY AND PERSONAL FINANCIAL SECURITY

German Neglyad,

State Secretary – Deputy Director of Federal Financial  
Monitoring Service



German Neglyad

According to our Ministry of Internal Affairs, Russia lost 834.5 billion roubles to crimes in 2021, an increase of 62.7% year-on-year. More than a half of all recorded crimes (55.3%) were classified as larceny committed, *inter alia*, by theft – 733,100 cases (-2.4%) and fraud — 339, 600 cases (+1.2%).

In 2021, a total of 517, 700 crimes were committed by means of information, telecommunication and computer technologies or in the field of computer information, which is up 1.4% vs 2020. More than three-fourths of these crimes (78.4%), or 406, 000 (-1.1%), were committed by theft or fraud.

Over two-thirds of these crimes (67.9%) are committed with the use of the Internet (351, 500; +17.0%), and almost half of them (42.0%) are committed with the use of mobile communication devices (217, 600; -0.5%).<sup>1</sup> In 2022 (as of October), this crime rate slightly decreased, but the overall proportions remained roughly the same.<sup>2</sup>

The National Security Strategy of the Russian Federation<sup>3</sup> also recognizes that, despite the measures being taken, some crime rates are still high, including crimes against property and crimes related to credit and finance (Para.42).

<sup>1</sup> <https://xn--b1aew.xn--p1ai/reports/item/28021552/>.

<sup>2</sup> <https://xn--b1aew.xn--p1ai/reports/item/33913311/>.

<sup>3</sup> RF Presidential Decree No.400 dated 02.07.2021 // Official legal information web portal <http://pravo.gov.ru>, 03.07.2021.



Crime prevention plays an important role in reducing crime rates, along with disruption and enforcement of certainty of punishment.

E.g., Federal Law 182-FZ on the Fundamental Principles of Crime Prevention System in the Russian Federation as of 23 June 2016<sup>4</sup> explicitly defines crime prevention as a set of social, legal, organizational, information and other measures aimed at *identifying and eliminating the causes and conditions* conducive to committing offenses, as well as at exerting educational influence on persons in order to prevent the commission of offenses or antisocial behavior (Article 2).

Considering the large number of attacks on the funds of citizens by means of theft of funds and other assets, *inter alia*, by way of deception and abuse of trust (fraud), one can not but mention the level of financial literacy of the public as an important factor influencing the crime rate in this field. According to the all-Russia survey conducted by the NAFI Analytical Center in October 2022, most Russian citizens (82%) have faced fraud attempts over the recent months. In April, the number was 58%. The most widespread fraud attempts experienced by every second respondent included online proposals to “make good money on investments” (55%) and phone calls from “bank staff” and “law enforcement officers” (54%).<sup>5</sup>

According to the survey, fraudsters most frequently target young people with 89% of respondents aged 18 – 24 experiencing fraud attempts.

Polls show that every second young Russian (53%) believes that he/she lacks the financial security knowledge to protect himself/ herself from fraud and other risks of losing money,<sup>6</sup> and 87% of Russian citizens under 35 wish to increase their awareness in this area.

Thus, the respondents see a connection between improving their financial literacy and obtaining additional knowledge about *financial security*.

In this context, it is necessary to define some relevant concepts.

The Strategy for the Improvement of Financial Literacy in the Russian Federation<sup>7</sup> defines financial literacy as a combination of awareness, knowledge, skills, attitudes and behavior needed to take successful financial decisions and ultimately, to achieve individual financial well-being.

In particular, according to the Strategy, a financially literate person should, as a minimum:

- keep track of his/her personal finances;
- plan his/her income and expenses;
- build up long-term savings and a financial “security cushion” for unforeseen circumstances;
- be aware of how to look for and use necessary financial information;
- select financial services wisely;
- live within his/her means by avoiding excessive debt and payment default;
- know how to protect his/her legitimate rights as a consumer of financial services;
- *be able to recognize financial fraud indicators*;
- *be aware of risks in the financial services market*;
- know and fulfill his/her taxpayer obligations;
- get financially prepared for retirement.

At the same time, one of the expected outcomes of the Strategy is the development and implementation of a set of financial, organizational, educational, awareness and other measures aimed at enhancing the **financial protection and security of the public**.

However, financial security is a much broader concept.

Financial security is defined as a set of measures, methods and techniques to safeguard economic interests of a state at macro-level and to protect corporate structures and financial activities of business entities at micro-level.<sup>8</sup> Therefore, one can distinguish the national, regional, corporate and personal levels of financial security.

Personal financial security is a social and economic ability of a person to be financially independent to meet his/her material and spiritual needs both as an individual and as a member of society. It is also an opportunity to maintain and increase such

<sup>4</sup> Official legal information web portal <http://www.pravo.gov.ru>, 23.06.2016.

<sup>5</sup> <https://nafi.ru/analytics/82-rossiyan-stalkivalis-s-popytkami-moshennichestva/>.

<sup>6</sup> See for further details: <https://nafi.ru/analytics/kazhdy-vtoroy-predstavitel-molodezhi-schitaet-cto-emu-nedostatochno-znaniy-o-finansovoy-bezopasnos/>.

<sup>7</sup> RF Government Directive No.2039-r dated 25.09.2017 № 2039-p.

<sup>8</sup> O. Gordyachkova, T. Klavry, “Personal Finances and Financial Security” Training Manual, Moscow, World of Science Publishing House, 2021, p.7.

independence in future. At the same time, personal financial security depends not only on fulfillment of the undertaken obligations by a state, but also on decisions made by citizens.<sup>9</sup>

Another group of authors defines personal financial security as protection of individual financial interests at all levels of his/her financial activities. It is also availability of sufficient financial resources needed to satisfy the basic needs of a person.<sup>10</sup>

According to another viewpoint, financial security of a citizen means legal and economic protection of citizens, their vital interests and constitutional rights by a state. In addition, it ensures high standard of living irrespective of threats to financial security. At the same time, personal financial security depends on fulfillment of the undertaken obligations by the state *and on decisions made by citizens*.<sup>11</sup> Ensuring a high level of financial literacy will help maintain a high level of personal financial security, which directly affects the financial security of the entire state.

Therefore, financial literacy and personal financial security are closely interrelated because improvement of financial literacy contributes to enhancing personal financial security.

The poll conducted by NAFI Analytical Center jointly with International Training and Methodology Centre for Financial Monitoring (ITMCFM) in October 2022<sup>12</sup> demonstrates that young Russian people have a great interest in those aspects of financial security that are related to their personal rights and security of their personal data.

In particular, the top-5 priority topics are as follows:

- protection of human rights in financial sector (this topic is interesting for 78% of young people);

- protection of biometric personal data (this topic is interesting for 73% of young people);
- financial security in social media and online games (this topic is interesting for 68% of young people);
- personal information security in financial sector (this topic is interesting for 67% of young people);
- publishing information on the Internet and personal security risks (this topic is interesting for 65% of young people).

Furthermore, over half of Russian citizens aged 14 - 35 years wish to know the following:

- how to identify phishing websites (62%);
- how to properly manage personal budget (59%);
- how to ensure financial security of the state (59%);
- what social engineering techniques are used by scammers (58%);
- what financial protection measures are implemented by business entities (57%);
- what bank card scams are used by fraudsters and how to avoid them (54%);
- how to identify online trading scams (52%).

The International Financial Security Olympiad is organized by Rosfinmonitoring in cooperation with Ministry of Science and Higher Education and Ministry of Education of the Russian Federation. It contributes to meeting the aforementioned demands of young people and, therefore, helps to improve financial literacy and enhance personal financial security.

According to the relevant Regulation, the Olympiad takes place to improve financial literacy of young people and to promote scientific knowledge about financial security.<sup>13</sup>

<sup>9</sup> Ibid, p.10.

<sup>10</sup> E. Zakharchenko, K. Pluzyan, V. Khatlamadzhinyan "Growing Role of Personal Financial Security in Modern Times", Chronos: Economic Sciences Journal, 2019, p.22.

<sup>11</sup> Sh. Magomedov, L. Ivanitskaya, M. Karataev, M. Chistyakova, "Financial Security of Russia" Methodological Guidance Paper, Moscow, pp.38–47.

<sup>12</sup> <https://nafi.ru/analytics/finansovaya-bezopasnost-chemu-i-kak-obuchat-molodezh/>.

<sup>13</sup> <https://rosfinolymp.ru/>.

# THE FIRST EXPERIENCE OF BRICS COUNTRIES' PARTICIPATION IN THE INTERNATIONAL FINANCIAL SECURITY OLYMPIAD

*The International Olympiad Movement expands the financial security knowledge of pupils and students and serves as a source of personnel for national and international anti-money laundering systems*

The Olympiad supported by the President of the Russian Federation plays a significant role in terms of integration with friendly countries. Young people are very interested in financial security, which is particularly important in the current economic situation. The organizers

are doing their best to maintain this interest. Representatives of 12 countries took part in the Second International Financial Security Olympiad. BRICS countries (Brazil, India, China, South Africa) and Armenia joined the EAG and CIS member states.



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**«It was indeed a great initiative taken by the Russian Federation to educate the youth across several countries on the vulnerable issue of financial security. I think that more such events should be conducted by other countries».**

**Khushi Bansal**

The "Financial Security" journal's Editorial Board asked foreign students from countries participating in the Olympiad for the first time to share their impressions:

#### **Agarwal Miccy (India)**

The "financial security" term is getting more and more popular and the Olympiad has developed an interest among the younger generation about the financial security. The workshops conducted with the use of "Graphus" training platform and "Transparent blockchain" electronic service became of great interest to me. Interaction with foreign pupils and students from different fields of study, with different talents and traditions was an extremely memorable moment for me.

#### **Khushi Bansal (India)**

Being financially literate is the utmost requirement in the contemporary world. This is especially important for the youth. The need for financial literacy entails:

1. Being aware about the financial scams in advance.
2. Know how to utilize the given monetary resources efficiently.
3. Seek the help of tools like "Graphus" software if faced with a financial scam.

The above stated points prima facie show the dire need for events like Financial Security Olympiad.

*It was indeed a great initiative taken by the Russian Federation to educate the youth across several countries on the vulnerable issue of financial security. I think that more such events should be conducted by other countries as well, so that the people at a young age can learn about monetary security and tackle a situation of financial fraud if faced with one anytime.*

#### **Nsanga Emanuel (South Africa)**

Financial literacy activities are important at an individual level because it is people who use financial services to improve their personal well-being. Financial literacy education can spread further as the person who has received this education can convey his/her knowledge to other people, such as family members and friends.

#### **Saumya Choudhary (India)**

Of particular interest was information about the financial security of other countries. Moreover, the activities like the shirt designing and others helped us not only interact but also bond with those people despite the age differences and language barriers. It helped me to see the importance and great impacts of international campaign and events in a new light and gave me an insight on

*financial security in general and in relation to certain countries. The experience will be with me always and the insight gained will help me in my future endeavors.*

*While facing their own major issues, countries across the globe seem to have forgotten that financial fraud is an issue that must be dealt with on priority basis as these frauds drain the available resources which is the root cause of all major crisis they are dealing with right now. Thus it is necessary to first eliminate or minimize the main reason of all issues as otherwise the economy may never find itself in peace. No matter how many problems you efficiently deal with, new problems do not stop arising and the economy will find itself in a loop unable to progress.*

*All of the events of the final stage were very interactive and educational. The two events, which had the most impact for me, were the panel discussions and the master classes.*

#### **Andre Luiz Garcia Lemos Martins (Brazil)**

*The financial system has a centuries-old history, but the means of transaction and generation of new resources have been evolving very quickly. Introducing the topic of financial education in schools can avoid many social problems and help the economy.*

#### **Mabilisi Nolwazi (South Africa)**

*We are motivated to continue to find solutions to financial problems faced by our country. Being a part of the Olympiad was more than a competition but a platform for bringing together like-minded youth and helping them to create solutions that are for a life time. It was amazing to be a part of this wonderful event, and all thanks goes to RUSSIA for hosting us.*

#### **Yuri De Oliveira (Brazil)**

*The guided cultural tours and the opening and closing ceremonies were the events that delighted me the most, since they put me in direct contact with Russian culture, its customs, dances, sights, and history. In my opinion, the event did not leave anything to be desired, but these points*

*were simply impeccable and enriching for any foreigner who dreams of getting to know Russia. I was impressed by the speeches delivered by high-ranking people at the Olympiad. The speeches were powerful, structured and coherent. They were milestones that showed to me the accessibility of the Russian authorities, both political and educational.*



#### **Shubhra Goyal (India)**

*The most memorable part of the final stage was when my friends from different countries received awards for their excellence in the final stage of the Olympiad. My country was also one of the finalists. The event was indeed a huge success.*

HIGHLIGHTS OF THE SECOND INTERNATIONAL FINANCIAL SECURITY OLYMPIAD

## SCHOOLCHILDREN AND STUDENTS PLAY A GAME TO STUDY BASICS OF COMBATING MONEY LAUNDERING: UNIQUE ROSFINMONITORING'S METHOD

*In practice, it is particularly difficult to detect money laundering offences. A game-based training method has been developed to teach students the AML basics by means of criminal law*

Olga Tisen,

Head of Legal Department of Rosfinmonitoring, Doctor of Law



Olga Tisen

### MOCK CRIMINAL TRIAL ON MONEY LAUNDERING

A mock criminal trial was organized at the finals of the International Financial Security Olympiad. Young participants have a chance to play roles of judges, prosecutors, law enforcement officers, financial intelligence officers, jurors, and other representatives in criminal proceedings.

The event was developed and moderated by Olga Tisen, Head of Rosfinmonitoring's Legal Department, Doctor of Law and an experienced prosecutor at Russia's General Prosecutor's Office, an expert in jury trials.

The finalists of the Olympiad impersonated the characters of The Diamond Arm, a famous Soviet blockbuster by Leonid Gaidai. To simplify the immersion of the young people into the AML issues by means of criminal law, the movie's plot was converted into a script describing a criminal scheme used in the mock criminal trial.





**The "prosecutors" made every effort to secure a guilty verdict from the jury**

At the beginning of the trial, the participants watched an "active surveillance" video presented as evidence for prosecution. It showed the scheme used by the members of a transnational criminal group to smuggle cultural property and further launder the proceeds. The video showed the way the members of the criminal group had transported cultural property and jewelry – diamonds and ancient coins – across the state border and concealed them from the customs inspection in a specially constructed umbrella. Then, in Istanbul, the smugglers mistook a respectable tourist Mr. Gorbunkov for an associate and "encased" the valuables in his plaster cast for their subsequent secret delivery to the "ringleader".

To add a veneer of legitimacy to the possession, use and disposal (to launder) of the proceeds of crime, the ringleader ("the Boss") developed a criminal scheme whereby he would be the one to "accidentally" find a treasure during a public event involving trees planting by the staff. The treasure consisted of antique coins that had been smuggled in a particularly large amount by the members of the organized criminal group. The criminal scheme worked out to entitle the Boss to receiving 50% of the value of the ancient coins from the "accidentally" found treasure under Article 233 of the Russian Civil

Code. In order to launder the proceeds of crime, the Boss purchased a green car.

Each of the finalists was invited to choose a role in the process and offered some props: false moustache, wigs, costumes and accessories. To be better immersed in the profession, the Olympiad finalists playing judges, prosecutors, police officers, bailiffs, and jurors took the oath. Then the "public prosecutors" put on the jackets of incumbent prosecutors provided by the Prosecutor's Office of the Krasnodar Territory, and those who chose the role of judges in the process put on the judge robes of the Third Court of Appeal of General Jurisdiction. The finalists playing the police officers received toy guns as props, and the bailiffs were given mock handcuffs.

Like in a real criminal trial, the prosecution tried to prove it to the jury that the accused, namely Gennady Kozodoev ("Gesha"), Leonid Khitretsov ("Lelik"), Anna Bezotvetstvennaya and "Boss", were guilty of committing serious crimes, while the accused and their defense tried to have them acquitted.

During the mock trial, the young people not only demonstrated a deep knowledge of the law, but also surprised the audience with a real acting talent. The



**The finalists of the Olympiad impersonated the characters of The Diamond Arm, a legendary Soviet blockbuster by Leonid Gaidai. To simplify the immersion of the young people into the AML issues by means of criminal law, the movie's plot was converted into a script describing a criminal scheme used in the mock criminal trial**

finalists of the Olympiad truly impersonated and "lived the life" of their chosen characters. The "wives" of the accused begged the jury for mercy, the "lawyers" filed motions to admit additional evidence, to question new witnesses, and, like true orators, delivered fiery speeches during the debates.

The "accused smugglers" made a full-scale theatrical performance, inventing their own versions of how they were just victims of circumstance. Lelik and Gesha were questioned against the background of the "lament of Anna Sergeyevna," who could not come to terms with being caught in the "wheels of justice". For their part, the "prosecutors" made every effort to secure a guilty verdict from the jury. The trial climaxed when the defendants tried to "escape" from the courtroom to be detained and returned to the dock by the bailiffs.

As a result, the jury found two defendants guilty and acquitted the others.

In the course of the event, the young people were introduced to the AML basics by means of criminal law in the form of a game. They got to know the remit of financial intelligence officers, prosecutors, judges, lawyers, police officers and bailiffs, and had a first-hand experience of the stages of criminal

proceedings. Those who demonstrated outstanding knowledge and talent during the mock criminal trial were granted certificates and gifts.

### **CARTOONS TO STUDY ELEMENTS OF MONEY LAUNDERING**

The finalists of the Olympiad studied the AML basics by playing a game based on cartoons. They watched a set of short videos from some Soviet cartoons showing a proceeds-generating crime being committed.

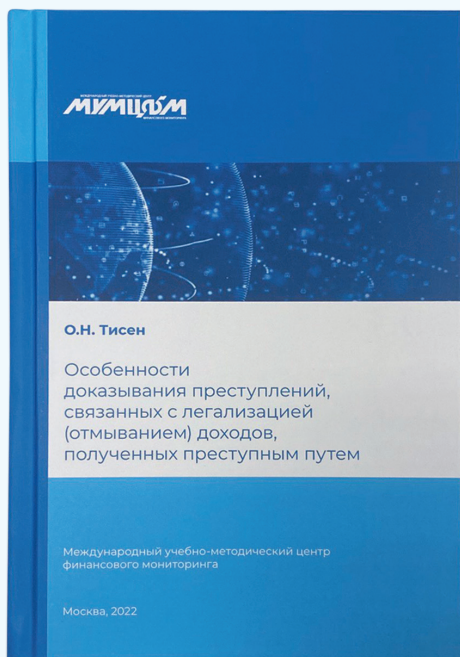
The young people were invited to sort out the type of crime committed by the characters, whether their actions contained the elements of money laundering, and when the predicate offence was completed.

The finalists of the Olympiad were very enthusiastic about learning basics of crimes' classification via cartoons. The video featuring the Piglet Foontic, a beloved character of Soviet cartoons, was a real hit. As the young people put it, they had never thought that the plot of the cartoon depicted Miss Belladonna's scheme to launder the proceeds generated by the fraudulent actions of the Piglet Foontic.

The participants were so immersed in the educational game that, in the course of answering questions, they explained that some cartoon characters had committed a criminal act but were not subject to criminal prosecution because they were animals or minors (for example, Matroskin the Cat or Malych (Svante Svantesson) from the Karlsson cartoon).

The game winner was awarded with an interview to be published in the *National Banking Journal*.

We believe that learning through games is not only about acquiring new knowledge, but also about experiencing real emotions that will stay with the young people for the rest of their lives.



### Specifics of Proving Money Laundering Offences Olga Tisen

This guidance deals with criminal liability for money laundering in the Russian Federation, qualification, investigation and court consideration of this type of cases.

The conclusions and recommendations mentioned here stem from the analysis of criminal cases and court sentences on money-laundering offences from 2013 to 2021, as well as the author's personal experience of supervising the identification and investigation of economic and corruption-related crimes, and of supporting public prosecution.



# AML/CFT ELECTRONIC SERVICES ARE A DIGITAL TOOL FOR CONDUCTING FINANCIAL SECURITY COMPETITIONS AND MASTER CLASSES

*The master classes were based on the functionality of AML/CFT electronic services, which are available at the International Training and Methodology Centre for Financial Monitoring (ITMCFM)*

*Nikolai Bogonostsev,  
Chief Specialist of ITMCFM*

*Kirill Petranin,  
Chief Specialist of ITMCFM*

*Olesya Trishina,  
Chief Specialist of ITMCFM*

*Alexey Yurov,  
Specialist of ITMCFM*



*Nikolai Bogonostsev*



*Kirill Petranin*



*Olesya Trishina*



*Alexey Yurov*

The comprehensive content of the Olympiad program was one of the ITMCFM's priorities during the final stage of the Second International Financial Security Olympiad, which took place at "Sirius" Federal Territory on October 10-14, 2022. The main focus of the event was to prepare master classes that would allow the younger generation to immerse themselves in the work of AML system stakeholders. After all, the AML/CFT system is primarily aimed at building the national financial security framework.

One cannot underestimate the Olympiad platform benefits in facilitating the integration of electronic services into the International Network AML/CFT Institute's training process. Therefore, the master classes were based on the functionality of AML/CFT electronic services available at the ITMCFM. It helped to reveal the nature of each anti-shadow economic mechanism and to develop the participants' digital skills. Another important condition for



**Olympiad participants from Brazil, India and South Africa participated in master classes in English. They learnt about the way to analyze cryptocurrency transactions and conduct financial investigations using "Graphus" training system ("Transparent Blockchain: Whose Crypto is It?!")**

electronic services usage is their accessibility directly through an Internet browser. This means that only laptops and Internet access are necessary.

The pre-Olympiad final rehearsal of master classes took place last September as part of the VI Festival of Financial Literacy and Entrepreneurial Culture in Moscow.

Six unique master classes were held at the Olympiad for teams from four target groups with a total of 227 participants:

- Olympiad participants from Brazil, India and South Africa participated in master classes in English. They learnt how to analyze cryptocurrency transactions and conduct financial investigations using "Graphus" training system ("Transparent Blockchain: Whose Crypto is It?!");
- Students studying at "Sirius" Education Center attended the same master classes in Russian;
- A group of Russian-speaking students participated in the "Transparent Blockchain: Whose Crypto is It?!" master class;
- Russian schoolchildren took part in the "Shadow Boxing" master class, a 3-hour marathon that could be described as a cyber-quest.

The geographical scope of the Olympiad was expanded this year. Separate master classes were prepared for students from three BRICS countries. First, the participants conducted a financial investigation

using "Graphus" training system, which involved collection, cross-checking and analysis of all the information received. The teamwork included a lively discussion of the proposed versions. At the end, each team summarized the investigation outcomes and the evidence found to confirm the unlawful actions of those involved in the crime commission.

The second master class "Transparent Blockchain: Whose Crypto is It?!" in English allowed participants from Brazil, South Africa and India to learn principles of the cryptocurrency market and immerse themselves in the digital environment. Today's blockchain technology is widely used by criminals, so the ability to understand crypto transactions and wallets comes to the fore. The MIA MDDC representative<sup>1</sup>, invited by ITMCFM, told the participants about the possibilities offered by "Transparent Blockchain" software and how it can be used to uncover shadow schemes.

Outside the Olympiad program, master classes were held for "Sirius" students. These master classes were focused on "Graphus" training system. The latter has been tested and approved at the Moscow Digital School and the Rostov State University of Economics since its debut at the last Olympiad. Financial investigations fully captured the attention of the participants, who tried to identify fraudsters and examine their transactions and acquired proceeds.

<sup>1</sup> Main Directorate for Drug Control of the Ministry of Internal Affairs of Russia.



**The financial monitoring master class "Shadow Boxing" became the most exciting and intense. It was organized for all Russian schoolchildren who participated in the Olympiad final stage.**

The second group of "Sirius" students acted as crypto detectives in the master class "Transparent Blockchain: Whose Crypto is It?!". They had to investigate three cases specially prepared for the Olympiad.

The third group to work with "Transparent Blockchain" was the Olympiad students. They explored cryptocurrencies with great interest trying to understand their role in fraud commission. There were many questions related to digital assets, which showed the participants' sufficient awareness and knowledge of the subject.

The financial monitoring master class "Shadow Boxing" became the most exciting and intense. It was organized for all Russian schoolchildren who participated in the Olympiad final stage.

The main goal of the master class is to allow participants to play the role of both an internal control officer (compliance officer) of an obliged entity and an analyst dealing with suspicious transaction information (financial intelligence officer). The master class was also aimed at developing holistic understanding of the entire financial monitoring process: from customer risk assessment and suspicious transaction reporting to the financial investigation.

The master class first round was focused on the activities of the obliged entities' internal control services, namely the ML/TF risk analysis and

assessment in a real estate transaction conducted by real estate agency clients.

**Such reports form the bulk of financial information, which is widely used by Rosfinmonitoring's analysts.**

The participants concentrated on the following AML/CFT activities:

- Customer identification (due diligence) and risk assessment of their possible involvement in ML/TF activities;
- Suspicious transaction (deal) identification and reporting to Rosfinmonitoring, i.e. implementation of primary financial monitoring.

The teams investigated a case involving various information analysis of clients and their real estate transactions by sequentially identifying almost a dozen of suspicious transactions indicators. The list of such indicators was adopted by Rosfinmonitoring.

After discussing the analysis findings, the teams decided to prepare a suspicious transaction report. For this purpose, the participants used the training version of a reporting entity's Personal Account on the Rosfinmonitoring portal.





**Following the master classes results, the team participants (winners and prize-winners) received memorable gifts.**

Even without in-depth theoretical financial monitoring training, the participants successfully completed all the case tasks, made informative suspicious real estate transaction reports and even suggested some interesting hypotheses about its possible illegal use (alleged proceeds of crime).

The second round of "Shadow Boxing" master class enabled the participants to feel like analysts from the ML/TF Risk Assessment National Center.

The study of anomalous financial activity peaks, trends and factors makes it possible to identify and assess ML/TF risks specific to the national financial system, as well as to monitor the effectiveness of risk mitigation measures.

Schoolchildren had an opportunity to carry out a strategic analysis of financial flows over a certain period of time.

For this purpose, a synthetic database was compiled simulating the bulk of suspicious transaction reports submitted to Rosfinmonitoring as part of primary financial monitoring. Three information and analysis dashboards were created, covering the following financial flows:

- from the Russian Federation to other countries;
- from other countries to the Russian Federation;
- within the country (excluding international transactions)

The tasks for the teams were prepared for each information and analysis dashboard in the form of tests uploaded to the iSpring-based distance learning system developed by the ITMCFM. It was important to choose the right graph, chart, table or cartogram, to include the right filters and to interpret the data displayed unerringly in order to answer all the questions correctly. Almost all the participants coped with the task and passed the tests successfully. This strengthened their analytical skills.

The master class third round was the longest and consisted of a financial investigation using "Graphus" training system. This software is already well known and appreciated by the Olympiad participants.

Once again, an exciting game was held to identify criminals by uncovering the financial chains that combine the fraudsters in one shadow scheme. The proposed case was not that simple, but it generated a lot of discussion among the participants. The objective information with the results was displayed on the "Graphus" scoreboard.

The master classes' winners and prize-winners were awarded with memorable gifts at a special ceremony.

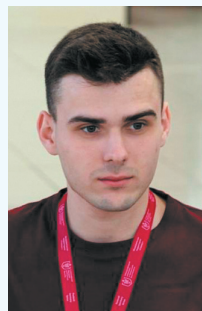


**Victoria Mikhailova,**  
a winner of the Olympiad  
qualifying stage at  
the Siberian Federal  
University, participant  
of the Olympiad finals in  
Sochi:

*"I first became aware of the Olympiad in my third year, when I took part in the International Financial Security Olympiad qualifying stage at the Siberian Federal University. This was the starting point for my in-depth interest in financial security. I decided to take part in the Olympiad again, as the qualifying stage allows me to test my knowledge. Based on the qualifying stage results, I was invited to participate in the finals of the Olympiad in Sochi.*

*The ITMCFM experts delivered master classes for the Olympiad participants. My most memorable experience is "Graphus" training system. We worked in teams to investigate ML/TF offences, trace the beneficiaries and find the fraudster. During the master class "Transparent Blockchain: Whose Crypto is It?!" we uncovered illegal financial transactions related to the purchase of narcotic drugs and identified the beneficiaries of the "legalized" funds received in cryptocurrency.*

*Participation in the Olympiad is a great opportunity to demonstrate your knowledge and skills, gain new information, meet interesting people and be invited to job interviews, internships and apprenticeships by real, highly rated companies".*



**Alexander Yashchenko,**  
the winner of the  
Olympiad qualifying stage  
at the Financial University  
under the Government of  
the Russian Federation,  
a winner of the Olympiad  
final stage in Sochi:

*"The game allows you to fully immerse yourself in the work done by Rosfinmonitoring. The emotions and participation effect are amazing: "Graphus" is full of unusual tools and information cases. It allows us to get an in-depth look at the financial investigation process and study the specifics of the work done by financial experts. The game process is admirable: its elaboration and accuracy level – from the transaction timing to the full details of its executor – enables you to learn as much as possible about the process of a financial investigation and to feel that you are part of the Rosfinmonitoring system. I am confident that "Graphus" is the basis for the future AML training system, which will further enhance the prestige and standing of the Russian FIU."*

# ***BUSINESS GAME: OPERATION OF THE INTERNATIONAL RISK ASSESSMENT CENTER AND CONDUCTING INTERNATIONAL FINANCIAL INVESTIGATION USING "GRAPHUS" TRAINING PLATFORM***

*Today, digitalization is increasingly being applied to the processes taking place within the AML/CFT<sup>1</sup> system, and, in particular, to the activities of Rosfinmonitoring as the coordinator of the national AML/CFT system. This is due to the need to process and analyze a large volume of data received from financial institutions and other obliged entities*

*Evgeny Shevlyakov,*

*Head of Risk Assessment Department, Federal Financial Monitoring Service*

*Olga Pershina,*

*Deputy Head of Risk Assessment Department, Federal Financial Monitoring Service*



*Evgeny Shevlyakov*



*Olga Pershina*

**F**inancial investigations carried out by analysts of the FIUs are also undergoing a process of digitalization: analysts are increasingly using specialized software products that facilitate financial investigations and allow the creation of charts of financial relationships based on the data collected by the FIUs in their databases, followed by structuring and visualizing of all cash flow stages.

In this regard, the investigative process requires an analyst to have not only the knowledge of current ML/TF<sup>2</sup> typologies and methods to identify

<sup>1</sup> Anti-money laundering and countering the financing of terrorism.

<sup>2</sup> Money laundering and terrorist financing.





**"Graphus" platform is a software product created by ITMCFM to develop financial investigation skills based on game cases that provide information on illegal activities of individuals in the main areas of FIU responsibilities: public sector, corruption, illicit drug trafficking, illegal activities in financial markets etc.**

suspicious financial activities and criminal organizations, but also certain skills in the use of specialized IT services for the prompt solution of assigned tasks.

To train AML/CFT specialists with knowledge of various approaches to information analysis and practical skills in conducting financial investigations ITMCFM together with Rosfinmonitoring and Lebedev Physical Institute of the Russian Academy of Sciences, has developed "Graphus" platform. The main goal is to increase the level of knowledge and skills of AML/CFT specialists, introduce innovative methods of training in the conduct of financial investigations, which will undoubtedly be in demand for work in both the public and private sectors.

The platform allows both a proactive search for objects based on their relationships and a search according to pre-defined typologies to determine the presence or absence of similar schemes in the database.

In 2022, the "Graphus" tournament was held for the second time on the margins of International Financial Security Olympiad, a competition between teams of talented students from Russia and CIS countries in conducting financial investigations.

This year, Rosfinmonitoring experts has prepared a comprehensive case for the participants, whose task was to demonstrate the functioning of a network for professional laundering of the proceeds of crime. Each team investigated its part of the scheme. Identification of the mastermind behind the whole scheme required a request to be sent to foreign FIUs played by other teams.

As a result, during the course of the tournament, it was not only possible to work through all the stages of a financial investigation within a jurisdiction, but also to show young professionals how international cooperation between FIUs works in practice and how extensive and complex the work of analysts can be in gathering all the necessary data to uncover crimes. This was even more important considering

the participation in the tournament of students representing countries whose FIUs are members of the Council of Heads of Financial Intelligence Units of the CIS Member States.

The involvement of foreign students, who are specialists in the field of financial security, in the work with the platform makes it possible to expand its capabilities and enrich the informational content of the platform with risks and typologies typical for the CIS countries. Furthermore, it will provide users with an understanding of different approaches to conducting

financial investigations, taking into account the role and status of national financial intelligence units, as well as the specifics of cooperation between the FIU and law enforcement agencies.

In general, the competitions using "Graphus" platform were aimed at popularizing work in the AML/CFT system, increasing the interest of young professionals, making them aware of the specifics of the activities of financial intelligence units and demonstrating a wide range of analysts' skills in conducting financial investigations.



**Gleb Agishev, Moscow,  
State Budgetary General  
Education Institution,  
School No. 2123**

*"The fight against money laundering, terrorist financing and proliferation of weapons of mass destruction is a global one. During the week*

*we spent at "Sirius", we gained a huge amount of knowledge about the way the financial system works, lawbreakers set up money laundering schemes, and we acted like real financial intelligence officers. International Financial Security Olympiad is a unique opportunity to get to know this vast and amazing system, to feel like a full-fledged part of it. Thanks to the organizers for the acquired skills, which are necessary to personally contribute to addressing global problems. Prize-winner of Second International Financial Security Olympiad."*



**Sofia Rudkovich, State  
Budgetary General  
Education Institution,  
School No. 1596**

*"This year, daily meetings have been scheduled with leading professionals of our country: representatives of government agencies, experts and bankers.*

*Quizzes and workshops on financial culture and financial security were organized. We even had a chance to feel like real financial intelligence officers, working as a team and investigating financial offences using "Graphus" system!"*

# MENTORSHIP INSTITUTE IN ROSFINMONITORING

*Pupils and students can learn about activities of the Federal Financial Monitoring Service at the International Financial Security Olympiad. The best students will have a unique opportunity to do an internship or even get a job in Rosfinmonitoring and its interregional departments*

Maria Chistyakova,

Counsellor of Division, Risk Assessment Department, Rosfinmonitoring

Sergey Guletsky,

Head of Division, Human Resources and Anti-Corruption Department,  
Rosfinmonitoring



Maria Chistyakova



Sergey Guletsky

Today, the role of mentors in public authorities and other state institutions is very important. Mentors help the recruits to adapt to new conditions, realize their potential and share their expertise.

The mentoring system in Rosfinmonitoring has been successfully operating since foundation of the latter. Our internal opinion poll determines professionals worthy of the "Honorary Mentor" title. 78% of our staff would participate in the poll.

In 2021, our Human Resources and Anti-Corruption Department was awarded a prize in the All-Russian competition "Best Human Resources Practices and Initiatives in the System of State and Municipal Administration" for its HR practice "Mentorship as a Basis for Professional Adaptation of a Financial Intelligence Officer". Rosfinmonitoring also received a commendation certificate from Anton Kotyakov, Minister of Labor and Social Protection of the Russian Federation.



Honorary mentors help young civil servants to adapt to a new environment, explain to them the organizational structure and interaction procedures related to the performance of their official duties. For the new civil service recruits, a specialist is determined from the most experienced and competent staff members. In addition, Rosfinmonitoring provides training course on its activities.

Rosfinmonitoring pursues a balanced staffing policy to select the best students from the finalists of the International Financial Security Olympiad. Olympiad participants tend to be more motivated and have specific theoretical knowledge on economic security. For example, six people have already completed internships in Rosfinmonitoring. Two of them have been employed by the latter.

The finalists are very positive about their internships in Rosfinmonitoring. For instance, Maria Petrochenko, the 2021 Olympiad prizewinner, a student of the Russian Presidential Academy of National Economy and Public Administration (RANEPA), commented as follows: "I took part in the International Financial Security Olympiad. I really like the way my internship is running now. I would very much like to start my career here." And her dream came true. In 2022, she was employed by Rosfinmonitoring.

Internships provide an opportunity to immerse in AML/CFT/CPF work. It happens that trainees do their internships in one department but get their job in another one, which is closer to their goals. Senior colleagues support new recruits throughout their training and once they are employed.

It is worth mentioning the experience of Sergey Nekrasov, Deputy Head of the Interregional Department of Rosfinmonitoring for the SFD<sup>1</sup>: "My

work with future employees starts in the student classroom, where young people with appropriate capabilities to get a job in Rosfinmonitoring are identified during the training process. It continues both during internships in our Department and while the candidates are learning work processes and adapting to the new team. This requires the mentor to be in trend. Knowledge needs to be constantly refreshed, clearly structured, properly arranged and updated. And that, in turn, benefits the main work".

Working with young staff is a great contribution to the future of the entire AML/CFT/CPF system and to the acquired skills retention and accumulation process. Active dialogue and interaction between all those involved in the adaptation process enables new recruits to learn in the rapidly changing environment of today's economy and digital transformation. The ability to analyze a problem from different perspectives is essential to the work of any employee. Communication with talented youth allows you to see a problem differently and may help you to find the most effective solution, for instance, by reducing the time spent on analytical processing, by using new approaches and techniques in the modern environment. It also helps experienced professionals to develop their communication skills, speed and flexibility of thinking.

Eleonora Kashirskaya, Deputy Head of the Rosfinmonitoring's Financial Markets Investigations Department, notes that a mentor explains to a new employee basics of Rosfinmonitoring's work, specific tasks and their meaning, outlines the direction of activities. The mentor helps them to understand their role in Rosfinmonitoring's general functioning process, advises, encourages and teaches them how to accomplish efficiently the assigned tasks. Joint work can help young people to learn how to prepare documents properly, work with specific software resources, use them effectively to complete different tasks and adapt more quickly to the team.

<sup>1</sup> Siberian Federal District.



In 2021, the Human Resources and Anti-Corruption Department of Rosfinmonitoring was awarded a prize in the All-Russian competition “Best Human Resources Practices and Initiatives in the System of State and Municipal Administration” for its HR practice “Mentorship as a Basis for Professional Adaptation of a Financial Intelligence Officer”. Rosfinmonitoring also received a commendation certificate from Anton Kotyakov, Minister of Labor and Social Protection of the Russian Federation.

Mentors find a source of energy and inspiration in their activities, and their students, even many years later, benefit of the acquired knowledge and keep good memories of their colleagues.

For example, Konstantin Gobrusenko, Deputy Head of AML Department, who has trained more than 60 young professionals, notes: *“First of all, a mentor forms a person, a professional and a personality. His/her task is to cultivate and synchronize these three components. This task is quite complex and multifaceted. Some of the employees I have trained work for the security services, the Bank of Russia, primary financial monitoring entities, international organizations, Russian and foreign companies, including internationally renowned ones. And, of course, among them there are employees of Rosfinmonitoring. They are all highly qualified and demanded professionals. Mentoring makes you aware of your strengths and weaknesses and makes you feel ready to improve all the time. It helps you in your life.”*

Thus, new employees’ adaptation allows for retention and accumulation of skills acquired within Rosfinmonitoring’s working activities. It serves interests of both parties - the mentor and the mentee. Some adapt faster to the workplace and become 100% involved in the working process, while others are motivated to continue self-development.

# GAME-BASED LEARNING TECHNOLOGIES IN FINANCIAL SECURITY: ROSTOV STATE UNIVERSITY OF ECONOMICS (RSUE) MASTER CLASS AT THE INTERNATIONAL OLYMPIAD FOR FINANCIAL SECURITY

*Elena Makarenko,*

*Rector of the Federal State-Funded Educational Institution of Higher Education  
'Rostov State University of Economics', Doctor of Economics, Professor*

*Elena Brichka,*

*Associate Professor at the Department of Financial Monitoring and Financial  
Markets of the Federal State-Funded Educational Institution of Higher Education  
'Rostov State University of Economics', PhD in Economics, Associate Professor*



*Elena Makarenko*



*Elena Brichka*

Over the past 10 years, Russia has created a unified educational space. It ensures the training of modern specialists in financial security and AML/CFT. It is based on close inter-university cooperation, synthesis of science and practice, and academic mobility of students and teachers. This space was created by the International Network AML/CFT Institute (INI).

The Rostov State University of Economics (RSUE) has been part of the INI since its establishment in 2013. Within the RSUE, the Financial Supervision and Financial Markets Department provides AML/CFT training. This Department was established in 2014 and trains specialists in the Bachelor's degree profile 'Financial Security and Financial Markets in the Digital Economy' and the Master's degree program 'Financial Monitoring and Financial Markets'.

Currently, RSUE has been implementing best practices in the training of financial security and AML/CFT specialists in the South of Russia.





**The Rostov State University of Economics (RSUE) has been part of the International Network AML/CFT Institute since its establishment in 2013. It provides staff training for the AML/CFT system at the Financial Monitoring and Financial Markets Department.**

The university is the only higher education institution in Russia that has integrated a basic course on "Combating Corruption and Money Laundering" into the curricula of practically all fields of study and specializations. The Interdisciplinary Laboratory of Financial Intelligence and Computer Forensics (RSUE) contributes to the integration of cases from real economic practice into the educational process. It also meets the challenges posed by the current geopolitical situation, which is changing the directions of scientific and educational cooperation, security and IT infrastructure requirements.

At RSUE, in addition to basic and professional knowledge, students form and develop soft skills in the course of their education:

- metaskills — ability to achieve any goal in today's unpredictable and rapidly changing environment;
- soft skills — proficiency in the latest technology and digital tools, teamwork skills, self-learning (see Table 1).

Definition	Types of skills
Soft skills are 'flexible', supra-professional skills that help you meet the challenges of life and work with other people	<ul style="list-style-type: none"> <li>• Communication skills: adaptability, social skills, teamwork, empathy, self-presentation</li> <li>• Personal skills: Stress tolerance, self-criticism, self-learning, creativity, strategic outlook, fast thinking</li> <li>• Disciplinary skills: professional ethics, commitment, discipline, prioritization</li> </ul>
Metaskills are the 'skills of modern man' from which all other skills are developed	<ul style="list-style-type: none"> <li>• Way of thinking control</li> <li>• Learning skills (flexibility)</li> <li>• Existential skills</li> <li>• Systematic approach</li> </ul>

**Table 1. Supra-professional skills and competences**

Soft and metaskills are developed by using both digital educational tools and gamification elements, which are an important part of the educational process at RSUE.

The game-based learning approach has already proved to be more effective than traditional methods. A modern student prefers short texts, visualizations and diagrams. Games get him/her more involved in the learning process and make it easier to absorb information. The game-based approach taps into the clip thinking of today's young people. This includes ways of dealing with information that lie deep in the human psyche and are used at the right time to adapt to change<sup>3</sup>. Despite the criticism, clip thinking has positive effects. For example, 'clipping' encourages students to shape their own opinions using the ability to select the most important in the information they receive, develop the skill of grasping meaning faster without having to read long texts. The interactive game 'What? Where? When? In the World of Financial Security' was presented by teachers from RSUE at the Master Class during the Second International Financial Security Olympiad. It is a gamification format example. Not only does it help to develop the participants' broad knowledge, but also their ability of quick decision making and creativity in seemingly difficult and incomprehensible tasks. It also improves communication and team building process.

The game 'What? Where? When? In the World of Financial Security' consists of three main stages: organizational stage, discussion, question and answer session, and the summary of the game results.

The first stage involves defining the goals and objectives of the activity. The participants are divided into two teams: experts and spectators. The teacher (moderator) explains the game rules.

In the second stage, the teams of experts and spectators answer questions on financial security, with one minute for discussion of each question. The questions cover interesting facts about pyramid schemes and how to combat them, anti-corruption and profitability, reliability and liquidity assessment of various assets.



**In the second stage, teams of experts and viewers answer questions on financial security with one minute for discussion of each question.**

In the final stage, the teacher (moderator) summarizes the results that indicate the level of financial, digital and investment literacy of the experts and viewers.

The format of the interactive game 'What? Where? When? In the World of Financial Security' can be integrated into the educational process for students of all ages, as it can be filled with questions of varying complexity. For junior students it is possible to include relevant questions on economics, financial literacy, tasks on investment efficiency. At the same time, the use of intellectual game to teach senior students is more focused on competency test in the field of financial security, AML/CFT financial investigations, application of digital technologies in financial intelligence.

Such an intellectual game promotes students' systematic approach to problem-solution and encourages them to learn, i.e. it promotes the development of both soft and metaskills.

The practical use of interactive games in the educational process increases student's engagement and motivation, allows for more effective monitoring of mastering educational materials by students, and helps them to become sought-after specialists in financial security and AML/CFT.

<sup>3</sup> Komleva V. Adapting to Reality // Man and the World. Dialogue. - No. 4 (9). - 2022. - P. 12.

# FINANCIAL SECURITY IN THE BANKING SECTOR: HOW MAJOR FINANCIAL INSTITUTIONS SAFEGUARD THE MONEY OF THEIR DEPOSITORS

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*Philip Khyshiktuev,*

*Managing Director, Head of Compliance Control Department, Raiffeisenbank JSC*

*Ksenia Martynovich,*

*Executive Vice President, Head of Methodology and Training Group, Department of Methodology and Compliance Control Management Processes, Raiffeisenbank JSC*



*Philip Khyshiktuev*

**R**aiffeisenbank (Raiffeisenbank JSC) participated in the second International Financial Security Olympiad as part of its involvement in the International Compliance Council, an advisory body of the Federal Financial Monitoring Service. Participation in the Council opens up unique opportunities for the sharing of national and global best practices, direct dialogue with government agencies and joint action planning, given that AML/CFT issues by definition belong to a rather sensitive and specific area.

In 2021, our bank, as a member of the International Compliance Council, took part in the first International Financial Security Olympiad, making a panel presentation “Combating money laundering: modern challenges and methods,” focusing on ensuring financial security through the prism of risks arising in the virtual currency market (crypto market). On the back of great interest in this subject on the part of high-school students and undergraduates who participated in that Olympiad, as well as our experience of articulating crypto market risks, Raiffeisenbank offered an expanded program for the



second International Financial Security Olympiad: a panel discussion was supplemented by a hands-on master class on cryptocurrency investigations.

Preparing and planning speeches and presentations presented a specific challenge: the material should be easily perceived by children of different ages and levels of preliminary awareness of the virtual currency market, a complex subject area saturated with special terms. Everything should be extremely interesting, exciting and useful for young people in their everyday life. This is not easy, especially for such a sophisticated area, but our experience from the previous Olympiad, as well as active feedback from the audience, helped make it possible, finding what we think were engaging solutions for presentations on changes in crypto market regulation and development over the past year.

In the panel discussion, we engaged the audience in a small study of the cryptocurrency market, with roleplays based on real-life situations; we examined its features, differences from the classical financial market, made it clear that virtual currency market is a high-risk investment, existing in the open spaces of the Internet and as such vulnerable to scam, fraud, criminal and terrorist misuse. All these risks threaten financial security in the crypto market day and night, day in and day out.

During the discussion, we made it clear that, due to the anonymous nature of transactions, cryptocurrencies are ideal for massive misuse in illegal payments (money laundering, drug trafficking, terrorist financing, illegal arms sales, etc.). At present, there are no capabilities for identifying all participants in cryptocurrency transactions, which makes the threat of using the crypto market for criminal and terrorist purposes quite serious. Therefore, the Ministry of Internal Affairs of Russia and Rosfinmonitoring, within the framework of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), systematically conduct a typological study to establish cross-border schemes for illegal drug settlements and legalization of proceeds from drug trafficking using, among other things, cryptocurrencies. This study brings together law enforcement agencies and financial intelligence

units of the EAG member states sharing data on the methods of criminal settlements of this kind and models of legal regulation of the payment sector.

The big question from the audience was, how to protect yourself on the crypto market? We came to a general agreement that following certain rules was key to improving our own financial security and at the same time reducing the risk of being involved in the financing of illegal schemes when using crypto market tools:

### 1. Choosing the Right Cryptocurrency

The process of issue and circulation of common cryptocurrencies is completely decentralized; regulation, including by the state, is impossible. Cryptocurrencies are issued by an unlimited number of anonymous entities, and due to the anonymous nature of such activities, individuals and legal entities may be involved in illegal activities, including the legalization (laundering) of criminal proceeds and the financing of terrorism. In fact, the first warnings from the Bank of Russia and Rosfinmonitoring about significant risks for participants in transactions using cryptocurrencies date back to 2014, such as the press release "On the use of private virtual currencies (cryptocurrencies)" published on the official website of the Bank of Russia. It informed individuals and legal entities about the risks of money laundering and terrorist financing associated with transactions with virtual currencies. Let's note for ourselves: no matter how we feel about digital currency, regardless of its popularity and value, it is always "private money"<sup>1</sup>.

The vast majority of cryptocurrencies are not backed by any assets. While the so-called "stablecoins," which are backed by assets, mostly US Dollar or Euro, are gaining traction on the crypto market, the mechanism for securing stablecoins may be opaque and outside of the legal field, which makes it impossible to protect the interests of stablecoin investors in state bodies and courts.

So-called "large cryptocurrencies," such as Bitcoin or Ethereum, with the greatest market capitalizations, attract big development teams and resources for full-scale testing, including simulations of hacker

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<sup>1</sup> With the exception of CBDC (Central bank digital currency) - national digital currencies issued by the central banks of individual countries.

attacks, to improve protection. Higher stability of such coins comes from the large number of entities involved in their circulation.

Thus, for the purpose of financial security of operations in the crypto market, it seems appropriate to give preference to asset-backed coins or large cryptocurrencies.

## 2. Choosing the Right Exchange

Owners of major crypto exchanges with high turnover and large number of traders can afford large investments in secure software code development and full-scale testing, which generally indicates a lower probability of bankruptcy and theft of client assets, i.e. the level of security of such exchanges is quite high. The use of KYC (know your customer) and AML procedures, investor rating and, as a rule, cooperative position vis-à-vis law enforcement agencies also improves confidence in major exchanges. The most reliable crypto exchanges are registered in jurisdictions with developed legal institutions that traditionally provide reliable protection of the interests of clients (for example, Switzerland, Hong Kong, Singapore, and Japan). On the contrary, the registration of a crypto exchange in a little-known or dubious jurisdiction can be considered a financial security risk factor.

At a higher level, current global events may also lead to certain categories of clients losing access to their crypto wallets and operations on crypto exchanges.

Crypto exchanges, at their level, use tools that match customer data with transaction histories to identify high-risk customers. The use of these tools ensures compliance with AML requirements and prevention of compromise of clients' crypto wallets, while the AML service of a crypto exchange can block an account if, as a result of automatic calculation, the degree of involvement of the crypto wallet in suspicious transactions exceeds the risk rating threshold, including due to the presence of a cryptomixer address in the transaction chain<sup>2</sup>.

If we talk about the so-called "gray" zone of the crypto market - over-the-counter trading, then one

should be aware that transactions made by phone and computer networks, bypassing registered crypto exchanges, are characterized by a high risk of fraud and financial loss.

In our opinion, choosing a major crypto exchange that uses KYC and AML procedures, is registered in jurisdictions with well-developed legal institutions, and provides special AML services to see whether a particular cryptocurrency was involved in illegal activities helps to increase the level of your financial security and minimize the risk of your involvement in illicit finance.

## 3. Acting Always Legally

Circulation of digital currency in the Russian Federation is currently regulated by Federal Law on Digital Financial Assets, Digital Currency<sup>3</sup>, with the following restrictions:

- Russian residents (companies and individuals who stay in the Russian Federation for at least 183 days during the year) are prohibited from accepting payment for goods, works and services in digital currency;
- claims related to the possession of digital currency can be defended in court only if the holders of digital currency report their possession of, and transactions with, digital currency in the manner prescribed by the legislation of the Russian Federation on taxes and fees<sup>4</sup>;
- it is forbidden to disseminate information about the offering and acceptance of digital currency as a method of payment for goods, works and services.

The concept of legal regulation at the moment is as follows: the use of digital currencies as a means of payment in the Russian Federation is prohibited; digital currencies are considered solely as an investment tool, while income received from investing in cryptocurrencies is taxed, and investors must report such income to the tax authority.

In our master class, we also demonstrated investigating cryptocurrency transactions. An interactive session with real-life case examples engaged young people in analyzing the whole chain of cryptocurrency

<sup>2</sup> Anonymization service, splitting and recombining the incoming cryptocurrency, and returning coins of untraceable origin.

<sup>3</sup> Federal Law No. 259-FZ dated July 31, 2020 "On Digital Financial Assets, Digital Currency and Amendments to Certain Legislative Acts of the Russian Federation".

<sup>4</sup> At the moment, this procedure has not yet been approved.

transactions, including where fiat currency is involved<sup>5</sup>. Young analysts learned to reveal the economic meaning of individual transactions, learned the features and rules for making transactions in the crypto market, practiced considering supporting documents submitted by the client, and identified illicit finance risks at various stages of the cryptocurrency flow.

The feedback on Raiffeisenbank's participation in the second International Financial Security Olympiad suggests we were successful in making our young audience better aware of:

- the risks of involvement in illegal activities, which can be financed using cryptocurrency;
- legal context, ways to ensure their personal and broader financial security in the modern market of virtual currencies;
- hands-on basic approaches and principles of investigating transactions related to cryptocurrency in order to identify illicit finance risks.

We are confident that schoolchildren and students who participated in the International Financial Security Olympiad have significantly improved their knowledge and competencies, and acquired important experience and skills, paving their way to future professional success. For many of them, the Olympiad would be seen as “the place where it all started.”

The concept of legal regulation at the moment is as follows: the use of digital currencies as a means of payment in the Russian Federation is prohibited; digital currencies are considered solely as an investment tool, while income received from investing in cryptocurrencies is taxed, and investors must report such income to the tax authority.

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<sup>5</sup> Currency whose value is set by decisions of state authorities.



# NEW GENERATIONS OF COMPLIANCE OFFICERS

*Financial security is a complex but present-day hot issue. The competences of professionals often meet at the intersection of compliance and fraud<sup>1</sup>. In this field, new cases often emerge and approaches change, so it is not enough to know the theory. It is necessary to analyze case studies, participate in discussions, and engage in practical work*

Galina Kuznetsova,  
Director of "Tinkoff" Compliance Department



Galina Kuznetsova

Unfortunately, there is no such specialization in universities as compliance or anti-fraud. Our experts receive a basic traditional education in law, economics or accounting, and after graduation they choose to become compliance

officers. That's why the International Financial Security Olympiad was an excellent platform both to identify the most talented and capable students and to enable them to choose compliance as their main specialty in the future. The Olympiad allowed them to learn about the cases we have been working on.

I see such events as a solution to many students' problems, because they allow them to:

- familiarize themselves with or even get inspired by the variety of career options;
- get a chance to practice. It is commonplace for us, but it is new and exciting for the students;
- increase their financial literacy; even for those who do not choose to focus on the fight against fraud and money laundering, it is useful to know the basics of security because it is more relevant in everyday life than many people think.

The International Financial Security Olympiad was not only a competitive event for the participants, but also a platform where many useful financial expert cases could be analyzed. We participated in a panel discussion, held a master class and presented an information stand at the "Education and Career" exhibition. We chose the topics, case studies and recommendations based on our experience of the last Olympiad.

<sup>1</sup> Fraud means fraudulent transactions, particularly on the Internet.

## PANEL DISCUSSION AGENDA

It was quite a broad topic to discuss, so the discussion with the students was equally detailed and open. We covered various topics, including the general agenda, and openly discussed the issue of interaction with the FATF. We explained to the students why for "Tinkoff" and other Russian banks everything remained the same, if not improved, in terms of financial security and AML/CFT issues. After all, the Russian banking sector has long been considered one of the most developed in the world. Nothing has changed for us, and students should understand that.

The young people also had questions not directly related to the discussion topic. There were many questions about modern social engineering and fraudulent withdrawals of funds through front men. Students are among the most vulnerable to this threat, as fraudsters often target them to buy personal banking information. Fraudsters gain trust through social networking and promise easy money. It was important to discuss with the participants the basics of financial literacy in such matters, how it can affect their personal history in the future, and why it is not wise getting involved in dubious schemes.

## MASTER CLASS "IS IT NECESSARY TO PROTECT THE CLIENT FROM THE REGULATOR IF THE CLIENT HAS ATTRACTED ATTENTION OF THE COMPLIANCE UNIT"

I have already chosen practical knowledge vector during the panel discussion. Therefore, I continued to analyze cases in the master class and discussed many examples of the Compliance work with students. We discussed real cases of money laundering and suppression methods. I also described the financial monitoring process at "Tinkoff".

As part of the master class, we looked at why a customer in a "grey" area is not necessarily a criminal. Regulations are often updated and changed, and not all companies have the time to adapt. Sometimes a company attracts the attention of compliance systems because it simply did not have time to restructure its business processes. For example, in cases where a client provides all the documentation related to suspicious transactions, but continues to be on the radar of the automated system, we can bring in compliance officers, or 'guards' as we call them, to advise clients on how to properly

adapt business processes to compliance scenarios. They can visit a business client in person and make recommendations for "whitewashing". This speeds up and simplifies the work of both the client's company and the bank.

A bank audit of a company is not a diagnosis. It does not always mean account closure, despite the fears of some clients, including entrepreneurs and natural persons. This unpopular stereotype must be broken. The regulator and the bank are not enemies for natural persons and companies. Therefore, the students were informed how to establish effective communication with the client from the openness and assistance perspective.

## "TINKOFF" STAND AT THE "EDUCATION AND CAREER" EXHIBITION

After the vibrant master class, the students were able to get to know us better studying our information stand at the "Education and Career" exhibition. This was another opportunity to talk about how the Bank works, how the Compliance operates, and what we can offer as an employer.

Our team answered students' questions, conducted interactive case solution related to dubious banking transactions and schemes, and commended the most active participants.

After the exhibition, more than a hundred students provided their contact details to keep in touch with us regarding employment at "Tinkoff".

There is an opinion among students that only specialists with experience are in demand. The logical question is: where do you get that experience as a recent graduate? At "Tinkoff" we believe that a young talented person with university knowledge is often even more valuable than a specialist with more experience. Sometimes it can be more difficult to retrain an experienced specialist who has worked in other banks. We need people who are ready to look at their work with fresh eyes and are open to new approaches.



**At "Tinkoff" we believe that a young talented person with university knowledge is often even more valuable than a specialist with more experience. We need people who are ready to look at their work with fresh eyes and are open to new approaches.**

Another factor that explains the great interest of students in our bank is that "Tinkoff" is a financial ecosystem with a very high level of automation. Employees do not have a single routine task: they do not have to think in terms of a specific, well-known scenario, but in a broader perspective, analyzing the customers' behavior in the context of all bank products they use. Most of our routine processes are automated and handled by programs. This allows specialists to think at the intersection of processes and technologies, which is also a great advantage.

The Olympiad solved a lot of tasks, but the main thing is that each participant tried out the role of a specialist in the field of financial security. What kind of specialists will be a part of our teams in a few years' time is important for the further development of compliance in Russia. So, I think these events are very important. We support them in every way we can and will continue to do so. It gives students and schoolchildren the opportunity to engage in real cases and real practices. Besides that, it assures us that with such young talents, the future of financial security will be bright!



**Lyudmila Bogatko,  
Head of the "Tinkoff" Work  
Platform Development  
Administration**

*Participating in the Olympiad was one of the most important components of our HR brand development. We have been a major player in the labor market for a long time, but we continue to work on raising our profile as an employer.*

*For us, talented students are just as desirable candidates as professionals with work experience. As part of the "Tinkoff Start" program, we have been already recruiting talented students for internships, so far only in the Investment and IT departments. In the future, however, we plan to include the Compliance Department.*

*Many Olympiad participants left their contact details at the stand to stay in touch with us and get information about careers and jobs at "Tinkoff". Such events can be a good start for students in terms of future professional opportunities. We see the students' keen interest in our company as a sign that we are on the right track in increasing the attractiveness of the Bank as an HR brand. We hope that participants in future Olympiads will also be interested in developing their careers with us.*



## SPORTS FESTIVAL IS THE ONE FOR ALL WHO ARE IN FLUX!

*Over 40,000 participants from 12 countries. Representatives from Brazil, India, South Africa, Armenia and other countries, 500 finalists and 99 winners. More than 300 people took active part in the sports program. All of this is the Second International Financial Security Olympiad. Its final stage took place on the federal territory 'Sirius'. However, this is just the beginning!*

Nikolay Dubchak,

Deputy Chairman of Organization 'Dynamo' No. 33, Central Sports  
Club of Financial and Economic Authorities



Nikolay Dubchak

What is school and university sport today? What is a sporting event at the International Financial Security Olympiad, in the open air, with the Black Sea waves lapping softly nearby? It makes you feel like give up everything, and dive into the enticing water.

Sports festival is the one for all who are in flux!

Over 40,000 participants from 12 countries. Representatives from Brazil, India, South Africa, Armenia and other countries, 500 finalists and 99 winners. More than 300 people took active part in the sports program. All the above concerns the Second International Financial Security Olympiad. Its final stage took place on 'Sirius' federal territory. However, this is just the beginning!

The discipline and order that prevail during the Olympiad are impeccable, thanks to the organizers, heads of delegations and, of course, the well-mannered young people. The team events at 'Sirius' Park are very competitive and uncompromising. This is a competition for the Olympiad participants:

they meet GTO qualifying standards with confidence ('Ready for Labor and Defense'), play futsal, streetball and beach volleyball. They also take part in the 'Workout' relay race and tug-of-war, supporting each other.

During the sports events, experts interacted with participants, asking them different questions, while pupils and students responded in a businesslike manner:

— The secret of success...

— The key is psychology. You require a strong nervous system in this Olympiad. Whether you win or not, whether it is a problem-solving game or a sports game, the tension is enormous. No one gets a free ride at the Olympiad. Why? Because you are already a winner, once you've come here you've already won, and you've got to meet the high requirements.

Win, come, join, participate and watch. That's the drive, that's the motion! It is, after all, a holiday of soul and body, the ultimate harmony. The Olympiad succeeded thanks to the FIUs' partners, primarily 'Sirius' federal territory, the staff of the Central Sports Club of the Financial and Economic Authorities and the volunteers of People's Friendship University of Russia in Sochi.

So let's take it one step at a time.

Jumping ahead a bit, I have to say that there was not enough time for the Olympiad sports program. This is not only my personal opinion, but also that of many sports participants.

— The main thing is that everyone knows exactly what his role is in the football team. There is always someone playing and someone sitting on bench. The point is that we and our opponents don't carry our relationships onto the football pitch, we are one team," said the champions of the Student Futsal Olympiad, a friendly and close-knit team from the Southern Federal University (A. Prutsky, A. Ishchenko, E. Polushko, A. Savchuk, N. Verba, I. Roschenkov and S. Tilyun).

The focus of any competition is, clearly, on the athletes. But the Olympiad sports program would have never been successful without involvement of spectators and support groups. All program

participants, including the visitors of 'Sirius' Park, felt like real athletes. During the breaks between classes and workshops, everyone could play interactive hockey. In the evenings, they could take part in cybersport games, play hockey and meet interesting people.

And, finally, there was the photo zone, where you could capture a lively image to remember the global sporting event forever.

Over 180 students from 23 higher education institutions in the Russian Federation, as well as representatives from higher education institutions in Belarus, Kazakhstan, Kyrgyzstan and Uzbekistan took part in the first day of the competition. It is gratifying to note that Heads of the CIS delegations also participated in the sports events and actively supported their students.



**Oleg Shabunovich, Alexander Mikhaylik and Andrey Kuskov, Chairman of the Central Sports Club of Financial and Economic Authorities, congratulated the winners and awarded them with medals, certificates and souvenirs.**

## Winners of the student team competitions

### GTO Complex Standards

- 1<sup>st</sup> place — the team of Kyrgyzstan
- 2<sup>nd</sup> place — the team of Kazakhstan
- 3<sup>rd</sup> place — the team of SFD, VFD, NCFD, SibFD

### Tug-of-War

- 1<sup>st</sup> place — the team of NWFD, VFD, CFD
- 2<sup>nd</sup> place — the team of the SFD.
- 3<sup>rd</sup> place — the team of Kazakhstan and Uzbekistan

### Workout Relay Race

- 1<sup>st</sup> place — the team of Kyrgyzstan
- 2<sup>nd</sup> place — the team of SFD
- 3<sup>rd</sup> place — the team of from Kazakhstan

### Streetball

- 1<sup>st</sup> place — the team of NWFD, CFD, UFD
- 2<sup>nd</sup> place — the team of SFD, SibFD
- 3<sup>rd</sup> place — the team of Uzbekistan

### Futsal

- 1<sup>st</sup> place — the team of SFD
- 2<sup>nd</sup> place — the team of FEFD, UFD, VFD, CFD, NCFD, Republic of Belarus
- 3<sup>rd</sup> place — the team of Uzbekistan

### Overall Team Places

- 1<sup>st</sup> place — the team of SFD
- 2<sup>nd</sup> place — the team of CFD
- 3<sup>rd</sup> place — the team of NWFD

## Winners of the team competition among pupils

97

pupils of Russia's educational institutions participated on the second day of the competition

### GTO Complex Standards

- 1<sup>st</sup> place — the team of CFD
- 2<sup>nd</sup> place — the team of SibFD
- 3<sup>rd</sup> place — the team of NCFD

### Tug-of-War

- 1<sup>st</sup> place — the team of UFD
- 2<sup>nd</sup> place — the team of SFD, SibFD
- 3<sup>rd</sup> place — the team of VFD, NCFD, FEFD

### Futsal

- 1<sup>st</sup> place — the team of CFD, SFD
- 2<sup>nd</sup> place — the team of VFD, NCFD, SibFD

### Winners of the Phygital Game

- 1<sup>st</sup> place — the team of SFD
- 2<sup>nd</sup> place — the team of CFD
- 3<sup>rd</sup> place — the team of Uzbekistan

### Streetball

- 1<sup>st</sup> place — the team of NCFD
- 2<sup>nd</sup> place — the team of CFD
- 3<sup>rd</sup> place — the team of UFD

### DOTA-2 Tournament Winners

- 1<sup>st</sup> place — the team of SFD, CFD, UFD, NCFD
- 2<sup>nd</sup> place — the team of Uzbekistan, Kazakhstan, Tajikistan
- 3<sup>rd</sup> place — the team of FEFD
- 4<sup>th</sup> place — the team of Brazil, Republic of South Africa

### Workout Relay Race

- 1<sup>st</sup> place — the team of UFD
- 2<sup>nd</sup> place — the team of SibFD, VFD, NCFD
- 3<sup>rd</sup> place — the team of CFD, SFD, NCFD

SFD - Southern Federal District  
VFD - Volga Federal District  
NCFD - North Caucasus Federal District  
SibFD - Siberian Federal District

NWFD - Northwestern Federal District  
CFD - Central Federal District  
UFD - Ural Federal District  
FEFD - Far Eastern Federal District





**At the Olympiad, you are already a winner. You've come here, so you've already won, and you should meet the high requirements.**

Vladimir Glotov, Deputy Director of Rosfinmonitoring, Oleg Shabunovich, Advisor to the Director of Rosfinmonitoring and Chairman of the Regional Organization 'Dinamo' No. 33, and Aleksandr Mikhaylik, Deputy Head of the Federal Treasury, warmly welcomed and congratulated the athletes. The speakers noted that the younger generation is committed to stability, mutual understanding and the peaceful resolution of global problems. Today's young people understand that new goals, projects and achievements are only possible if we act together. This can be done peacefully, not through conflict. Our task as the older generation is to set up the right development vector and example.

Diversified outdoor sports program for students is an example of young people's successful involvement and their close interaction. A computer games competition and an international DOTA 2 tournament also took place in the evening (the tournament lasted three days).

Oleg Shabunovich, Aleksandr Mikhaylik and Andrey Kuskov, Chairman of the Central Sports Club of Finance and Economics, congratulated the winners and awarded them with medals, certificates and souvenirs. They also thanked all the participants,



**On the first day of the competition, over 180 students from 23 higher education institutions in the Russian Federation and CIS countries took part in the event.**

referees and volunteers for their impeccable work during the International Olympiad sports events.

At the last day events, organizers promised to intensify the pace and expand the program to include new countries and perhaps even new continents. During the meeting with foreign finalists, participants provided examples of cross-border

friendship and financial security cooperation. They also discussed the Olympiad itself, financial literacy, training opportunities and sports issues. Responding to one of the questions, Dmitry Chernyshenko, Deputy Chairman of the Russian Government, invited young people to join the new international phygital movement. He also offered to take part in the world's



**There is always someone playing and someone sitting on bench. The main thing is that we and our opponents don't carry our relationships onto the football pitch, we are one team.**

first "Games of the Future", which will combine traditional sports disciplines with cyber sports.

Yury Chikhanchin, Director of Rosfinmonitoring, noted that we already did something similar at this year's Olympiad final. The children combined cybersports competitions with traditional sports such as futsal, streetball and tug-of-war. They also met GTO qualifying standards.

*"About three hundred of the five hundred finalists took part in the sporting events. And Heads of delegations asked us to organize a continents tournament at next year's finals,"* said Director of Rosfinmonitoring.

Oleg Shabunevich, Advisor to the Director of Rosfinmonitoring and Chairman of the 'Dynamo' No. 33 organization, highlighted that the International Financial Literacy Olympiad allowed students to demonstrate their knowledge in various fields of economics, law and information security, expand their knowledge and take the most active part in the Olympiad sports events. The next Olympiad will take place when the 'Dynamo' society celebrates its historic 100th anniversary with its glorious traditions and famous world athletes, winners of world championships and Olympic Games.



**Olympiad participants meet GTO qualifying standards with confidence, play futsal, streetball, beach volleyball and take part in the 'Workout' relay race and tug-of-war.**



*"It will depend on our students how vibrant and productive the international dialogue will be. However, our main task is to become the conduit for their future success, to provide them with the best possible opportunities, maintain the continuity of generations and transfer fundamental values. Culture and sport cope where the words fail us,"* said Shabunovich.

When it comes to the role of sport in our life and in future career preparation, we need to consider the development of various physical functions and psychological preparedness. As a matter of fact, young specialists often complain that their professional training has taught them a lot, but not how to work with people. They have not developed psychological confidence and stability to lead a team. The role played by sport in formation of strong-willed personality is directly linked to the constant need to endure a variety of physical and mental stresses both in competitions and in regular training.

Heavy loads have a significant effect on the formation and development of an individual's personality. Sports training through habituation to practical actions and behavior ensures the cultivation of the following necessary qualities: self-discipline, persistence, resilience to overcome difficulties, self-confidence, determination and the ability to produce maximum efforts in sports, work and social activities.

Again, we would quote: *"You cannot make a person brave, courageous or a team player just by talking about it. You should put him/her in situations that force a person to show these qualities"*. Sport always puts young people in such conditions.

The speakers noted that the younger generation is committed to stability, mutual understanding and the peaceful resolution of global problems. Today's young people understand that new goals, projects and achievements are only possible if we act together. This can be done peacefully, not through conflict. Our task as the older generation is to set the right development vector and example.



# “FINALIST’S DIARIES” AT THE SECOND INTERNATIONAL FINANCIAL SECURITY OLYMPIAD

*The International Financial Security Olympiad is an annual event that brings together students from Russia and partner countries. Over the past two years, it has become a center for proactive youth seeking to learn about financial security issues, particularly in the area of AML/CFT, and further employment in this field*

Alexandra Malyarova,

Press Service of the International Training and Methodology Centre  
for Financial Monitoring (ITMCFM)



Alexandra Malyarova

Information on the specialized training areas, timelines and procedures for conducting Olympiad stages was published in the mass media and the Internet to ensure wide and comprehensive coverage of the Olympiad events.

Prior to the Olympiad final stage, the ITMCFM launched the “Finalist’s Diaries” project. Its main goal is to encourage young people to get involved in financial security issues and participate in the Olympiad events.

“Finalist’s Diaries” is a media project that involves coverage of the Olympiad final stage by direct event participants – schoolchildren and students. For five days, from 10 to 14 October 2022, the project key figures, like all other finalists, solved the Olympiad assignments, took part in training and sports events, listened to the instrumental music concert and enjoyed their trip to Krasnaya Polyana.

The pictures and videos were posted in real-time on the International Network AML/CFT Institute’s telegram channel (henceforth referred to as INI). Thus, not only the INI’s telegram channel subscribers but also messenger outside users followed the finals of the Olympiad in the lifestyle mode.<sup>1</sup>

<sup>1</sup> Lifestyle photography – illustration of life moments, everyday situations.

## SELECTION OF INFORMATIONAL PLATFORMS TO COVER THE INTERNATIONAL FINANCIAL SECURITY OLYMPIAD

When deciding on the project launch, we paid special attention to the selection of the informational platform for the Olympiad target audience (senior schoolchildren and students).

The media coverage formats and methods mainly focused on the younger generation have changed dramatically over the last 20 years. Information and communication technologies (including social networks and messengers) replaced printing editions and TV broadcasting. As a result, information is presented more dynamically.

Sociological survey<sup>2</sup> demonstrates that over 90% of young people aged 12-24 use social networks and messengers. Moreover, social networks and blogs<sup>3</sup> are the main information sources for this target group. Thereby, it seems quite logical to expand the national and international event coverage not only on the websites, but also in social networks and messengers.

In the case of the "Finalist's Diaries", the INI's telegram channel became such a platform.

## LAUNCH OF THE "FINALIST'S DIARIES" PROJECT

The launch of the "Finalist's Diaries" project consisted of two phases. The qualifying stage took place in 2022. Applicants submitted their video presentations to participate in the voting for the role of project leaders.

From the very beginning, the project went international. Schoolchildren and students from the Russian Federation, Republic of Belarus, Republic of Tajikistan and Kyrgyz Republic sent their applications to participate in it. Students from the following universities joined the competition:

- Moscow Academy of Finance and Law;
- Ogarev Mordovia State University;
- Peter the Great St. Petersburg Polytechnic University;
- MEPhI National Nuclear Research University;
- Belarusian State Economic University;

- M. Ryskulbekov Kyrgyz University of Economics;
- Tajik National University;
- Academy of Public Administration under the President of the Kyrgyz Republic named after Zh. Abrahmanov.

The second (final) stage was conducted by voting via the INI telegram channel. More than 3,000 people took part in the voting. Five girls became the winners: one pupil and student from Russia and students from Belarus, Kyrgyzstan and Tajikistan respectively.



### Yulia Bocharova, "Finalist's Diaries" project participant

*"My teacher told me about the "Finalist's Diaries" project. I got interested in the project because I wanted to share the Olympiad events not only in my social networks, but also among the wider audience."*



### Veronika Tsekhnovetskaya, participant of the "Finalist's Diaries" project

*"I happened to find out about the "Finalist's Diaries" project through the Regulation which was emailed to our supervisor (to our university). I feel like I am really creative and I was excited to take part in such an interesting project as we are all very talented and ideological in the faculty."*

## PARTICIPANTS OF THE FINAL STAGE

Thanks to the project, those students who did not get to the Olympiad finals could feel the atmosphere of the Second International Financial Security Olympiad. They took a virtual flight to Sochi, walked around "Sirius", solved the Olympiad assignments, enjoyed sea sunsets, etc.

<sup>2</sup> The study was carried out by Mediascope in August 2021.

<sup>3</sup> A survey by VCIOM (Russian Public Opinion Research Center) in 2021.

The project gave the participants a new understanding of the Olympiad finals. They developed new scenarios and actively participated in discussions and masterclasses. These activities helped them to discover their potential and gain deep insight into the topic of financial security.

The "Finalist's Diaries" media project is a new approach to youth activity coverage. Today's young generation has been constantly sharing their event impressions. They have been creating chats, channels, communities on social networks and messengers. Young people

appreciate the opportunity to represent the Olympiad movement on social networks.

The International Financial Security Olympiad coverage via the INI's telegram channel sure is an interesting experience. It allows us to disseminate the Olympiad movement ideas among young people from different countries and continents. It also contributes to expanding the outreach activities and increasing the interest of schoolchildren and students who want to participate in the Financial Security Olympiad movement.



**Nursuluu Kozhonazarova,**  
participant of the "Finalist's  
Diaries" project

*"I am not a very active user of social networks. I have mostly only been involved in research projects. Therefore, the "Finalist's Diaries" project is the first project for me that is different from other projects in terms of its format. I decided to take part in it to try something new and to let people see a different side of me."*



**Yulia Bocharova,**  
participant of the  
"Finalist's Diaries" project

*"I think that students and schoolchildren are interested in this format of information coverage because the project participants are just ordinary students and pupils. In other words, we are all on the same wavelength and we know how to present events in a way that is interesting for the viewers."*



**Margarita Andronova, General Director of the ITMCFM, congratulated the participants at the end of the "Finalist's Diaries" project on Medalnaya Square in "Sirius"**



## “EDUCATION AND CAREER” EXHIBITION – YOUR WAY TO JOIN FINANCIAL INTELLIGENCE UNIT

*One of the most notable events of the Second International Financial Security Olympiad finals was the “Education and Career” exhibition. It was organized by the International Training and Methodology Centre for Financial Monitoring (ITMCFM) and the International Network AML/CFT Institute (INI)*

Venera Nazarenko,  
Chief Specialist of the ITMCFM



Venera Nazarenko

The Second International Financial Security Olympiad final stage took place at “Sirius” Federal Territory October 10-14, 2022. The final stage was organized by Rosfinmonitoring, the Ministry of Science and Higher Education of the Russian Federation and the Ministry of Education of the Russian Federation. Various events were held on the margins of the Olympiad. More than 700 participants from Russia, the CIS and BRICS countries took part in morning physical exercises on the Black Sea coast, sports activities, masterclasses and panel discussions. They also did Olympiad assignments, travelled to the top of a mountain in a cable car, supported their favorite hockey team and attended important meetings with Dmitriy Chernyshenko, Deputy Prime Minister of the Russian Federation, and Yury Chikhanchin, Director of Rosfinmonitoring.

One of the most notable events of the Second International Financial Security Olympiad finals was the “Education and Career” exhibition. It was organized by the ITMCFM and INI.

The exhibition is one of the most effective ways to present, recognize and promote scientific and educational AML/CFT projects in the international



**Representatives of Russian and foreign higher education institutions (INI participants) responded enthusiastically to the invitation to participate in the "Education and Career" exhibition.**

educational space. It helps to increase the scope of students' training, to inform about up-to-date trends and high demand for AML/CFT and financial security education, to popularize the financial intelligence investigator profession and to involve young people in the AML activities.

Modern exhibition space (more than 2 000 square meters) in the "Sirius" Education Center hosted representatives of 41 INI educational organizations, 12 financial intelligence units from the CIS and BRICS countries, as well as 7 industrial partners. Video clips and presentations were demonstrated on exhibition stands in a non-stop mode.

Representatives of Russian and foreign higher education institutions (INI participants) responded enthusiastically to the invitation to participate in the "Education and Career" exhibition. They received the opportunity to become the main staff training platforms for the job market (public authorities, private sector) in the field of financial security.

Exhibitors encouraged the youth to focus on knowledge, new ways of thinking, advanced formats

of activities and key aspects of financial security. They presented training and educational programs, told about admission conditions and student life.

The higher education institutions representatives enjoyed informal discussions with future applicants and students about the benefits and prospects of financial security education, passing grades, student life and much more.

One could get acquainted with the profession of a financial intelligence officer at the stands of financial intelligence units of the CIS and BRICS countries.

The industrial partners – representatives of private sector (Gazprombank, Tinkoff Bank, Promsvyazbank, VTB Bank and others), the Central Bank of the Russian Federation and the Financial Research Institute of the Ministry of Finance of the Russian Federation – told the students in off-line format about the specifics of work, important and sought-after professional fields that triggered interest, as well as outlined career prospects after graduation and the opportunity to do internships in their companies.

Industrial partners used their stands to demonstrate interactive games and the latest developments in their field of activity, ran career guidance tests. Recruiters gave consultations on CV writing and handed out questionnaires to learn more about the needs of the younger generation.

During the exhibition, visitors had a chance to meet high-profile speakers and learn about their careers in the banking and government sectors, which together ensure countries' financial security.

In total, more than seven hundred people visited the exhibition during the Olympiad. Young people were able to see their importance and demand in the future development of their countries.

Promotion and full support of such activities is essential and crucial, as young people are the potential human resources of national AML/CFT systems.



**The higher education institutions representatives enjoyed informal discussions with future applicants and students about the benefits and prospects of financial security education, passing grades, student life and much more.**



# EAG DEVELOPMENT OF AML/CFT PUBLIC-PRIVATE PARTNERSHIP

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Nazerke Zhampeiis,

Secretariat of the Eurasian Group on Combating Money Laundering  
and Financing of Terrorism (EAG)



Nazerke Zhampeiis

**E**ffective cooperation between the government authorities and the private sector, information sharing in particular, is a key to financial transparency improvement and protection of the financial system integrity.

Financial institutions seek the following information from the government authorities:

- crime trends analysis;
- criminal behavior patterns;
- vulnerability factors.

The specified information is needed to improve risk management effectiveness and transaction monitoring and to provide better information to the competent authorities. It should be noted that the objective of the AML/CFT private sector is not only to comply with the relevant legislation but also to assist the competent authorities in identification and investigation of ML/TF cases.

Money laundering transnationality requires comprehensive and meaningful cooperation among all AML/CFT stakeholders at both national and international levels.

In this regard, since 2006, the EAG has been holding consultations with the regional private sector entities (financial and non-financial institutions involved in transactions with funds). The main consultation topic is a practical application of the FATF International AML/CFT Standards. Besides that, since 2014, the EAG has been conducting consultations with the private



**In May 2022, the EAG initiated the best financial analysis competition among financial institutions of the EAG member countries to extend the format of public-private AML/CFT partnership at the international level**

sector on the margins of the Annual International Supervisors' Workshop.

Following the results of the consultations held in October 2019, the participants decided to request the EAG Plenary to consider establishment of the International Compliance Council (henceforth referred to as ICC) under the EAG auspices. The main ICC objectives include the following:

- exchange of experience and best practices in application of AML/CFT preventive measures by financial institutions and designated not-financial businesses and professions;
- information interaction between the private sector entities, supervisory authorities and financial intelligence units (henceforth referred to as FIU) in the EAG region, *inter alia*, for provision of feedback and more active engagement of the private sector in typology development and risk mitigation and identification processes;
- arranging cooperation with representatives of the AML/CFT expert and professional community to identify strategic issues, research topics and projects to be pursued by the ICC.

Finally, the Plenary adopted the ICC basic operational principles in November 2020, which became the

formal launch of a new cooperation format with the private sector at the regional level.

The ICC mission is to ensure the continuity of the public-private partnership in the EAG region taking into account broader engagement of the private sector stakeholders. This area is set out in the EAG Strategy for 2019–2023.

Since the establishment of this new format, the ICC members have participated in two Council meetings, where the following issues were discussed:

- preliminary results of ML/TF risk assessment in the Eurasian region and topical issues related to operation of the AML/CFT systems during the COVID-19 pandemic;
- efforts to improve customers' financial literacy to mitigate risks of their involvement in fraudulent and other shadow schemes;
- experience sharing in identification of illegal activities in the financial market (*inter alia*, with the use of AML tools), specificities of KYC procedures and risk management of services provided by virtual asset service providers.



**The Competition Commission and student voting determined the competition winner, the laureate and the audience award winner.**

Last year, in addition to the traditional Council meeting, the ICC members in the capacity of guest speakers also participated in the panel discussions “Financial security in banking sector – what major financial institutions do to secure funds and assets of their depositors”. The EAG Secretariat organized this event on the margins of the International Financial Security Olympiad.

In May 2022, the EAG proposed to hold the best financial analysis competition among financial institutions of the EAG member countries to extend the format of public-private AML/CFT partnership at the international level. This initiative was supported by the delegations at the 36<sup>th</sup> EAG Plenary.

It was in October 2022 when the competition took place for the first time as part of the Second International Financial Security Olympiad's final stage. Since the competition was held on the margins of the Olympiad and in a pilot mode, it was decided to arrange it as a master class for

students who learned about examples of financial analysis and identification of ML/TF schemes by the bank compliance services. Besides, students received the opportunity to select the best case, which deserved the audience award.

The Competition Commission and student voting determined the competition winner, the laureate and the audience award winner:

- VTB Bank (Russian Federation) — the competition winner;
- Bank of Baroda (Republic of India) — the competition laureate;
- Jusan Bank (Republic of Kazakhstan) — the audience award winner.

As the exchange of practical information, along with the identified criminal schemes and their indicators, plays an important role in the development of effective AML/CFT system in each individual country, the EAG will continue to strengthen cooperation with the private sector in this area.



EVENTS OF THE SECOND INTERNATIONAL FINANCIAL SECURITY OLYMPIAD

# INTERNATIONAL FINANCIAL SECURITY FORUM “SIRIUS-2022”

*During the International Financial Security Forum, schoolchildren and students met with the representatives of AML/CFT community: international experts from standard development entities, standard implementation specialists of the national AML/CFT system, representatives of the academic community and state education authorities*

Alexey Bakharev,

Chief Specialist of the International Training and Methodology Centre  
for Financial Monitoring (ITMCFM)



Alexey Bakharev

For the first time, the International Financial Security Forum "Sirius-2022" (hereinafter referred to as Forum) was held during the final stage of the Second International Financial Security Olympiad (hereinafter referred to as Olympiad). The Forum brought together over 700 participants from 25 countries on three continents: delegations

from the Eurasian region, CIS and BRICS countries, representatives of foreign embassies, heads of FIUs and public authorities, business representatives and AML experts, members of the International Network AML/CFT Institute (INI), schoolchildren and students - participants of the Olympiad finals.

The Forum took place in the context of major changes in the international environment. The world has been experiencing fundamental transformation, rapid acceleration of informatization and digitalization. These processes have been creating new challenges and threats to financial security, money laundering and terrorist financing. New money management technologies have been emerging, financial flows have been changing, cash and cashless transactions and cross-border transfers have been increasing, trade logistics has been going through restructuring and the range of financial services has been expanding. However, terrorism, drug trafficking, human trafficking and transnational organized crime continue to remain a real world threat that affects every state. All these circumstances significantly affect the stability of the national economies and change the conditions to ensure national financial security.



**At the Forum, the participants shared their experiences, ideas and wishes regarding the development of international and national AML/CFT systems. They also emphasized consolidated efforts of all AML/CFT system stakeholders, Olympiad movement promotion and expansion of the number of participating states.**

These circumstances substantially affect economic resilience and modify the national financial security environment. Financial security is a prerequisite for sustainable development. It covers a wide range of issues: from personal, family and business security to the security of the state and the commonwealth of countries.

The Forum key topics were as follows: 'Modern Threats to Financial Security' and 'Improvement of Financial Literacy and Protection of Citizens from Illegal Financial Market Participants'.

The following participants took part in the Forum.

- Chairman of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), Director of the Federal Financial Monitoring Service, **Yury Chikhanchin**. In his speech, the EAG Chairman emphasized the importance of consolidated efforts of all AML/CFT system stakeholders. He also highlighted the need to involve the younger generation, today's schoolchildren, students and graduates in these issues.
- On behalf of the Chairman of the Bank of Russia, Elvira Nabiullina, **Mikhail Mamuta**, Member of the Board of Directors of the Bank of Russia, Head of the Service for Consumer Protection and Financial Inclusion of the Central Bank of the Russian Federation delivered a welcome speech to the Olympiad participants.
- Mukash Israilov**, Professor of the Kyrgyz-Russian Slavic University named after B. Yeltsin, spoke about national security of countries, challenges and threats in the sphere of financial security. He also paid special attention to AML/CFT personnel training and AML/CFT cooperation of INI participants.
- Bokhodir Isroilov**, Professor of the Tashkent State University of Economics proposed joint efforts to create a mechanism to identify talented young people and channel their energy in the right direction.
- Mikhail Kotyukov**, Deputy Minister of Finance of the Russian Federation, emphasized the development of a financial culture in all segments of society.
- Ms. Liu Qinghua**, Minister Counsellor at the Embassy of the People's Republic of China, in her report, emphasized the cooperation development among BRICS countries in the area of financial security and cross-border financial data sharing.
- Alexander Molotkov**, Minister of the Moscow Government and Head of the Moscow Department of Education and Science, told about the Financial Security Lesson and Festival of Financial Literacy and Entrepreneurial Culture organized in Moscow.
- Mr. Arvind Saran**, First Secretary, Head of Trade Department, Embassy of India in Moscow, highlighted the need to teach financial security to young people and inform them about possible risks and threats.
- Sergey Teterukov**, Executive Secretary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), reported on the EAG's activities to create conditions for members to cooperate on financial security, mutual evaluations and technical assistance.

- **Margarita Andronova**, Director General of the ITMCFM, told about joint financial security activities with talented youth. She also reviewed and characterized the knowledge enhancement tools in the area of financial security.

The joint Declaration adopted at the Forum reflected the views of all Forum participants on financial security.

The Declaration expresses the commitment of Forum participants to:

- strict adherence to the core principles and requirements of the United Nations Security Council Resolutions (UNSCR), the G20 Rome Leaders' Declaration, and the Financial Action Task Force (FATF) Recommendations;
- involvement of more students from each country in financial security;
- creation and development of a unified educational space in the field of financial security and AML/CFT;
- AML/CFT constructive dialogue and cooperation development, including in terms of the Olympiad movement;

- transferring the accumulated experience of the FATF, the relevant UNSC Committees and all AML/CFT stakeholders to a younger generation. In this way, national, regional and international anti-money laundering systems can be successfully developed and financial security strengthened worldwide.

The forum participants suggested that Yu. Chikhanchin, Director of the Federal Financial Monitoring Service, should send the Declaration to international AML/CFT organizations: the FATF and the UNSC relevant Committees.

The Forum has become a reliable and progressive discussion platform on financial security issues. Such meetings are very important and constructive. They contribute to the development of partnership and integration in the field of AML/CFT within the CIS, the Eurasian Economic Union, the BRICS (Brazil, Russia, India, China, and South Africa) and other partner countries.



# SECTION OF THE INTERNATIONAL FINANCIAL SECURITY FORUM “SIRIUS-2022”: IMPROVEMENT OF FINANCIAL LITERACY AND PROTECTION OF CITIZENS FROM ILLEGAL FINANCIAL MARKET PARTICIPANTS

*Soat Rasulov,*

*Administrator of the Secretariat of the Eurasian Group on Combating Money  
Laundering and Financing of Terrorism (EAG)*



*Soat Rasulov*

A famous saying that ‘greed breeds poverty’ is attributed to the Chinese ancient philosopher Confucius. Fraudsters have always exploited the human greed to deceive people and steal their wealth. As a result, there remains nothing left for a human.

Despite education quality enhancement, increased level of knowledge and technology development, modern people still fall for the tricks of fraudsters. These fraudsters operate through investment companies, forex and crypto brokers, online casinos, financial institutions. They offer high interest rates on deposits or other schemes designed to defraud trustful people. Outreach and awareness-raising activities are considered to be the most effective means of combating such crimes. Thus, the EAG, together with the Central Bank of the Russian Federation, Federal Financial Monitoring Service and International Training and Methodology Centre for Financial Monitoring (ITMCFM), actively participated in the organization of the International Financial Security Forum.

The section of the International Financial Security Forum<sup>1</sup> was dedicated to the exchange of experience and best practices to improve financial literacy and protect citizens from financial fraudsters in the EAG member states. Representatives of financial supervisory authorities from Belarus, China, India, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan and Uzbekistan were invited to participate in this section.

<sup>1</sup> Recording of the “Sirius-2022” Section of the International Financial Security Forum: <https://mumcfm.ru/mediateka/1301>.



**The section of the International Financial Security Forum was dedicated to the exchange of experience and best practices to improve financial literacy and protect citizens from financial fraudsters in the EAG member states.**

The section started with the presentation by the Bank of Russia on the measures and results of the fight against illegal market participants.

The representative of the National Bank of the Republic of Belarus informed the participants about the results of the National Bank's activities to improve financial literacy of the population. She also spoke about the features of the [fingramota.by](https://fingramota.by) portal, as well as about the results and priorities for further work in this direction.

A representative of the FIU of the Republic of Kazakhstan told about the results of the fight against financial pyramids; the application of measures to reduce the shadow economy in Kazakhstan. He also introduced specific methods and provided examples of such a fight.

The participant from the Bank of Russia explained how the regulator's approaches help to protect the interests of socially vulnerable groups of population. For example, older people may be overly gullible, which makes them more susceptible to fraudulent schemes and social engineering techniques. Therefore, they become easy prey for financial criminals.

Another representative of the Central Bank informed the Forum participants about the way to effectively identify an illegal exchange office and avoid fraudulent transactions with foreign currency. The section

participants heard a report on the National Financial Inclusion Strategy of the Republic of Tajikistan for 2022-2026. This strategy was launched on September 20, 2022. A representative of the National Bank of the Republic of Tajikistan stated that the strategy included four key areas; one of them is financial literacy. He also noted the special role of the Training and Methodology Centre of the Financial Monitoring Department under the National Bank of the Republic of Tajikistan. This Center conducts activities with the support of permanent partners, in particular ITMCFM.

A representative from the Republic of Uzbekistan presented an interesting and relevant topic, namely achievements of the country's financial intelligence unit in combating financial fraud. This type of crime is a serious obstacle to the development of the digital economy. The Department for Combating Economic Crimes under the General Prosecutor's Office of the Republic of Uzbekistan is set to suppress and prevent these crimes.

Finally, the participants discussed the application of measures to combat illegal activities in the financial market and to improve the financial literacy of citizens, including the experience of India.

According to the unanimously approved proposal, communication between representatives of banking and financial supervisory authorities of the EAG member countries will continue on a regular basis.

# THE 10<sup>th</sup> ANNIVERSARY OF THE COUNCIL OF HEADS OF FINANCIAL INTELLIGENCE UNITS OF THE CIS MEMBER STATES<sup>1</sup>

*On 5 December 2022, the Council of CIS Heads of Financial Intelligence Units (CHFIs) celebrated its anniversary. 10 years ago, the Heads of the CIS member states signed the Agreement on Establishment of the Council*

*Secretariat Staff of CHFIs*

The integration of the economic and financial systems of the Commonwealth of Independent States (CIS) have contributed to the identification of common anti-money laundering and countering the financing of terrorism (AML/CFT) threats and risks caused by gaps in national legislation, insufficient international cooperation and lack of well-established communication channels.

CHFIs was established upon the initiative of the Republic of Belarus to address the above issues.

Its current members are the following:

- Financial Monitoring Centre of the Central Bank of the Republic of Armenia;
- Financial Monitoring Department of the State Control Committee of the Republic of Belarus;
- Financial Monitoring Agency of the Republic of Kazakhstan;
- State Financial Intelligence Service under the Ministry of Finance of the Kyrgyz Republic;



**Over the past 10 years, the Council has adapted its activities in the context of emerging risks and threats.**

<sup>1</sup> Commonwealth of Independent States.





**The priority task of the Council is to ensure financial intelligence cooperation in the CIS region, to strengthen national AML/CFT systems, to prevent and eliminate ML/TF risks and threats.**

- Federal Financial Monitoring Service of the Russian Federation;
- Financial Monitoring Department under the National Bank of Tajikistan;
- Department for Combating Economic Crimes under the General Prosecutor's Office of the Republic of Uzbekistan.

The Republic of India was granted observer status in 2015. Cooperation protocols allow for interaction with 12 CIS bodies and international organizations.

Yury Chikhanchin, Director of Rosfinmonitoring, was elected CHFIUs Chairman. The Secretariat functions are performed by Rosfinmonitoring's officers jointly with a representative of the CIS Executive Committee.

The priority goal of the Council is to ensure financial intelligence cooperation in the CIS region, to strengthen national AML/CFT systems, to prevent and eliminate ML/TF risks and threats.

These tasks are completed by the Council specialized working groups:

- Working Group on Combating Money Laundering (WGCML);
- Working Group on Combating the Financing of Terrorism (WGCFT);
- Working Group on Planning and Coordinating the Work on the Establishment of the Information Sharing System between FIUs of the CIS Member States;
- Working Group on Establishment of the International ML/TF Risk Assessment Centre.

The fight against transnational economic crime is one of these priorities. The 'Five Elements' project was launched to analyze and identify the volume of cross-border financial flows originating in or transiting through our countries to high-risk ones. **Armenia and Russia** played an active role in this project.

Today, in view of the international economic environment, the geography of countries attracting financial flows, in particular financial havens, has also been changing. New tools and types of transactions accompanying these money transfers have been emerging.

An important focus of the Council's activities, started in 2014, is to trace and recover criminal assets that have been siphoned off abroad for subsequent legalization. Such criminal activity harms both the country that lost its assets and the recipient country, which can become criminal business prosperity platform.

This task has not been fully completed, although there are positive examples of such work - assets have been recovered from the UK, Spain, Norway, the USA and Switzerland.

The current FATF President has identified this area as his priority because, despite the efforts of FIUs to deprive criminals of their proceeds, around 1% of assets has been confiscated worldwide. This is also fully in line with our national priorities. We plan to continue this work with our partners, the CIS cooperation bodies.

From 2017 to 2021, the Council hosted the 'Milky Way' project aimed at identifying international ML platforms.

Active cooperation during the work on the project between member countries has assisted CHFIUs in identifying more than 900 entities involved in the international shadow financial infrastructure creation.

The development of new technologies used by criminals, changes in migration processes and financial flows have prompted adoption of new approaches to combating shadow platforms and monitoring cash movement. The Council has already taken action and launched inter-state projects.

The risks faced by individual countries include pyramid schemes and pseudo-brokers. The increase in credit and financial fraud confirms once again the lack of financial literacy among the population and the need to work in this area. Special attention should be paid to the younger generation. One response to this challenge is the International Financial Security Olympiad for pupils and students, initiated by the CHFIUs.

It should be noted that global digitalization has had an impact on the development of almost all economic sectors, including on payment methods. Digital assets, especially cryptocurrencies, are frequently used for these purposes. The main reasons are the following: accessibility, mobility, speed and anonymity. There are also significant risks, including their possible misuse for terrorist purposes.

The Republic of Uzbekistan has carried out research on crypto-assets circulation to develop risk minimization measures in this area. The Republic of Tajikistan has suggested a number of measures to regulate electronic payment systems.

Criminals still managed to exploit this sector, despite all the measures taken. The launch of 'Transparent Blockchain' will help to fight these criminals. The analysts can use this service to conduct financial investigations into the use of cryptocurrencies by perpetrators, tracing wallet transactions before their transfer to stock exchanges or exchange offices.

The signing of a Protocol on Cooperation between the Anti-Terrorism Center of the CIS member-states in 2014 was a new step in the development of anti-terrorist financing activities. As a result, we reached a qualitatively new level of cooperation in the CIS the following year. We launched an operation to identify persons involved in the activities of international terrorist organizations, as well as their financial and ideological centers ("Barrier").

During this period, more than 1 200 citizens of CIS member countries had their funds frozen and 15 criminal cases were initiated. More than 420 persons included on the international wanted list have been identified.

At a certain stage, it became necessary to create the CIS unified situation center for its subsequent transformation into a closed information exchange unit.

That was the beginning of the work to establish a proprietary information sharing system for the operational interaction of the CHFIU participants. Currently, a secure data transmission channel, the Information Sharing System (ISS), has been installed in all the Council's FIUs.

At the same time, the ISS served as a platform for establishing the International ML/TF Risk Assessment Center (IRAC). The IRAC is an international technological platform that will enable the CHFIUs member countries to exchange strategic and tactical information and indicate identified money laundering and terrorist financing risks. The main goal of the IRAC creation is to form a unified information and resource space and infrastructure to ensure effective interstate information interaction.

Today, work is underway to consolidate the IRAC legal status, in addition to the creation of the IRAC information space in the CIS Executive Committee. The Council's activities can not be separated from



**On 5 December 2022, the Council of Heads of Financial Intelligence Units celebrated its anniversary. 10 years ago, the Heads of the CIS Member States signed the Agreement on Establishment of the Council.**

the consistent work in personnel training. In practice, the Autonomous Non-Profit Organization "International Training and Methodology Centre for Financial Monitoring" (ITMCFM) helps to perform this function being the AML/CFT basic training organization in the CIS region. The Center's activities are focused on training events, preparation of methodological materials and workshops. The priority area is the training of highly qualified assessors. Despite its recent establishment, the Council

activities are much appreciated by the CIS Executive Committee. S. Lebedev, the Chairman of the latter - CIS Executive Secretary - noted that the CHFIUs well-coordinated and focused work is one of the most important interaction areas in ensuring security and legal order in the CIS countries. CHFIUs intends to continue consistent work with its trusted partners to ensure financial security on the territory of the CIS member states.



# 17<sup>th</sup> MEETING OF THE INTERNATIONAL NETWORK AML/CFT<sup>1</sup> INSTITUTE'S COUNCIL

*The 17<sup>th</sup> meeting of the International Network AML/CFT Institute's Council (henceforth referred to as the "International Network Institute", "INI") was held at the "Sirius" federal territory*

*Diana Timofeeva,*

*Leading Specialist of the International Training and Methodology Centre for Financial Monitoring*



*Diana Timofeeva*

The 17<sup>th</sup> meeting of the International Network Institute's Council was held in-person on the margins of the Second International Financial Security Olympiad. More than 100 representatives of the INI member universities and research organizations, as well as representatives of FIUs of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan participated in the event.

The meeting was chaired by Yury Chikhanchin, Chairman of the INI Council and Director of the Federal Financial Monitoring Service. In his welcoming speech, he noted that during its activity the International Network Institute has made a significant contribution to the development of the AML/CFT training system. The joint efforts of the INI members have created a unified educational space: we prepare training and methodological materials, country textbooks and manuals, introduce modern tools for integrating information into the training process, organize international scientific and practical events.

Among key topics of the INI Council meeting there are development of the International Financial Security Olympiad Movement and the organization of work with talented young people during the inter-Olympiad period.

Not only INI members, but also partner organizations, such as Promsvyazbank, the Lebedev Physical Institute of the Russian Academy of Sciences, the "Talent and Success" Educational Foundation, and the "Sirius" Scientific and Technological University, work with the younger generation.

<sup>1</sup> Anti-money laundering and combating the financing of terrorism.



The event was held in person mode. More than 100 representatives of the INI member universities and research organizations, as well as representatives of FIUs of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan participated in it.



**Yuri Chikhanchin:**

*A year and a half ago, the International Network Institute's participants, with the support of FIUs of EAG and CIS member-states, initiated an Olympiad Financial Security Movement. The financial security lesson, the Olympiad, and the inter-Olympiad events have contributed to creation of a mechanism to involve young people in the area of financial security. Therefore, it is necessary to continue systematic interaction with the Olympiad Movement participants, as they represent the human resource potential for our AML/CFT systems.*

**Oleg Yastrebov**, Rector of the Peoples' Friendship University of Russia, Head of the Olympiad Jury, and Maxim Rumyantsev, Rector of the Siberian Federal University, Head of the Olympiad Appeal Commission, reported on the work of the Jury and the Appeal Commission.

**Lira Omurbekova**, Director of the Training and Methodology Center of the State Financial Intelligence Service under the Ministry of Finance of the Kyrgyz Republic, shared the experience in holding the Republican Financial Security Olympiad in the Kyrgyz Republic.

The NRNU MEPhI Rector **Vladimir Shevchenko** talked about the contribution to the AML/CFT unified educational space: *"The MEPhI is involved in the development of training materials for pupils and students. In November, extended professional development training courses for students are planned. They are expected to include eleven discipline modules. We have conducted research on training programs at the INI member universities and beyond. As a result, we have elaborated recommendations for training material development. There are examples of the developed training programs for bachelor's, master's and specialist degrees. An important part of our work is to prepare topic notes. We hope that the Peoples' Friendship University of Russia will help us to translate these materials into the languages of all INI member countries. An important role of our Olympiad is its interdisciplinary and supradisciplinary nature. The ability to enroll on the interdisciplinary competition basis is of the utmost importance. The financial fraud typology is the most widespread. It is worth noting that a data bank of scientific financial security publications has also been developed."*

The meeting participants considered the interim results of creating the International Scientific and Educational Digital Platform "Sodruzhestvo".

**Alexei Nechaev**, Rector of PSB Academy:

*"The EDP<sup>2</sup> "Sodruzhestvo" is the International Financial Security Olympiad future platform. It will contribute to the international cooperation development in the field of financial security. The platform functionality will meet the needs of the Olympiad and will be user-friendly."*

Irina Kosenok, Head of the Personnel and Anti-Corruption Department of the Federal Financial Monitoring Service, spoke about the special software products used by FIUs, which are suggested to be included in the INI training programs.

At the end of the meeting the INI Director Vladimir Ovchinnikov took the floor. He presented the INI 2021-2022 performance report and INI development prospects as well as information on incorporation of INI new members.



**Minisa Abdulayeva,**  
**Vice-Rector for Academic**  
**Affairs, Russian-Tajik**  
**(Slavic) University:**

*"The 17th meeting of the INI Council was held at a quite high level. I would like to present for discussion the issues related to enrollment of students in the International Network Institute, as well as the interaction mechanism between universities, development of documents related to the INI operation. Thank you very much for your cooperation!"*

At the end of the event, a solemn ceremony took place to award INI representatives for their personal contribution to the International Network Institute's development and formation of the International Financial Security Olympiad Movement.



**Faridakhon Khamidova,**  
**PhD in Economics,**  
**Associate Professor,**  
**International Finance**  
**and Credit Department,**  
**Tashkent Institute of**  
**Finance:**

*"One of the most impressive events of the Second International Financial Security Olympiad finals was the 17th meeting of the International Network AML/CFT Institute's Council. I would like to highlight new opportunities for joint work to address the integration of AML/CFT academic disciplines into the training process, as well as implementation of higher AML/CFT professional education programs. Besides, it is worth noting joint activities in scientific and methodological work and cooperation among the INI member universities for achievement of high goals."*

**Svetlana Kostyukova,**  
**PhD in Economics, Associate Professor,**  
**Department of Economic Security, Faculty of**  
**Economics, Belarusian State University:**



*"At the 17th meeting of the INI Council, participants presented very interesting reports on the development and expansion of the Olympiad movement, including specific activities, establishment of the digital platform "Sodruzhestvo", analysis of methodological support of AML/CFT training programs for students and master students, review of software products, etc. The experience of different countries in preparing students for the Olympiad by the FIU authorities was very useful. All of the above is an effective tool for implementation of the assigned tasks, such as the popularization and development of AML/CFT knowledge among young people."*

<sup>2</sup> Educational Digital Platform.



FINANCIAL SECURITY EDUCATION PROMOTION TOOLS

## SCIENTIFIC AND EDUCATIONAL DIGITAL PLATFORM "SODRUZHESTVO"

PSB Academy Press Service

At the end of 2021, by the order of the President of the Russian Federation Vladimir Putin (Pr-2057 dated October 29, 2021), the creation of the International Scientific and Educational Digital Platform "Sodruzhestvo" was initiated. It is a unified informational and educational space based on modern IT-technologies and designed to provide a full cycle of support for the International Financial Security Olympiad. The Platform will also be a tool for inspiring the younger generation to acquire knowledge, develop new ways of thinking, get familiar with modern formats of activity and key aspects of financial security. It will provide a technological base for the development and support of the youth-oriented Financial Security Olympiad Movement of schoolchildren and students in Russia and in the countries that are stakeholders of the international AML system. The Platform will also allow communicating, bringing new knowledge, sharing experience and rendering support to each participant of the Olympiad.

In spring of 2022, Promsvyazbank (PSB) developed the concept of the Digital Platform, conducted focus-groups events involving students from Russian universities that are members of the International Network AML/CFT Institute (INI). In addition, it conducted a comparative analysis of online training platforms operating domestically and abroad. In April 2022, participants of the Scientific Council meeting presented and reviewed this concept (the Council was formed within the framework of interagency cooperation in the International Financial Security Olympiad Organizing Committee).

*The concept of the Digital Platform "Sodruzhestvo" expands the functionality of the leading domestic training platforms, such as UCHI.ru and Moscow Electronic School, and has been using modules typical for popular foreign platforms. At the same time, the distinctive feature of "Sodruzhestvo" will be the development of international cooperation in the field of financial security.*

The Digital Platform is targeting schoolchildren (grades 8-11), students and AML/CFT specialists from EAG, CIS and BRICS countries. According to experts, the annual potential audience of the Digital Platform in the states-members of the above organizations is estimated at about 3 million people. About 1.7 million of them are schoolchildren, about 1.2 million are students and about 140,000 are specialists of the national AML systems.

According to the concept, "Sodruzhestvo" is represented by five main modules:

- 1. Training.** In this module, users can take courses according to selected training trajectories, gain new knowledge and practice their skills, learn relevant information and participate in the International Financial Security Olympiad
- 2. Communication.** Communication with students and teachers via personal and group chats, forums, and messengers.
- 3. Project Lab.** Here users will be able to work in teams on projects and conduct scientific research. Such feature as receiving feedback from tutors – mentors and experts – is also implemented in this module.
- 4. User's Personal Account.** In the Personal Account, each student will be able to create an individual development trajectory, obtain information about completed and current courses, and create a personal portfolio of achievements.
- 5. Career Development.** The module provides for active interaction between potential employers and job seekers. Vacancies for profile areas of activity will be advertised here both for permanent employment and internships.

For users' convenience, a mobile version of the Platform will be developed to undergo training and receive immediate notification of all the Olympiad events.

## CONDUCTING THE INTERNATIONAL FINANCIAL SECURITY OLYMPIAD ON THE EDUCATIONAL DIGITAL PLATFORM "SODRUZHESTVO"

Since one of the Digital Platform priority tasks is to render support to the Financial Security Olympiad participants, the timing and content of the implementation of its main stages using the resources of the Platform are as follows:

### Stage 1: Open Lesson

The possibility of holding a thematic lesson on financial security for schoolchildren in Russia and CIS countries was implemented on the platform.

The thematic lesson "Financial Security" is held annually for schoolchildren in grades 8-10. The Peoples' Friendship University of Russia develops methodological guidelines for the lesson. These training manuals are aimed at providing schoolchildren with a basic understanding of different types of financial fraud and the basic rules of financial literacy.

### Stage 2: Invitational

In April, platform participants will be invited to test their knowledge of financial security by going through test tasks. This will allow schoolchildren and students to better prepare for the next stage of the Olympiad, understand their strengths and weaknesses and identify any knowledge gaps that should be addressed.

### Stage 3: Preliminary

Passing tests in major training directions. 500 participants demonstrating the best results will be selected.

*In 2021 and 2022, the preliminary events of the International Financial Security Olympiad were held in online format at the INI member universities, which were approved by the Organizing Committee of the Olympiad as venues for holding the qualifying stage. Registration for participation in the qualifying stage in accordance with major directions of training was opened on the official websites of these universities.*

### Stage 4: Qualifying

One month before the final stage, the Platform will host an essay contest for students and schoolchildren. The contest is designed to assess the motivation of the participants.

### Stage 5: Final

The final stage of the Olympiad will be held in a face-to-face format at "Sirius" Educational Center (Russia, Krasnodar Krai, "Sirius" Federal Territory). Organizational support for participants will be provided on the Platform. In particular, in their

personal accounts the finalists will be able to receive prompt information on accommodation, the schedule of the final stage events, etc.

### ON THE PROGRESS MADE IN CREATING THE SCIENTIFIC AND EDUCATIONAL PLATFORM "SODRUZHESTVO"

At present, the working team for the creation of the Platform is led by the PSB Corporate University called PSB Academy. An important stage in the work was the acquisition of exclusive rights to domestic software, which will become the basic technical solution and form the basis of the Platform for further improvements.

The functionality of the Platform will allow schoolchildren and students from Russia, CIS and BRICS countries to:

- receive immediate information in the Personal Account;
- conduct research using extensive library;
- take training courses and consolidate the material covered;

- receive support from mentors and organizers;
- pass competency assessments;
- go through test and Olympiad tasks
- receive the latest news about financial security events;
- communicate and exchange ideas with like-minded people, implement joint projects

One of the main and most important criteria for preparing the Platform for launch is to create educational content to be downloaded to the Platform. This will include training courses for students and schoolchildren who wish to improve their financial security knowledge and participate in the Olympiad, as well as for AML/CFT professionals who will be able to improve their qualifications and confirm them through certification. The educational content of the Platform is developed by the INI member universities with the support of Russia's Ministry of Education and Ministry of Science and Higher Education.

The basic version of the Platform will be launched in the first quarter of 2023. Its further development will be carried out in stages until December

2024. One of the final stages will be the implementation of the "Job Search and Internships" module, where vacancies for major directions of training will be advertised. Job seekers will be able to study the requirements of specific organizations and the vacancies they offer, assess their level of training and their compliance with the established criteria. Employers will have access not only to the CVs of potential candidates, but also to information about the courses they have taken on the Platform, their ratings and completed skills map. During the same period, the "gamification" of the process will be completed. This will make it possible to provide information in a game form, increase user interest and create individual trajectories for user training.

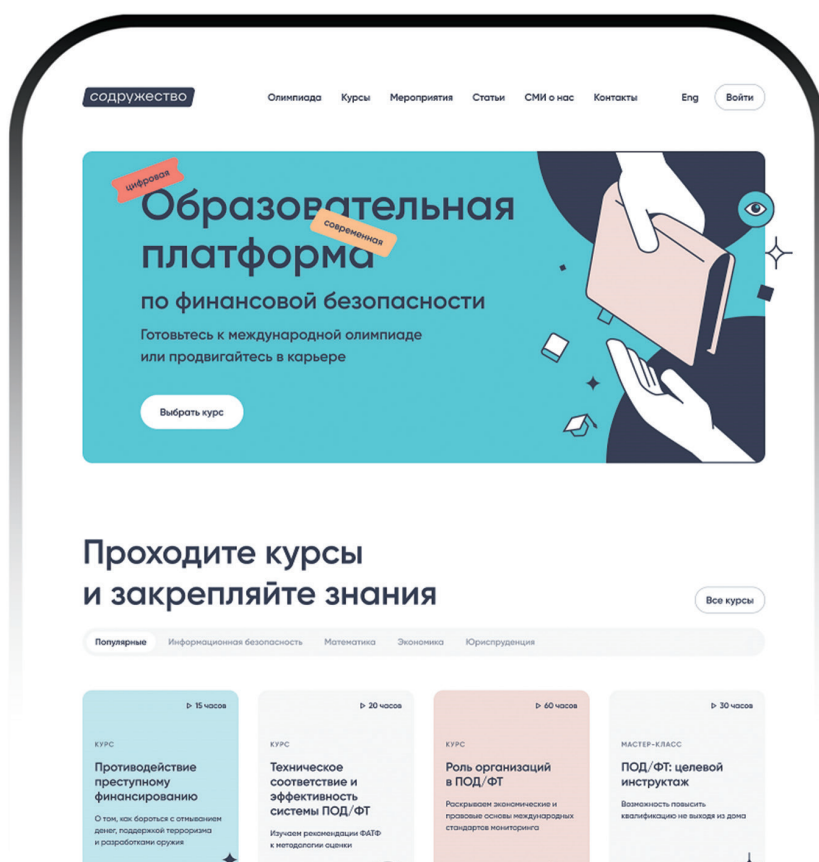


Figure 1: Draft design of "Sodruzhestvo" interface



# ASSOCIATION OF FIUS' TRAINING AND METHODOLOGY CENTRES AS A DEVELOPMENT TOOL OF AML/CFT PROFESSIONAL COMPETENCIES

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*Marina Shemyakina,*

*Chief Specialist of the International Training and Methodology Centre for Financial Monitoring*



*Marina Shemyakina*

Combating money laundering, terrorist financing, smuggling, corruption, fraud and other crimes is transnational in nature. Therefore, without cooperation between countries and adoption of joint measures, the fight against these criminal activities seems to be ineffective.

Criminal assets disrupt the stability of countries and inhibit economic development by expanding shadow services and capital markets.

Besides, the gradual shift towards digitalization of economic and financial sectors and the introduction of new digital technologies, such as blockchain and cryptocurrencies, require digital skills training for employees.

To strengthen human resource capacity and create new generation professionals community in the financial security area, it is necessary to develop and integrate new cooperation forms and methods in the organization of AML/CFT specialized training, retraining through for example advanced training courses.

One of such decisions resulted in the establishment of the International Network AML/CFT Institute (hereinafter “the INI”).

Currently, the INI comprises 49 participants from seven CIS and EAG countries, including 27 Russian and 22 foreign organizations.

An AML/CFT training system for highly qualified specialists has been created with the active participation of the INI's educational and scientific institutions of the EAG member states.

The training system ensures the continuity of the "school – university – professional activity" chain:

- the International Financial Security Olympiad Movement (International Financial Security Olympiad, a financial security lesson and inter-Olympiad events) was organized for senior pupils and students;
- the INI members implement higher education programs for the training of financial monitoring specialists;
- FIUs' training and methodology centers (hereinafter “TMCs”) provide additional professional training programs. AML/CFT professional development training courses are organized annually for teachers of the INI and departmental universities, FIU staff, law enforcement and supervisory authorities, and private sector experts.

Notably, TMCs get to know about the new skills that financial monitoring specialists should have due to close cooperation with FIUs on current AML/CFT and training needs issues. The training center staff acquire AML/CFT expertise and can share this knowledge with the INI universities.

Currently, TMCs have gained considerable experience in coordinating the national INI member universities on the International Financial Security Olympiad organizational issues, including its national stages. We believe that the positive experience of this cooperation will contribute to the AML/CFT training system development.

To ensure efficient and prompt interaction between TMCs, it is advisable to establish a transnational association. This could be TMC Association.

The initiative to set up TMC Association was generated and supported at the 36th EAG Plenary.

When developing an approach to the establishment of TMC Association, one can take into consideration the experience of ITMCFM, which has been providing joint INI educational and research activities for more than 10 years.

Taking into account the INI functions and objectives, TMC Association is a consortium and/or joint activities of existing and/or newly established TMCs or their structural units. These functions are performed to strengthen human resource capacity and build AML/CFT professional community.

Therefore, both existing and newly established TMCs of AML/CFT partner countries may join the Association under an agreement on cooperation and joint activities.

The TMC Association establishment will contribute to the following deliverables:

- consolidation of efforts for conducting AML/CFT personnel training, retraining and professional development training courses;
- carrying out research in priority areas of AML/CFT educational, scientific and practical development;
- creation of a multilateral format for providing mutual technical assistance;
- prompt addressing organizational issues concerning the International Financial Security Olympiad;
- talented youth support during the inter-Olympiad period, in particular through using “Sodruzhestvo” international scientific and educational platform, being created nowadays, taking into account national interests of the countries represented in the association.

Therefore, the Association's objectives should include communication of best practices and knowledge to the INI member universities and dissemination of expertise to the professional AML community.

The promising areas of joint activities by the members of the TMC Association are the following:

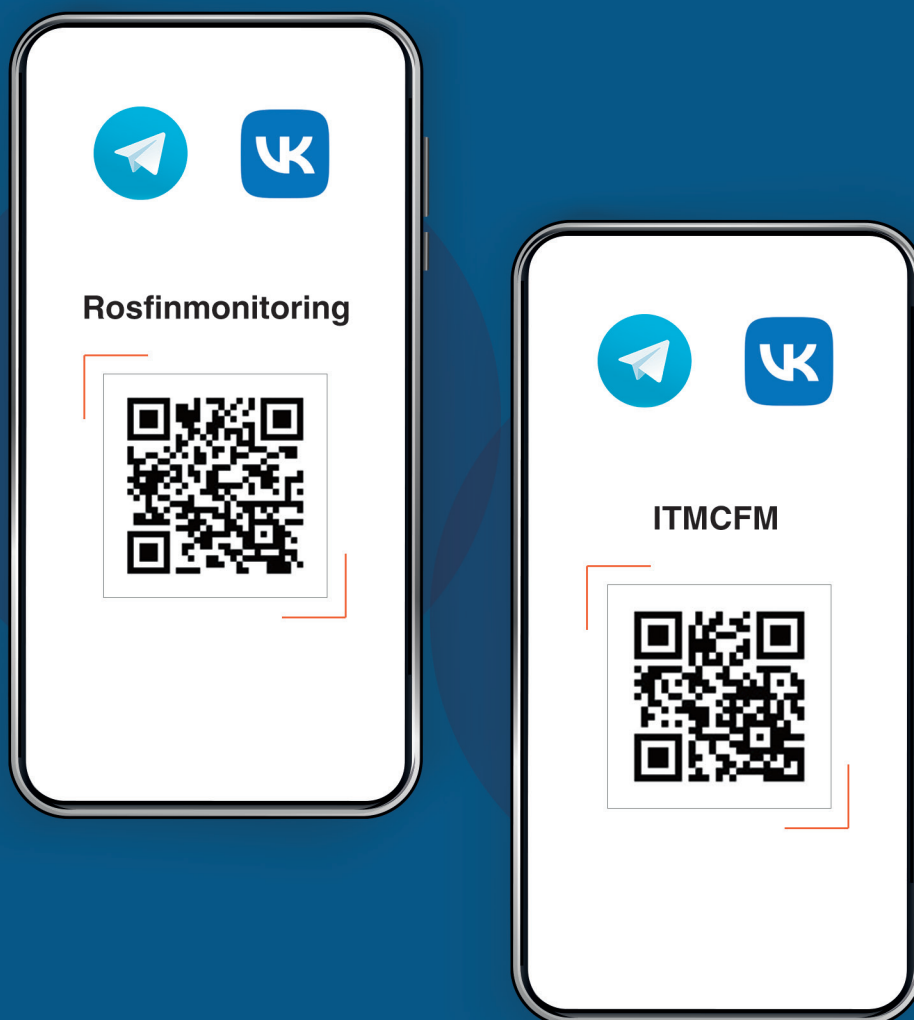
- cooperation among the training and research organizations - participants of the INI;
- organization of INI training and methodology, informational and analytical activities in cooperation with the training and research organizations - participants of the INI;
- cooperation with AML/CFT scientists and experts, research, educational and international organization;
- research and comparison of the systems used by the EAG member-states to control and assess quality of AML/CFT training;
- assistance in the development and enhancement of cooperation between educational and research institutions of the EAG member-states;
- elaborating joint recommendations to coordinate efforts of the EAG member-states in the development of AML/CFT training using digital technologies;
- studying, summarizing and disseminating AML/CFT best practices and training issues;
- AML/CFT personnel training, retraining and professional development courses by exchanging experts, teachers, training programs and manuals etc.;
- sharing innovative digital education technologies;
- joint preparation, publication and dissemination of AML/CFT scientific, educational, methodological, informational, analytical and other materials;
- providing technical assistance to national AML systems in the development of AML/CFT draft regulatory legal acts, intergovernmental programs and training guidelines; conducting expert assessments of draft regulatory legal acts, recommendations and programs; advisory support in the area of AML/CFT training; preparation of relevant documents (conclusions, recommendations etc.);
- joint activities for the development of EAG TMCs personnel competencies in the field of digital learning technologies;
- Creating conditions and opportunities for the personal, spiritual and professional development of AML/CFT staff.

Thus, the creation of the TMC Association will lead to successful cross-country cooperation. It will also contribute to the effectiveness of national AML systems through the formation of common goals and unified information field for experience and resource sharing, staff training system improvement and AML/CFT professional and educational space development in the EAG member-states.

The use of modern digital tools will facilitate these processes.



## Rosfinmonitoring and ITMCFM in Telegram and VKontakte



### **Publisher**

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