



SECURITY

*First Chairman
of the Eurasian Group
on Combating Money
Laundering and
Financing of Terrorism*

**VICTOR
ZUBKOV:**

*"Thanks to the EAG efforts,
institutional and legal frameworks for
national AML/CFT systems, in line
with international standards, have
now been established in all member
states of the Group"*





YURY CHIKHANCHIN

Chairman of the Eurasian Group on Combating Money Laundering and Financing of Terrorism, Chairman of the Editorial Board



DEAR READERS,

This issue of the *Financial Security* journal marks the 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG).

The EAG, being one of the FATF-style regional bodies, consists of nine member states: Belarus, India, Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan. The EAG plays an important role in addressing international terrorism threats and ensuring the transparency, safety, and integrity of countries' financial systems, while further integrating them into the international framework against money laundering, terrorist financing, and proliferation financing.

In the past two decades, as part of the FATF Global Network, the EAG has made tremendous progress, overcoming numerous challenges and obtaining tangible outcomes in strengthening the region's financial security.

EAG member states have adopted basic AML/CFT laws, forming the foundation for their national AML/CFT systems. Designated authorities, i.e. financial intelligence units, as well as interagency cooperation systems are now in place throughout EAG countries. These accomplishments would not have been possible without the Eurasian Group's key partner, the FATF.

The second round of mutual evaluations, completed in 2024, showed that the EAG has the best results among the FATF-style regional groups in a number of aspects. Maintaining and enhancing these results in the upcoming round is a top priority for the Group.

We take pride in our unified front in the fight against transnational organized crime, money laundering, and terrorist financing. Together, we have developed and implemented effective cooperation tools, from meetings of financial intelligence officers to events involving law enforcement and supervisory authorities, private sector representatives, and parliamentarians. The International Compliance Council, the Supervisory Forum, and the Forum of Parliamentarians successfully operate within the EAG. The AML/CFT Forum and the Prosecutors' Forum were launched as well.

The EAG has become a reputable international platform for discussing topical issues and developing common solutions to mitigate money

laundering and terrorist financing risks in the region.

The Group has also provided significant technical assistance to help member states prepare for the next round of mutual evaluations and improve their national anti-money laundering systems. Our coordinated approach to technical assistance has resulted in greater effectiveness and quality in support provided by our development partners.

The EAG maintains active communication with the FATF Secretariat, other FATF-style regional bodies, relevant UN committees, and other international organizations, while continuously contributing to the development of global standards and recommendations. Today, we reaffirm our commitment to common goals and our resolve to foster and expand international cooperation.

Let the EAG 20th anniversary be a proud milestone for its members, paving the way for new accomplishments. I am confident that only by working together can we secure financial stability and a safer future for our countries.

Dear readers, this new issue of *Financial Security* covers exclusive interviews and articles by representatives of EAG member states, observer countries and organizations, as well as leading experts. We are delighted to present this edition to you!



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THE EURASIAN GROUP ON COMBATING MONEY LAUNDERING AND FINANCING OF TERRORISM



THE EURASIAN GROUP ON COMBATING MONEY LAUNDERING AND FINANCING OF TERRORISM IS AN FATF-STYLE REGIONAL BODY. THE EAG WAS ESTABLISHED IN 2004 AND IS CURRENTLY AN ASSOCIATE MEMBER OF THE FATF.

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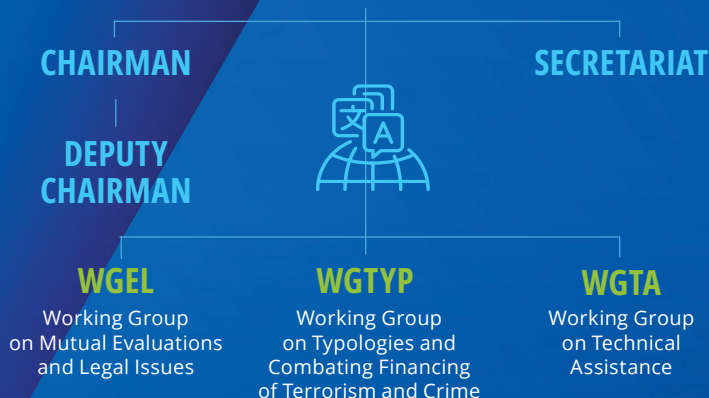
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EURASIAN
COUNTRIES ARE
EAG MEMBERS
TODAY

BELARUS, CHINA,
INDIA, KAZAKHSTAN,
KYRGYZSTAN,
RUSSIA, TAJIKISTAN,
TURKMENISTAN,
UZBEKISTAN

THE PRIMARY GOAL OF THE EAG

is to improve conditions to protect financial systems and economies of the Member States from the threats of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction in accordance with the FATF International Standards on Combatting Money Laundering and the Financing of Terrorism and Proliferation and other successor provisions, as well as other measures, aimed at combating money laundering, the financing of terrorism and proliferation, taken by other international organizations to which the Member States are party, and to provide effective interaction and cooperation at the regional level.

PLENARY MEETING





THE EAG WAS CREATED FOR THE COUNTRIES

OF THE EURASIAN REGION,

not included in the existing FATF-style regional groups and is intended to play an important role in reducing the threat of international terrorism and ensure the transparency, reliability and security of the financial systems of states and their further integration into the international infrastructure for combating money laundering and terrorism financing (AML/CFT). The creation of the group coincided with the launch of efforts to create conditions for the formation and development of effective anti-money-laundering systems in the region.

The initiative to establish the EAG was first announced by the Russian Federation at the Plenary Meeting of the FATF in October 2003. In February 2004 the issue was addressed at an international meeting on the Cooperation of CIS Member States in Combating Money Laundering and Terrorist Financing with the participation of the CIS countries and China, as well as several international organizations.



THE MAIN TASKS OF THE EAG:

- assisting the Member States in implementing the FATF Standards;
- elaborating and conducting joint activities, implementing best practices aimed at the development of systems for combating money laundering, the financing of terrorism and proliferation;
- implementing a program of mutual evaluations of the Member States based on the FATF Standards, including assessment of the effectiveness of legislative and other measures adopted in the sphere of combating money laundering, the financing of terrorism and proliferation efforts;
- coordinating international cooperation and technical assistance programs with specialized international organizations, bodies, and interested states;
- analyzing money laundering, the financing of terrorism and proliferation typologies, risks and trends; sharing experience, and developing measures of combating such crimes in the context of the Member States.

KEY PRIORITIES OF THE CHAIRMANSHIP IN 2024 – 2025

1

PREPARING FOR AND CONDUCTING THE 3RD ROUND OF EAG MUTUAL EVALUATIONS.

Enhancement of the effectiveness of national AML/CFT/CPF systems of the EAG member states through further implementation of the FATF Standards. Increasing the level of interaction of the EAG Secretariat as a unified tool in ensuring coordination of technical assistance with member states, donors and providers with application of the automated module on the EAG website (EAG STACS).

2

STRENGTHENING THE COOPERATION WITH FATF AND FATF-STYLE REGIONAL BODIES (FSRBS) AND RELEVANT INTERNATIONAL ORGANISATIONS.

Increased interaction of EAG with participants of the global network.

3

COUNTERING THE USE OF VIRTUAL ASSETS FOR CRIMINAL PURPOSES.

Strengthening work on combating ML/TF/PF using virtual assets.

4

IMPROVING MECHANISMS FOR SHARING INFORMATION ON ML/TF RISKS BETWEEN GOVERNMENT AGENCIES AND THE PRIVATE SECTOR.

Formation of a model of financial behaviour of criminals, exchange of best practices on digitalisation of supervisory activities and sectoral risk assessment.

5

RAISING AWARENESS OF THE ACTIVITIES OF TERRORIST GROUPS IN THE REGION, THE WAYS AND METHODS THEY USE TO FINANCE THEIR ACTIVITIES, TAKING INTO ACCOUNT THE DEVELOPMENT OF MODERN PAYMENT INSTRUMENTS.

Research the main ways and means of financing terrorist groups in the region.

6

FORMATION OF COORDINATED APPROACHES TO EDUCATIONAL ACTIVITIES AND INFORMATION COVERAGE OF AML/CFT EVENTS IN THE EURASIAN REGION.

Development of educational programs, including within the framework of the International Financial Security Olympiad. Creation of an association of financial intelligence press services.

MESSAGE FROM THE FATF PRESIDENT ELISA DE ANDA MADRAZO



- Support proposals to enhance cooperation and collaboration between the FATF and the FSRB Secretariats and its members.

These efforts are aligned with the 2022 Strategic Vision for the Global Network, which progress was discussed recently in the Annual High-Level Meeting of the FATF President and the Chairs of all FSRBs in the last Plenary meeting in Singapore. I participated in this meeting as incoming President and noted that an important outcome of this meeting was the agreement on three Global Network priorities for the coming year:

- increase FSRBs' voice and participation in FATF work
- prepare for the new round of mutual evaluations, and
- strengthen AML/CFT expertise at regional level.

The 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) is an important milestone. As members of the Global Network, the FATF and the nine FATF-style Regional Bodies (FSRBs) share a common goal in combating money laundering and the financing of terrorism and proliferation (AML/CFT/CPF), and in fostering effective AML/CFT/CPF systems. Your work contributes to this common goal in your region and also to global efforts. I celebrate the two decades of EAG's work.

Mexico holds the FATF Presidency from 1 July 2024 to 30 June 2026. One of my priorities as the FATF President is to maintain

and reinforce cooperation and collaboration between FATF and FSRBs, and strengthen cohesiveness as we transition to the new round of mutual evaluations. In moving forward with this work, my Presidency will be guided by the principle of inclusiveness and will cover, amongst others, the following streams of work:

- Increase attention and consideration to the challenges met by low-capacity countries in implementing the FATF Standards and identifying solutions for these;
- Strengthen FATF's partnership with observers to mobilise new assessment resources, strengthen policy traction, and better target capacity development across the Global Network; and

I look forward to continue engaging with EAG throughout my tenure on these priorities and on our shared goal of preventing and combating AML/CFT/CPF.

VIKTOR ZUBKOV: **THE ONLY WAY TO COUNTER EMERGING RISKS IS THROUGH COLLECTIVE ACTION AND THE CONSOLIDATION OF AML/CFT EFFORTS IN THE EURASIAN REGION COUNTRIES**



In this issue of the Financial Security journal, we speak with Viktor Zubkov, the First Chair of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). Mr. Zubkov shares with us insights into the EAG establishment and how the idea to create this international organization had become reality, its first achievements, and complex negotiations on the path to international recognition. He also provides his vision of the future development of the EAG in this exclusive interview

Mr. Zubkov, the initiative to establish the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) was first announced by Russia at the Financial Action Task Force (FATF) plenary meeting back in 2003. How do you recollect the period of the EAG's establishment?

Indeed, the idea to create the EAG was put forward more than 20 years ago. Together with our partners, we accomplished a tremendous amount of work in a relatively short period, so that in February 2004, this issue was already on the agenda at an international meeting on

cooperation among CIS countries in combating money laundering and the financing of terrorism. Participants included post-Soviet nations, China, and representatives of international organizations.

The initiative was endorsed by the Council of the CIS Ministers of Foreign Affairs and soon, on October 6, 2004, the inaugural conference took place. It was attended by six co-founder countries: Belarus, China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. Later the group was joined by India, Turkmenistan, and Uzbekistan.

This initiative prompted national anti-money laundering systems to align with FATF recommendations. The formation of the EAG facilitated the unification of efforts to mitigate terrorism risks, enhance the transparency, reliability, and security of financial systems, and integrate the region's countries into the global AML/CFT framework. Within this new structure, technical assistance has been provided to the EAG member states to help them establish robust national AML/CFT systems.

Since its formation date, the EAG has established relations with the FATF, regional representative offices of the World Bank and the International Monetary Fund, as well as other international and regional organizations interested in cooperation.

The EAG establishment period is mostly remembered for the group's swift progress in three key areas: mutual evaluations of national AML/CFT systems of the EAG member states, typological studies of criminal schemes related to money laundering and the financing of terrorism, and the provision of technical assistance to the EAG member states, including staff training. The importance of information exchange and cooperation among financial intelligence units was also quickly recognized.

Thanks to the EAG efforts, institutional and legal frameworks for national AML/CFT systems, in line with international standards, have now been established in all member states of the Group.

It is important to note that the Agreement on the Eurasian Group on Combating Money Laundering and Financing of Terrorism was signed in Moscow in 2011. This Agreement establishes the EAG's status as an inter-governmental organization based on the principles of equal

participation by all member states in its activities.

In accordance with the Agreement, the EAG's main objective is to ensure efficient interaction and cooperation at the regional level and integration of its member states into the international system of countering money laundering and the financing of terrorism in compliance with the FATF Recommendations and AML/CFT standards of other international organizations in which the EAG member states participate.

« THANKS TO THE EAG EFFORTS, INSTITUTIONAL AND LEGAL FRAMEWORKS FOR NATIONAL AML/CFT SYSTEMS, IN LINE WITH INTERNATIONAL STANDARDS, HAVE NOW BEEN ESTABLISHED IN ALL MEMBER STATES OF THE GROUP

In your opinion, what was the necessity for establishing the EAG in the early 21st century, and why is its work still relevant today?

The formation of the EAG was driven by the fact that countries in the Eurasian region were not part of existing FATF-style regional bodies. The Group formation coincided with the stage of formation and development of national systems for countering money laundering and the financing of terrorism in the Eurasian region. At that time, these countries sought to enhance security, ensure transparency and reliability of national financial systems, and develop effective approaches to address the most pressing AML/CFT challenges.

The necessity for the EAG stemmed from the urgent need to accelerate the development and enactment of specialized legislation, establish national financial intelligence units (FIUs), and expand the region's capacity for international cooperation in the AML/CFT field.

Furthermore, technical assistance was required for the EAG member states to develop their national AML/CFT systems. This included training and professional development of relevant specialists, as well as the provision of technical and software support for FIUs.

The EAG formation became a step towards closer cooperation between the region's countries. The regional group enabled the local countries to unite their efforts in combating transnational organized crime,

terrorism and extremism, illicit drug trafficking, corruption, and other regional and global challenges.

At the current stage, the EAG activities are more important than ever, as the risks of money laundering and the financing of terrorism have grown more complex, aggressive, and transnational in scope.

In this regard, it should be noted that the results of the first round of ML/TF risk assessments in the Eurasian region were approved at the EAG Plenary Meeting in 2022. This project aims to provide governmental authorities and businesses with a comprehensive understanding of cross-border ML/TF risks, allowing for the development of national AML/CFT systems capable of implementing timely and effective risk mitigation measures.

The new risks can only be countered through collective action, the consolidation of efforts, and the strengthening of national AML/CFT systems across the region. In

my opinion, the EAG remains an invaluable platform for addressing these critical issues.

What were the first significant achievements of the EAG? When did you first recognize its effectiveness in the global AML/CFT system?

One of the EAG's earliest and most significant accomplishments was the preparation and execution of the first mutual evaluations of member states' AML/CFT systems, conducted in 2007-2008. These evaluations were conducted at a high level and included detailed action plans for improving national anti-money laundering frameworks. The EAG member states used them as the basis for further improvement of the dedicated sphere at the internal track. Even then, the EAG managed to integrate into the global AML/CFT system quite quickly and find its place within it, despite its young age.

Starting February 2005, the EAG was assigned observer status in the FATF and by June 2010, it had become an associate member. This allowed all EAG member states, even those without FATF membership, to actively participate in FATF activities on behalf of the EAG as early as 2011.

In 2010, the EAG received observer status with the Asia/Pacific Group on Money Laundering (APG), and in 2011, with the Middle East and North Africa Financial Action Task Force (MENAFATF). Taking into account the development of financial and economic relations between the regions, the growing rapport between regional bodies facilitated coordination of efforts in combating common threats and risks.

One of the EAG's priority tasks in the Eurasian region is to foster cooperation with organizations whose competence includes issues of regional integration and security. The Commonwealth

of Independent States (CIS), the Collective Security Treaty Organization (CSTO), the Shanghai Cooperation Organization (SCO), and the Eurasian Economic Union (EAEU) noticeably stand out among them.

We must note the experience of the EAG states participation in the anti-drug operation entitled "Channel" conducted under the auspices of CSTO that demonstrated FIUs' ability to effectively identify and disrupt channels of funds generated by illicit drug trafficking, significantly enhancing the region's counternarcotics efforts.

In your opinion, how should international cooperation within the scope of regional bodies develop?

I believe the cooperation among FATF-style regional bodies (FSRBs) should be developed in several directions. Primarily, it is the improvement of coordination and interaction among the FSRBs by sharing best practices and experience in the anti-money laundering sphere, which will make it possible to ensure a more unified approach to countering money laundering and the financing of terrorism. The next important aspect is holding of educational events, such as training sessions and joint seminars, aimed at enhancing the qualifications of FIU, law enforcement agencies, and other stakeholders' personnel. Engagement of the private sector representatives in cooperation in the AML/CFT sphere is just as important.


Taking into account the international nature and modern caliber of ML/TF that pose a global threat

to international security, a crucial component here is fostering collaboration and knowledge exchange on typology studies between FSRBs, including through joint typology seminars.

Understanding the sources and mechanisms of laundering money obtained in a criminal way and used for terrorism financing, both in the EAG countries and other FSRBs regions, is essential to developing and introducing efficient monitoring tools for law enforcement agencies and supervisory authorities.

In compliance with the EAG Agreement, one of the Group's key objectives is to analyze typologies, risks, and trends in the sphere of money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. The exchange of experience and development of countermeasures, tailored to the specific needs of each member state, are also paramount. Typology studies, which are prioritized at the EAG Plenary Meeting, are critical in this regard.

Among FATF-style regional bodies, the EAG was one of the first to start optimization of the performed typological studies and their combining. A decision was made to categorize existing reports into three groups: those that could be combined into a single document; those needing updates; and those requiring revisions. It is suggested to publish a selection of the EAG typological studies in a printed or electronic form, as a result of the conducted optimization efforts, and to circulate it among governmental bodies of the EAG member states.

 **THE NECESSITY FOR THE EAG STEMMED FROM THE URGENT NEED TO ACCELERATE THE DEVELOPMENT AND ENACTMENT OF SPECIALIZED LEGISLATION, ESTABLISH NATIONAL FINANCIAL INTELLIGENCE UNITS (FIUS), AND EXPAND THE REGION'S CAPACITY FOR INTERNATIONAL COOPERATION IN THE AML/CFT FIELD**

Mr. Zubkov, you mentioned earlier that personnel training was a foundational component of the EAG's development from the very beginning. How was this work organized, and how has it evolved?

As early as one year after the EAG formation, the International Training and Methodology Centre for Financial Monitoring (ITMCFM) was established by Decree of the Government of the Russian Federation. The Federal Financial Monitoring Service was designated as the founder of this organization, ensuring the Centre's operations followed standard procedures. Initially the Centre's activities focused on supporting Russia's involvement in the EAG initiatives.

The ITMCFM's core responsibilities included holding of educational seminars for the EAG countries, participating in the organization of the Group's international events, and producing scientific and research materials on AML/CFT topics.

In 2011, the relevant Decree of the Government of the Russian Federation expanded the Centre's mandate to support Russia's participation not only in the activities of the EAG but also in those of the FATF, FSRBs, Egmont Group, Council of Heads of Financial Intelligence Units of the CIS Member States, and other AML/CFT-related international bodies. It also took on the responsibility of coordinating the educational and research institutions involved in the International Network AML/CFT Institute (INI).

The adoption of new international AML/CFT standards and beginning of the next round of mutual evaluations necessitated the training of experts, as well as representatives from both government and private sectors, to participate in these evaluations. This led to the ITMCFM being recognized as a central organization for AML/CFT education for the CIS member states.



One of the ITMCFM's key priorities is providing technical assistance to the EAG member states in development of the national AML/CFT systems by sharing knowledge and expertise to strengthen their institutional and human resources capacities in countering money laundering and the financing of terrorism. The ITMCFM is one of the leading donors to the implementation of the EAG project plans for technical assistance.

You mentioned the International Network AML/CFT Institute. What role does it play in the system of training specialists in the anti-money laundering sphere for the EAG countries?

The International Network AML/CFT Institute is a modern scientific and educational consortium combining universities and scientific and educational centers across the Eurasian region, including Belarus,

China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan.

Currently the International Network AML/CFT Institute comprises over 50 educational institutions with an approximately even balance between Russian and foreign participants. Each INI-affiliated institution has established dedicated departments, training centers, or sub-departments specifically focused on preparing specialists for the AML/CFT system.

The ITMCFM coordinates activities of the International Network AML/CFT Institute, facilitating communication and collaboration among its members.

The International Network AML/CFT Institute is the first educational association created with the explicit purpose of training professionals for national AML/CFT systems through a comprehensive academic curriculum.

This includes courses in IT, law, economics, finance, and foreign affairs, offering a full educational cycle from undergraduate to postgraduate levels.

The system developed by the INI is unique in many ways, introducing new professions, specialized disciplines, and practical training opportunities. It offers a multi-level training program, including bachelor's, specialist's, master's, and postgraduate degrees, covering various fields of study such as law, economics, IT, and foreign affairs.

The organization has made significant progress since its formation. Looking ahead, what potential growth areas do you see for the EAG?

The issues of developing the national anti-money laundering systems in the face of new challenges and threats remain in the foreground of the Eurasian Group's attention.

Enhancing the effectiveness of these systems in the EAG member states not only strengthens their ability to combat money laundering and terrorist financing but also contributes to broader economic growth and sustainable development. Improved AML/CFT systems can lead to a reduction in crime, including corruption-related offenses, a decrease in the shadow economy, the creation of a more favorable environment for legal businesses in private sector, and enhanced financial sector governance.

Enhanced efficiency of EAG countries' AML/CFT systems is facilitated by mutual evaluations of their compliance with international standards, which

« AS THE LARGEST FSRB IN TERMS OF BOTH LAND AREA AND POPULATION, THE EAG REMAINS OPEN TO NEW MEMBERS AND OBSERVERS. IT IS ONLY THROUGH COLLECTIVE EFFORTS THAT WE WILL CONTINUE TO ACHIEVE OUTSTANDING RESULTS IN THE DEVELOPMENT OF NATIONAL AML/CFT SYSTEMS AND THE FATF GLOBAL NETWORK

is, on the one hand, one of the key objectives of the EAG and, on the other hand, the crucial mechanism of the systems' development and evolution, including that in the course of mitigation of the deficiencies detected during the mutual evaluations and based on the results of such mitigation.

The substantial role here belongs to technical assistance in the field of FIUs development and improvement of national AML/CFT regimes in the EAG member states. Technical assistance is a set of measures aimed at transfer of experience and best practices in the AML/CFT sphere in order to create conditions for the fullest possible integration of the national anti-money laundering systems to the global AML/CFT system.

The EAG has prioritized the implementation of staff training projects in member states, which is a vital element in enhancing the capabilities of national AML/CFT systems.

The EAG also works closely with international organizations, stakeholders, and countries to coordinate technical assistance programs. In 2021, the "Rules on Coordination of the Technical Assistance provided to the EAG Member States" were adopted to

streamline these efforts, providing a clear framework for cooperation and outlining the roles of all participants involved in the process.

As the largest FSRB in terms of both land area and population, the EAG remains open to new members and observers. It is only through collective efforts that we will continue to achieve outstanding results in the development of national AML/CFT systems and the FATF Global Network.

What would you like to wish the organization and the EAG member states on this anniversary date?

I wish the member states of the Eurasian Group a fruitful work on continued success in achieving their goals and objectives, resulting in significant accomplishments in the fight against money laundering and terrorist financing. I also hope for enhanced cooperation with international partners. Additionally, I wish successfully upgrade technical assistance mechanisms, which are crucial for the further development of national AML/CFT systems, improvements in risk detection and assessment, increased expert capacity, and strengthened collaboration within the EAG framework.

ROLE OF THE EURASIAN GROUP IN ENSURING TRANSPARENCY AND SECURITY OF THE GLOBAL FINANCIAL SYSTEM



> SERGEY TETERUKOV

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

At present, the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) plays a pivotal role in ensuring transparency, stability, and security of the financial systems of Belarus, China, India, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan. The EAG facilitates its members further integration into the international infrastructure of Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF)

In the light of strategic goals and objectives, the efforts of all EAG bodies are consistently following a single plan. The focus is on preparing member states for a new round of mutual evaluations, providing and coordinating technical assistance in the implementation of the FATF Standards, as well as identifying, assessing, and mitigating profile risks.

Since its establishment in October 2004 as a FATF-style regional body, the EAG has enabled member states to consolidate their national AML/CFT/CPF capacities, primarily based on FATF Recommendations. Over the past two decades, the EAG has achieved significant progress in combating money laundering and terrorist financing.

One of the key achievements of the EAG was the adoption of anti-money laundering frameworks in member states, laying the foundation for national AML/CFT/CPF systems, as well as the establishment of authorized bodies represented by financial intelligence units (FIUs) and fostering interagency cooperation systems. These accomplishments would not have been possible without the EAG's key partnership with the FATF.

Another milestone was the successful removal of EAG member states from the FATF "grey list" and the transition from enhanced to standard monitoring following the outcomes of the first round of mutual evaluations. The second round of mutual evaluations further demonstrated

that the EAG ranks among the best FATF-style regional bodies in several respects. Maintaining and improving these results in the upcoming third round of mutual evaluations is the EAG's top priority.

These accomplishments are largely attributable to the systematic analysis of money laundering and terrorist financing typologies. Over fifty studies conducted by the EAG facilitated the first regional ML/TF risk assessment from 2020 to 2022. The Risk Mitigation Plan, approved in November 2022, enabled to take some practical steps. In particular, in order to reduce the risks of criminals using money laundering schemes based on court decisions on the recovery of funds, relevant criteria and recommendations for identifying suspicious debt collection lawsuits and judgments have been developed and approved. The EAG continues its work on establishing the typology register a secure tool for exchanging legal assistance information, and a mechanism for sharing information on compromised crypto wallets among competent authorities.

The EAG's efforts to ensure compliance of national legislations to FATF Standards and to increase the effectiveness of the AML/CFT/CPF systems in member states strengthen not only their national anti-money laundering regimes, but the entire Group as well. Implemented projects, such as risk-based approach to supervision, risk-based oversight of NPOs and financial investigation guidelines, have a practical impact on the level of financial security throughout the region. The EAG offers diverse and comprehensive tools. In addition to the traditional elements of mutual evaluations, it includes typologies and research, expert and methodological support through technical assistance (TA) in improving national anti-money

laundering systems and their specific areas, and training activities.

These initiatives result from collaboration with key development partners. Initially focused on sporadic TA, the EAG has now transitioned to deeper engagement with its partners. A critical component of the EAG's innovative approach to TA is the Single Technical Assistance Coordination Information System (STACS), developed with the support of the Eurasian Development Bank. This system aims to improve the quality and efficiency of assistance provided to member states.



**OUR PRIMARY OBJECTIVE IS TO KEEP PROGRESSING
IN STRENGTHENING THE NATIONAL ANTI-MONEY
LAUNDERING FRAMEWORKS ACROSS MEMBER STATES AND
ENSURING TRANSPARENCY AND SECURITY OF FINANCIAL SYSTEMS
IN THESE COUNTRIES AND THE ENTIRE REGION**

To enhance the effectiveness of TA through timely response to requests, to facilitate member states' preparation for the third round of mutual evaluations, and to implement thematic projects, the EAG approved regulations for using the STACS. Populating the STACS database continues, including with national TA plans from Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

The EAG's successes are due in large part to the support of the FATF and its Global Network of observers and development partners, including Russia's International Training and Methodology Centre for Financial Monitoring (ITMCFM), the Organization for Security and Cooperation in Europe (OSCE), the United Nations Office on Drugs and Crime (UNODC), the United Nations Office of Counter-Terrorism (UNOCT), the Council of Europe, the International Monetary Fund,

the World Bank, the Egmont Centre of FIU Excellence and Leadership (ECOFEL), the European Union, and both the Eurasian Development Bank (EDB) and the Asian Development Bank (ADB). These partners provide support in staff training and professional development, sharing of experience and experts exchange, material and technical support.

As an integral part of the FATF Global Network, the EAG contributes valuable expertise. The EAG also actively collaborates with FATF-style regional bodies, sharing experiences in mutual evaluations

and implemented projects. Currently, proposals are under consideration for joint projects with Middle East and North Africa Financial Action Task Force (MENAFATF) and Asia/Pacific Group on Money Laundering (APG), for example, to jointly conduct an interregional risk assessment, building on our experience in implementing a similar project at the regional level.

The EAG is steadily expanding its partnerships with competent organizations in the Eurasian region, including the Shanghai Cooperation Organization (SOC), the Collective Security Treaty Organization (CSTO), the Eurasian Economic Commission (ECE), the Anti-Terrorism Center (ATC), the CIS Executive Committee, the Council of Heads of Financial Intelligence Units (CHFIUs), the Organization for Security and Cooperation in Europe (OSCE), Interpol, and others.

As the EAG evolves, the form of collaboration between member states has expanded beyond FIU meetings to include events involving law enforcement agencies, supervisory authorities, the private sector, and parliamentarians. As part of the initiative to increase the EAG's engagement with member states the Parliamentarians' Forum is now organized at the high level. The EAG regularly holds a contest for the best financial analysis by banks' compliance departments intended to facilitate sharing of experience and best practices in financial monitoring and the promotion of public and private partnerships. The Group is preparing to host the first Prosecutors' Forum.

A key focus of the EAG is increasing financial awareness and enhancing financial security among youth. Member states are actively participating in the International Financial Security Movement, particularly through events like the International Olympiad on Financial Security, organized by the Federal Financial Monitoring Service in collaboration with national and international partners, and the International Forum on Financial Security. Experts from member states and the EAG Secretariat representatives engage directly with schoolchildren and students, organizing thematic workshops to raise awareness about financial security.

Another area of focus for the EAG is the development of a unified approach to presenting information on the national AML/CFT/CPF efforts in the region. Particularly, FIU Media Service Association of member states was established to enhance

collaboration between FIUs in the media space, enhance a common information space, and raise global awareness of the EAG's activities.

In conclusion, I should note that at the present stage of the 2024–2028 Strategy implementation and following the priorities of the Russian chairmanship, the EAG is conducting systemic work for the progressive development of national AML/CFT systems of its member states. This work incorporates the latest FATF Standards and relies on an objective assessment of money laundering and terrorist financing risks, safeguarding the financial security of the Eurasian region.

The EAG has achieved significant success at both regional and international levels, consolidating its front row position in the FATF Global Network. These accomplishments are undoubtedly the result of well-coordinated efforts among the delegations, the Secretariat, the working groups, and the relevant ministries and agencies of its member states.

As the EAG celebrates its 20th anniversary with well-grounded ambition, it remains committed to full compliance with international AML/CFT/CPF standards and to fulfilling its obligations. The Group continues to strengthen its engagement with the FATF and other FATF-style regional bodies, observers, and development partners. Our primary objective is to keep progressing in strengthening the national anti-money laundering frameworks across member states and ensuring transparency and security of financial systems in these countries and the entire region.

THE EAG'S KEY AREAS OF FOCUS INCLUDE:

- Providing timely technical assistance to member states in addressing deficiencies in national anti-money laundering systems identified during the second round of mutual evaluations and reflected in relevant plans, and ensuring full readiness for the third round of mutual evaluations;
- Enhancing coordination and cooperation with the FATF and FATF-style regional bodies;
- Intensifying efforts to counter the misuse of virtual assets, illicit financial transfers abroad, and drug trafficking and related financial flows;
- Strengthening measures to combat terrorist financing;
- Combating the laundering of the proceeds from corruption, "grey" schemes and other cross-border criminal activities;
- Training AML/CFT specialists;
- Fostering Public-Private Partnerships.

In addition, the EAG seeks to involve all stakeholders in national anti-money laundering systems of its member states, i.e. representatives of all branches of power, political bodies, and private sector.



20 YEARS OF EAG

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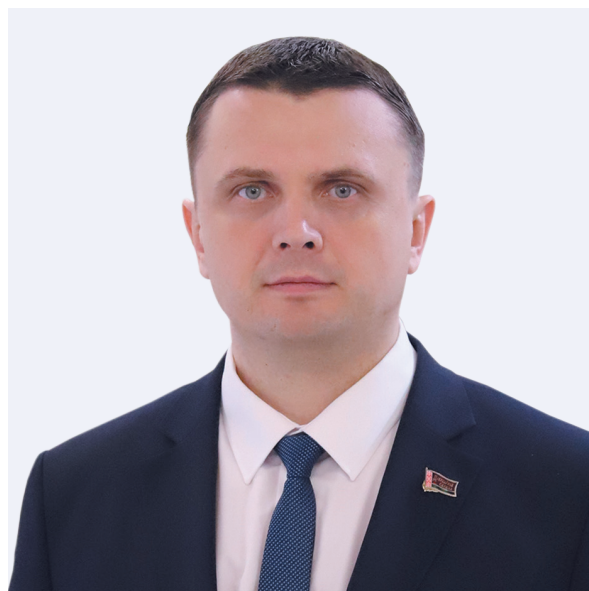
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ALL EAG MEMBER STATES ARE INTEGRATED INTO THE GLOBAL ANTI-MONEY LAUNDERING SYSTEM



Participation in the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) allows Belarus's Financial Intelligence Unit (FIU) to exchange best practices and receive technical assistance, said Dmitry Zakharov. In an exclusive interview with Financial Security Journal, Mr. Zakharov explained how the joint efforts of EAG member states on international platforms have helped mitigate the risks of money laundering and terrorist financing in the region

DMITRY ZAKHAROV

Director of the Financial Monitoring Department of the State Control Committee of the Republic of Belarus

– Belarus was one of the founding states of the EAG. Mr. Zakharov, what is your view on the Group's role in the development of the anti-money laundering system of Belarus?

The EAG was founded on October 6, 2004, and we are particularly pleased that Belarus was one of the six founding members of this regional group.

The importance of the EAG as a FATF-style regional body cannot be overstated. The biggest positive impact of its work is integration of

all participants, including Belarus, into the global AML system. Jointly, we learn and implement the FATF standards, improve our legislation to enhance the national anti-money laundering and countering the financing of terrorism system, and conduct mutual evaluations.

Belarus has been successfully passing mutual evaluations of its anti-money laundering system. Based on the 2019 MER results, the country has deserved the standard monitoring. Belarusian specialists have also demonstrated a high degree of

understanding of FATF requirements. A number of specialists from the Financial Monitoring Department and Financial Investigation Department of the State Control Committee, the General Prosecutor's Office, the National Bank, and the Ministry of Internal Affairs serve as expert evaluators and are qualified to conduct evaluations of the anti-money laundering systems of the EAG member states. This undoubtedly contributes to the reputation of our country on the global stage.

Belarus also benefits from obtaining technical assistance through the EAG, particularly in the form of training and the exchange of experience and best practices in key areas such as parallel financial investigations, FIU operations, supervisory oversight, and engagement with both financial and non-financial institutions, including virtual asset service providers.

Typological studies of money laundering and terrorist financing crimes have been particularly valuable for strengthening Belarus's AML/CFT framework.

– How has cooperation between Belarus's FIU and those of other EAG countries evolved? What are the current priorities?

The EAG evolves as a forum for implementing a wide range of initiatives. Since 2022, the EAG has been holding the Forum of Parliamentarians to enhance high-level communication among member states. This Forum has been held three times to date, and Belarusian parliamentarians and anti-money laundering specialists have taken an

active part in the event. In November this year, the Forum of Prosecutors was held for the first time in Minsk under the auspices of the EAG and the CIS Coordination Council of Prosecutors General (CCPG).

Another key area is information exchange in support of international financial investigations. Obtaining operational financial intelligence from foreign FIUs is critical in the AML process.

This way, we receive relevant data that enable Belarusian law enforcement agencies to identify and investigate the most complex schemes that involve not only traditional money but also new instruments, such as virtual assets.

– Advanced technology is increasingly used in crimes across the world. How does Belarus's FIU address these challenges, and what technological solutions do you employ?

Belarus has taken the approach of regulating the turnover of virtual assets. In 2017, the country established a legal framework

governing the rights and obligations of both individuals and legal entities involved in virtual assets, as well as operators of crypto platforms and exchanges. Business activities in this sector are permitted exclusively within the High Technology Park (a special regulatory sandbox) and only for entities with resident status.

The Secretariat of the Supervisory Board of the High Technology Park set strict entry criteria for residents engaged in virtual asset operations. One of such requirements is the mandatory use of blockchain analytics software developed by reputable fintech companies.

In collaboration with law enforcement agencies, Belarus's Financial Monitoring Department can identify individuals committing crimes with the use of virtual assets. Our success in this area is largely due to professional training and the extensive use of specialized software, some of which we acquired with technical assistance from the Federal Financial Monitoring Service of Russia.



– Terrorism, extremism, and their financing continue to pose global threats. What mechanisms does the financial intelligence unit of Belarus employ to counter these threats? Does the work on CISCH FIUs and SCO's RATS platforms contribute to the efficiency of these activities?

Extremism, with terrorism as its ultimate manifestation, is an absolute threat to the entire world.

As a financial monitoring body, the FMD possess extensive financial intelligence and access to advanced information technology tools, many of which we have developed in collaboration with the Federal Financial Monitoring Service of Russia. These tools enable us to track financial flows and identify the individuals behind them.

The International Money Laundering and Terrorist Financing Risk Assessment Center (IRAC) plays a crucial role in combating the financing of terrorism. The IRAC was founded in October 2023 by CIS member states, creating a secure information space for joint research and access to unique data sources. Through the IRAC information system, Belarus's Financial Monitoring Department now has access to technologies tailored specifically to the needs of FIUs.

On July 4, 2024, Belarus officially joined the Shanghai Cooperation Organization. The SCO Charter includes a commitment to combat terrorism, separatism, and extremism in all their forms, as well as drug and arms trafficking and other transnational crimes. We are confident that cooperation between integration structures such as the SCO's Regional Anti-Terrorist Structure, the CIS Anti-Terrorist Center, the Council of Heads of Financial Intelligence Units of the CIS Member States, and the EAG will lead to the development of pan-regional approaches to countering these threats. Financial Monitoring Department of the State Control Committee of the Republic of Belarus has also signed AML/CFT cooperation agreements with counterparts in virtually all SCO members.

– One of the key areas of cooperation in the Eurasian region is training specialists for national AML/CFT systems. Does the FIU of Belarus take part in this process? How do you develop ties with member universities of the International Network AML/CFT Institute?

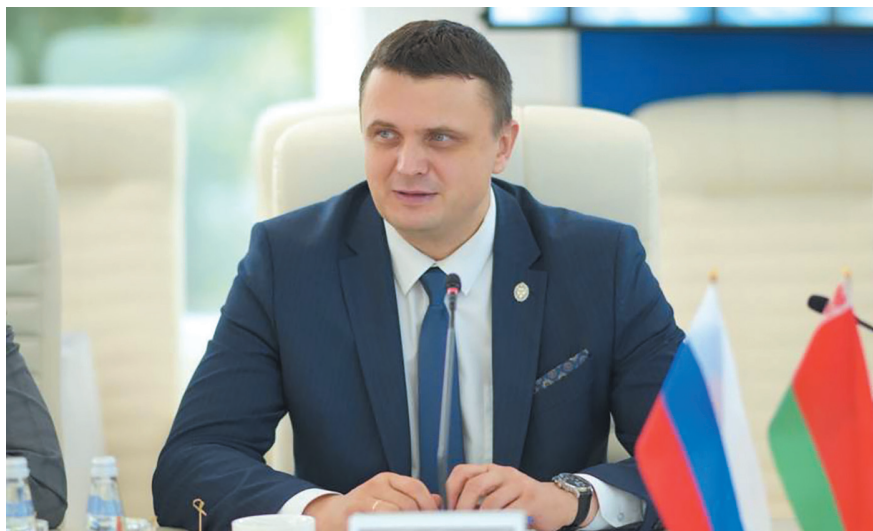
More than 20 years ago, at the inception of both the Financial Monitoring Department and the EAG, there was a shortage of AML/CFT specialists and a lack of educational programs in this field. Over the past

two decades, the Eurasian region has made remarkable progress in AML/CFT education and training.

**IN COLLABORATION
WITH LAW
ENFORCEMENT AGENCIES,
BELARUS'S FINANCIAL
MONITORING DEPARTMENT
CAN IDENTIFY INDIVIDUALS
COMMITTING CRIMES WITH
THE USE OF VIRTUAL ASSETS.
OUR SUCCESS IN THIS
AREA IS LARGELY DUE
TO PROFESSIONAL TRAINING
AND THE EXTENSIVE USE
OF SPECIALIZED SOFTWARE,
SOME OF WHICH WE
ACQUIRED WITH TECHNICAL
ASSISTANCE FROM THE
FEDERAL FINANCIAL
MONITORING SERVICE OF
RUSSIA**

First of all, we acknowledge the immense contributions of the International Training and Methodology Centre for Financial Monitoring (ITMCFM). About 15 or 20 years ago, it would have been unimaginable to regularly train a broad spectrum of experts from the private sector, supervisory authorities, law enforcement agencies, and judicial bodies across the EAG member states. Today, videoconferencing has become a common and effective method for training and meetings on a wide variety of AML/CFT topics, greatly enhancing our personnel's expertise.

The ITMCFM is not only a basic educational organization in CIS, but also a leading donor of technical





assistance for the entire Eurasian region. Moreover, the ITMCFM is expanding its reach.

The International Network AML/CFT Institute (INI), established in 2013, now unites more than 50 educational and scientific organizations across the Eurasian region, including three Belarusian universities. The INI engages younger generations by providing education in modern and high-demand professions, pioneering ways of promoting anti-money laundering agenda.

The INI implements and supports large-scale international events, such as the International Olympiad on Financial Security, which unites millions of high school and university students from around the world. Belarusian students consistently perform well, contributing their knowledge to the country's AML/CFT human resources.

This year, the Olympiad has transformed into the International Financial Security Movement, the founding conference of which was held on September 17.

– Are there any projects in Belarus aimed at enhancing financial security and financial awareness among young people?

Of course, Belarus does not stand aside from the rapidly evolving processes in the financial sector and works on raising public financial literacy in using diverse financial instruments and awareness of associated risks. This includes focused efforts on educating young people. For instance, we organize an annual Financial Literacy Week for children and youth, covering topics such as personal finance planning and strategies for using financial instruments without being deceived by scammers or involved in criminal schemes.

Belarus also operates the Unified Financial Literacy Portal, which provides a wide range of information for everyone to improve their financial literacy.

At the same time, interest among young people in Belarus in the International Olympiad on Financial Security continues to grow, with

increasing numbers of juniors eager to test themselves in such a topical endeavor.

The range of participants expands through the variety of contest tracks, which allow for demonstrating their knowledge and learn new things about using financial instruments.

When the Olympiad was held for the first time, many people were cautious about participating in the event, whereas today we see an increasing number of those who want to contribute to the initiative.

I am convinced that young people involved in initiatives like this will shape the future development of our countries and, in particular, of our financial systems. By providing such platforms for discussion, we encourage young patriots to contribute to the important process of building independent and strong states!



VIVEK AGGARWAL
Head of Indian Delegation to EAG

On behalf of the Indian delegation, I extend warm greetings on the 20th anniversary of the Eurasian Group on Countering Money Laundering and Terrorist Financing (EAG). This milestone marks two decades of collective efforts to combat financial crimes and ensure global security.

Since its inception in 2004, EAG has played a pivotal role in strengthening the Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) framework in the Eurasian region. Our organization's dedication has significantly enhanced regional cooperation, information sharing, and capacity building.

EAG's efforts have far-reaching impacts such as improved regulatory frameworks, enhanced financial

EAG serves as a vital bridge for India to Central Asia, fostering cooperation and information sharing among member states

transparency, strengthened law enforcement cooperation and effective asset recovery. EAG's work extends beyond regional boundaries, contributing significantly to global AML/CFT efforts. EAG's collaboration with international organizations like the Financial Action Task Force (FATF) and the Asia-Pacific Group (APG) has fostered a unified response to financial crimes.

EAG also offers a unique opportunity for Russia, India, and China to engage in trilateral cooperation, promoting regional stability and security. By sharing best practices and expertise, these nations can better address common challenges in combating financial crimes.

India joined the Eurasian Group (EAG) in 2009, five years after its inception in 2004. As a member, India plays a crucial role in combating money laundering and terrorist financing in the Eurasian region. In the recently concluded joint FATF and EAG evaluation, India has been placed in the regular follow up, which enhances the efforts of regional countries in tackling ML/TF risks. The MER also appreciates some of the advanced tools developed by India for countering ML and TF

risks. This places India in a position where it can support its peers in their efforts to counter ML and TF risks in the Eurasian region. Further, India will continue to provide experts assistance to its peers to free the Eurasian region of illicit finance.

EAG serves as a vital bridge for India to Central Asia, fostering cooperation and information sharing among member states. In addition, EAG provides a platform for India to collaborate with Central Asian countries, Russia, and China to combat financial crimes. India also benefits from EAG's expertise in developing and enforcing anti-money laundering (AML) and combating the financing of terrorism (CFT) laws.

India reaffirms its commitment to EAG's objectives and looks forward to continued collaboration. Together, we can overcome emerging challenges like digital asset abuse, fintech risks, and cross-border illicit financial flows.

Congratulations on this remarkable achievement. Here's to many more years of shared success in safeguarding financial integrity!



This year marks the 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). Throughout its existence, the EAG has operated on principles of equality and mutual interest, serving as a platform for a constructive dialogue for the benefit of our countries



➤ ZHANAT ELIMANOV
Chairman of the Financial
Monitoring Agency of the Republic
of Kazakhstan

The EAG holds a special place in the international system of specialized staff training. It has enhanced the effectiveness of efforts to combat shared threats in the anti-money laundering (AML) domain, from illicit cash flows and fraudulent schemes to transnational crime.

The rise of digital assets has added new challenges to this fight. The scope of their use for criminal purposes grows from day to day. Cryptocurrencies have already formed a parallel financial system.

The Financial Monitoring Agency (FMA) is actively working to curb illegal activities involving digital assets through three key areas of focus:

- 1) Illegal cryptocurrency mining;
- 2) Unlawful cryptocurrency exchanges;

- 3) Illicit operations involving digital assets.

Specialized departments dealing with cryptocurrency-related crimes have been formed. The practice of seizing crypto assets in the course of investigations has been established.

As a result, since the beginning of the year:

- Nine cases involving illegal cryptocurrency mining have been registered, leading to the confiscation of nearly 4,000 pieces of mining equipment.
- Nineteen cryptocurrency exchanges, with a turnover exceeding \$60 million, have been closed. Digital assets worth \$1.2 million have been frozen.
- More than 5.5 thousand illegal, unlicensed online exchanges have been blocked.

Currently, the registration of banking cards to front men remains a significant concern regarding money laundering and the financing of terrorism.

In collaboration with the authorized bodies, the FMA continues to strengthen defenses against these fraudulent activities.

The accounts of over 700 individuals and 6 thousand money mule cards used in drug trafficking have been blocked.

At the same time, the FMA takes systemic measures to address risks associated with the terrorist financing (TF).

First. A number of non-residents, suspected of being complicit in terrorist activities, have been identified. Some of them held Kazakhstani banking cards. Their accounts have been blocked. Law enforcement agencies are currently conducting investigations.

Second. Based on the analysis of the TF List, foreign citizens convicted for terrorism in Kazakhstan have been identified.

Relevant information regarding these individuals has been shared with foreign financial intelligence units (FIUs).

Third. Suspicious transactions related to terrorist financing have been reported to foreign FIUs.

For instance, a Telegram channel managed by an individual "M," who is on the TF List and internationally wanted, was uncovered.

With the assistance of foreign counterparts, we successfully identified his foreign bank accounts and terminated his illegal fundraising activities.

We believe that the above risks are not unique to Kazakhstan but are common across many nations. Therefore, we are now strengthening our cooperation with EAG partners to confront these threats collectively.

It is of great importance to continue furthering information exchange and raising the level of interaction across all key areas to safeguard our common interests together and contribute to global financial security.

We believe that only through close cooperation among all EAG member states we can effectively combat money laundering and disrupt channels of terrorist financing.



PEOPLE'S REPUBLIC
OF CHINA



> HU HANNING

Counsellor at the Embassy
of the People's Republic of China
in the Russian Federation in the
Russian Federation

Half a month ago, I represented the Chinese Embassy in Russia at the final stage of the 5th International Olympiad on Financial Security, co-organized in Sochi by the Ministry of Science and Higher Education of the Russian Federation and the Federal Financial Monitoring Service. I was deeply impressed by the high level of organization by the Russian side and enthralling speeches of participants representing different countries.

This year marks the 20th anniversary of the Eurasian Group on Combating

This year marks the 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism. Financial security is an important part of national security and a pillar of stable and healthy economic development

Money Laundering and Financing of Terrorism. Financial security is an important part of national security and a pillar of stable and healthy economic development. The International Olympiad on Financial Security organized by Russia is crucial in raising awareness of financial crimes and assisting young people in making their career choices. China has repeatedly sent its participants to the competition. This year, about 600 schoolchildren and students from 36 countries including China took part in the event. They competed and exchanged experience with participants from other countries. This promoted mutual understanding and friendship.

This year marks the 75th anniversary of diplomatic relations between China and Russia. Under the strategic leadership of the two heads of state, the comprehensive strategic partnership and cooperation between

China and Russia has been maintained at a high level. Practical cooperation in the financial sphere has overcome various external influences and continues to develop in a positive direction. The BRICS leaders' summit will be held in Kazan at the end of this month. China highly appreciates the significant contribution of the Russian chairmanship and will continue to provide comprehensive support to all its endeavors. We are ready to cooperate with our partners to ensure the success of the summit, as well as to make joint efforts to create a mutually beneficial, safe and stable financial environment for global economic development. Let me sincerely wish the International Olympiad on Financial Security further prosperity and new successes with the active support of the Russian side!



KYRGYZ REPUBLIC



KANAT ASANGULOV

Chairman of the
State Financial Intelligence Service
under the Ministry of Finance of the
Kyrgyz Republic

**Dear Heads of Delegations of the
EAG Member States and Observers!
Dear Team of the EAG Secretariat!
Dear Colleagues and Friends!**

On behalf of the Financial Intelligence Unit of the Kyrgyz Republic, and on a personal level, I congratulate the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) on its 20th anniversary!

Having come a long way from the initial stage to the maturity of our regional group, consistently adhering to international standards in the field of combating money laundering and terrorist financing (AML/CFT), we have achieved significant progress in

The EAG has evolved into a powerful international organization and a reliable platform that unites us in our efforts to build and strengthen regional financial security, while fostering the development and integration of national financial systems

strengthening the financial security of our countries.

Recognizing the vital role of a robust financial system in national development, the EAG, over the past twenty years, has become a symbol of consistency and unity, successfully implementing important AML/CFT mechanisms across the region.

The EAG has contributed to crucial decisions intended for advancements in national AML/CFT systems. The international cooperation among EAG member states and observers is growing stronger each year. Our collective achievements deserve the highest recognition due to the effective implementation of EAG decisions.

The EAG has evolved into a powerful international organization and a reliable platform that unites us in our efforts to build and strengthen regional financial security, while fostering the development and integration of national financial systems.

I would like to acknowledge the significant role of the EAG Secretariat in developing and enhancing national AML/CFT systems, including mutual evaluation of EAG member states. The progress achieved in this area has become a key factor for developing timely solutions to address emerging challenges and threats.

Over these 20 years, we have faced and overcome complex challenges together. The Financial Intelligence Unit of the Kyrgyz Republic is proud and happy to celebrate the 20th anniversary of the EAG, recognizing the Group vital contributions to AML/CFT efforts in the region.

The Kyrgyz Republic is committed to the ideals, goals, and principles of the EAG and will continue to make every effort to promote mutually beneficial cooperation among its member states.

I wish continued prosperity and new achievements to all EAG member states, observers, and the EAG Secretariat as we strive toward our shared goals!



SERGEY LAVROV

Russian Federation Minister of Foreign Affairs



**TO YURY CHIKHANCHIN, CHAIRMAN OF THE EURASIAN GROUP ON
COMBATING MONEY LAUNDERING AND FINANCING OF TERRORISM,
DIRECTOR OF THE FEDERAL FINANCIAL MONITORING SERVICE**

Dear Mr. Chikhanchin,

I extend my congratulations on the significant milestone of the 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG).

Russia was among the founding members of the EAG, bringing together nations in a collective effort to combat the common threats of money laundering, the financing of terrorism, extremism, and other illicit activities. I am pleased to note that over the past years, the EAG has evolved into a leading platform for AML/CFT cooperation across the Eurasian region.

There is a demand in other regions for EAG's quality expertise and experience in fostering non-politicized interaction, as we are clearly witnessing growing interest in the Group's work from countries across Asia, Africa, the Middle East, and Latin America.

I wish you, the EAG Secretariat, and all partners of the Group further achievements in enhancing financial security throughout the Eurasian region.

S. LAVROV
October 6th, 2024



REPUBLIC OF TAJIKISTAN



KHALIM MIRZOALIEV

Director of the Financial Monitoring Department under the National Bank of Tajikistan

Money laundering, extremism, terrorism, and their financing pose a tremendous threat to financial systems and national security, especially in Eurasian countries.

The Republic of Tajikistan, along with states in the region, is adopting and implementing institutional and comprehensive measures to prevent, identify, address, and combat instances of extremism, terrorism, and related crimes.

Countries are guided by international standards outlined in the Financial Action Task Force (FATF) Recommendations when implementing Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF) mechanisms.

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

EAG establishment contributed to the enhancement of the national AML/CFT/CPF systems across the region

a FATF-style regional body, was a timely decision by the heads of member states. It has significantly contributed to the enhancement of the national AML/CFT/CPF systems across the region.

Tajikistan's membership in the EAG, along with the creation of its national Financial Intelligence Unit (FIU) — the Financial Monitoring Department under the National Bank of Tajikistan — has been instrumental in building effective national and international cooperation mechanisms.

Effective interagency cooperation, facilitated by the Permanent Interagency AML/CFT/CPF Commission, enabled an adequate phased implementation of the FATF Recommendations.

The Compliance Council, an advisory body, was established to coordinate the efforts of the AML/CFT/CPF body, state regulatory and supervisory authorities, and reporting entities. This body also fosters the sharing of best practices and promotes partnership in the fight against financial crime.

As part of international cooperation, Tajikistan's FIU has signed 20 bilateral agreements with foreign FIUs to facilitate the development of the AML/CFT/CPF system and create a solid basis for mutually beneficial partnerships.

A key milestone in Tajikistan's progress has been the mutual

evaluation of its AML/CFT/CPF system. Following the publication of the Mutual Evaluation Report, Tajikistan initiated remedial measures to address the identified gaps.

In order to align the Tajikistan's AML/CFT/CPF system with the FATF Recommendations, the EAG facilitated the development of a technical assistance project plan, supported by donor contributions to ensure effective implementation.

We are pleased to report that the second round of mutual evaluations (according to Tajikistan's progress report) showed progress in addressing technical compliance weaknesses identified earlier. EAG meetings have confirmed that significant progress has been achieved.

To further strengthen its legal framework and legislation in anti-money laundering and countering terrorist and proliferation financing, combating terrorism, extremism, drug trafficking, corruption, and other crimes, Tajikistan has adopted and is implementing the following programs:

- 1) National Concept on Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing for 2018-2025;
- 2) National Drug Control Strategy of the Republic Tajikistan for 2021-2030;
- 3) Strategy on Countering Extremism and Terrorism in the Republic Tajikistan for 2021-2025;

20 YEARS OF EAG

- 4) National Program on Combating Crime in the Republic Tajikistan for 2021-2030;
- 5) National Anti-Corruption Strategy in the Republic Tajikistan until 2030.

The above programs resulted in a synergized cooperation between all

branches of state power, with active involvement from local executive bodies.

We are confident that ongoing cooperation with the EAG will continue to drive progress in enhancing Tajikistan's national AML/CFT/CPF system.

On behalf of the Financial Monitoring Department under the National Bank of Tajikistan, and personally, I warmly congratulate the EAG team on its 20th anniversary.

Wishing you continued success, new achievements, and fulfillment of your goals.



TURKMENISTAN

This year marks the 20th anniversary of the EAG. Over this time, the EAG has established itself as one of the leading and most efficient bodies in the FATF, playing a critical role in addressing threats and challenges to global security



DOVRAN HALBAYEV
Chairman of the Financial Monitoring Service under the Ministry of Finance and Economy of Turkmenistan



GALINA ROMANOVA
Head of the State Finance and Economic Policy Department of Ministry of Finance and Economy of Turkmenistan

This year marks the 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). Over this time, the EAG has established itself as one of the leading and most efficient bodies in the Financial Action Task Force (FATF), playing a critical role in addressing threats and challenges to global security.

Since its inception in 2004, the EAG member states have undertaken

substantial efforts to build institutional frameworks aimed at preventing and mitigating the risks posed by transnational organized crime, cybercrime and terrorism, and proliferation of weapons of mass destruction. In 2011, the EAG evolved into an international organization and became a recognized partner of numerous international institutions, including the United Nations.

One of the EAG's central goals is the promotion of effective

cooperation and coordination at the regional level, as well as the integration of its member states into the global anti-money laundering and counter-terrorism financing (AML/CFT) frameworks. This goes in line with the FATF Recommendations, international conventions, relevant United Nations Security Council resolutions, and agreements among the EAG member states. Through the practical implementation of these objectives, member countries have made significant progress

in developing their national AML regimes, while simultaneously fostering sustainable economic growth across the Eurasian region.

Turkmenistan's national AML/CFT/CPF system began its development with the adoption of the Law on Anti-Money Laundering and Countering the Financing of Terrorism in 2009, followed by the establishment of a financial intelligence unit of an administrative type – the Financial Monitoring Directorate within the Ministry of Finance of Turkmenistan – in 2010. In 2018, by presidential decree, this unit was restructured as the Financial Monitoring Service under the Ministry of Finance and Economy of Turkmenistan.

In December 2009, Turkmenistan joined the EAG as the FATF-style regional body in the capacity of an observer and on June 2, 2010, our country became a full member of the EAG.

The global AML/CFT/CPF system continues to evolve, with the EAG consistently introducing new practices and initiatives aimed at effectively applying the risk-based approach and preventing the threats of money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction that are rising worldwide.

Over the past twenty years, all EAG member states have completed two rounds of mutual evaluations to confirm the compliance of their national AML/CFT/CPF systems with international standards and requirements, including those

concerning implementation of activities aimed to improve their national regimes. The EAG has now embarked on its third round of mutual evaluations.

The EAG Strategy for 2024-2028, approved at the 39th Plenary Meeting of the EAG, outlines key objectives for further strengthening the economic and financial security frameworks of member states. These, naturally, include further strengthening of the national AML/CFT/CPF systems with strict adherence to the FATF Standards, improving compliance levels of their anti-money laundering systems with the FATF Standards through upgraded rendering of technical assistance and its coordination, and bolstering the human resource capacity of all participants of the national AML/CFT/CPF systems. Additional priorities include ensuring a successful completion of the third round of mutual evaluations, fostering deeper cooperation within the Group, expanding collaboration with observers and other members of the FATF Global Network on AML/CFT/CPF, and strengthening coordination with the FATF and other FATF-style regional bodies.

To improve the coordination of technical assistance, boost the effectiveness of national AML systems, and elevate the professional capacity of human resources, the EAG has launched the Single Technical Assistance Coordination Information System (STACS) on its website. This platform is accessible to the EAG Secretariat, all member states, and development partners, and aims to

streamline the implementation of technical assistance projects.

All above-listed systemic measures, taken collectively by the EAG and its member states in collaboration with the international community, facilitate the overarching goal of ensuring peace and security across the globe.

The 20th anniversary of the EAG provides a good opportunity to appreciate the considerable contributions made by both the EAG Secretariat and all EAG member states to the global security system, particularly in combating 21st-century threats such as money laundering, cybercrime, drug trafficking, international terrorism, human trafficking, proliferation financing, as well as other emerging activities that mutate and evolve into new threats to global peace and security.

The Ministry of Finance and Economy of Turkmenistan, along with its Financial Monitoring Service, extends sincere congratulations to the EAG Secretariat, all EAG member states, as well as observer nations on this date which is important to all of us. We would like to wish all of us new victories in countering money laundering, the financing of terrorism, and proliferation financing. May we all find new opportunities, capabilities, and resources to meet the challenges of ensuring the security of our national economies and the world at large, while strengthening cooperation within the Eurasian Group.



REPUBLIC OF UZBEKISTAN



➤ SHAMSIDDIN SOHIBNAZAROV

Deputy Prosecutor-General of the Republic of Uzbekistan, Head of the Department for Combating Economic Crimes under the Office of the Prosecutor General of the Republic of Uzbekistan, EAG Deputy Chairman

I would like to extend my warmest congratulations on the 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG).

The EAG successfully follows a course for development, leveraging its well-earned global repute.

In today's world, we are increasingly aware of each member country's unwavering commitment to shared goals, such as reducing the shadow economy and ensuring the region's overall economic stability.

It is encouraging to note that all member countries are actively engaged in the Eurasian Group's activities. This is the key measure for developing national systems of our group members and enhancing international cooperation in general.

Over the course of its operations, the EAG has undergone a period of rapid progress, firmly establishing itself as an essential player within the FATF Global Network. Member countries have shown the solidity of their legal frameworks and mechanisms in the field of Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF)

Over the course of its operations, the EAG has undergone a period of rapid progress, firmly establishing itself as an essential player within the FATF Global Network. Member countries have shown the solidity of their legal frameworks and mechanisms in the field of Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF), as evidenced by two rounds of mutual evaluations. The fact that EAG members are not on the current FATF Lists attests also to the efficacy of their law enforcement practices.

I would like to take this opportunity to express my sincere gratitude to the assessment teams and the EAG Secretariat for their quality contribution into Uzbekistan's mutual evaluation report, as well as for the recommendations provided.

Following the 38th EAG Plenary Meeting in June last year, Uzbekistan successfully transitioned from enhanced to standard monitoring, reflecting its significant advancements in technical compliance.

In March of last year, the Organization for Security and Cooperation in Europe (OSCE) and the EAG

Secretariat hosted a Donor and Provider Conference in Tashkent to implement the Technical Assistance Plan for the Republic of Uzbekistan.

In particular, I would like to thank the EAG Secretariat for coordinating this technical assistance delivery to EAG member states and express my appreciation to the donors and providers who made valuable contributions to the development of AML/CFT/CPF systems in EAG member states, including the International Training and Methodology Centre for Financial Monitoring (ITMCFM), OSCE, the United Nations Office on Drugs and Crime (UNODC), the World Bank, Regional Dialogue, the Egmont Centre of FIU Excellence and Leadership (ECOFEL), and the Council of Europe, among others.

Dear colleagues, last year was pivotal in defining the EAG's strategic priorities, which helped approve the Strategy for the next five years.

To achieve the primary objective of this Strategy, preparations are underway for the third round of mutual evaluations, which will require a significant investment of resources and extra efforts on the part of the Group to ensure the evaluations are



of the highest quality and fully aligned with the latest developments in the Financial Action Task Force (FATF) Standards.

In this regard, I must highlight the Group's focus on the training of qualified AML/CFT/CPF assessors, both at the national and international levels. To this end, it has organized a number of training seminars across its member states.

This is undeniably the result of member states' and the Secretariat's well-coordinated and effective efforts in this area.

We are delighted that the Eurasian Group's first training event for the upcoming round of mutual evaluations was successfully organized and held in Tashkent in August 2024.

Overall, Uzbekistan's national system has performed well throughout the past year. In particular, the second evaluation of national money laundering and terrorist financing (ML/TF) risks and the first evaluation of national proliferation financing (PF) risks have been conducted with the support of the Russian Federation's financial intelligence unit, and comprehensive follow-up measures are being implemented to mitigate the identified risks.

It is also worth noting the successful integration of modern information technologies into the national financial intelligence unit's activities, such as the development of software solutions to automate the process of collecting, processing, ranking, and analyzing incoming information in the field of AML/CFT/CPF.

These innovations facilitate online a prompt information exchange among all actors of the national anti-money laundering framework.

Dear friends, the progress we have achieved is an invaluable result of the collaborative efforts of all EAG member states, as well as our Secretariat's excellent coordination.

Seizing the opportunity, I would like to wish all of our friends and colleagues a tireless energy in anti-criminal cooperation, as well as a successful completion of the next round of mutual evaluations and the attainment of our collective goals.

At first-hand: the EAG as seen by the Secretariat

DZMITRY VARABYOU, SENIOR AML/CFT/CPF COUNSELLOR OF THE EAG SECRETARIAT

I have been with the EAG Secretariat since February 2020, starting as an Administrator (AML/CFT/CPF Counselor). This was my first experience working in an international organization. Prior to that, I worked in law enforcement agencies of the Republic of Belarus. What immediately impressed me was the Secretariat's well-coordinated team, with each member deeply committed to and invested in the organization's goals.

During my time at the EAG, I have had the privilege of working with two key groups: the Working Group on Typologies and Combating Financing of Terrorism and Crime (WGTYP) and the Working Group on Technical Assistance (WGTA). I am proud to have contributed to several impactful projects, including the Methodological Guidelines on Organising and Conducting Financial Investigations in the field of AML/CFT, Recommendations on the Identification of Claims for Recovery of Funds Used for Money Laundering Purposes, regional risk assessments, and the mutual evaluations of the Republic of Kazakhstan, Turkmenistan, and the Republic of Uzbekistan.

The Secretariat activities are truly multifaceted. Apart from document drafting, it includes participation in EAG mutual evaluations, the implementation of typological studies, coordination of technical assistance to member states, holding seminars and trainings, participation in FATF Global Network events, and many others. In addition to its technical and advisory roles, the Secretariat also serves as the EAG's representative body within the scope of its competence.

All the above imposes a significant responsibility on the staff. The Secretariat's high level of expertise and extensive experience enable us to tackle complex tasks, coordinate and implement large-scale projects, ensure that mutual evaluation reports meet FATF quality and compliance standards, and maintain close contacts with member states and international organizations at diplomatic level. The outcomes of joint activities within EAG countries are

highly appreciated by member states and applied by their respective authorities.

In recent years, thanks to staff initiatives, the Secretariat has made substantial progress in automating its processes, improving overall performance, and providing more effective assistance to member states.

On the occasion of the EAG's 20th anniversary, I would like to extend my warmest congratulations to my colleagues, all heads and representatives of delegations, as well as the former employees of the Secretariat. Each of us, individually and collectively, has contributed to making the EAG a globally respected organization, upholding and developing traditions of mutual respect and cooperation, as we overcome challenges and work towards establishing efficient national AML/CFT/CPF systems in compliance with the FATF Standards.

I would like to wish everyone further successes in combating money laundering and terrorist financing, new gains and achievements, implementation of the most ambitious ideas in their professional activities for the purposes of supporting and strengthening the friendly ties within the EAG family.

MIKHAIL KOLINCHENKO, AML/CFT/CPF COUNSELLOR OF THE EAG SECRETARIAT

As the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) celebrates its 20th anniversary, we reflect on the substantial progress made over these two decades. Through the joint efforts of member states, observers, and the Secretariat, we have gone a long road, overcoming multiple obstacles and achieving substantial results in strengthening regional and global financial security.

As a FATF-Style Regional Body, the EAG holds a solid position within the Global Network, actively participating in the activities of the FATF and other FATF-Style Regional Bodies (FSRBs). It also maintains strong relationships with international and regional organizations, as well as international financial institutions.



The EAG employs a wide range of multilateral tools to achieve its objectives. They include various evaluations, research and scientific studies, along with expert and methodological support to member states. This support is delivered through technical assistance projects aimed at enhancing national AML/CFT systems and their specific sectors, as well as through various training initiatives.

The typological research focus area, in which I am directly involved at the Secretariat, serves a dual purpose. On the one hand, it provides a tool for assessing the performance of national systems, offering an objective insight into regional risks, and on the other hand, it helps develop effective measures to mitigate these risks.

I would like to extend my best wishes to all delegations for continued progress, new joint achievements, as well as success during the next round of mutual evaluations! I am convinced that the projects implemented by the EAG will make a substantial contribution to the ongoing fight against crime at the regional level, thereby enhancing global financial security!

NAZERKE ZHAMPEIS, **SENIOR AML/CFT/CPF COUNSELLOR** **OF THE EAG SECRETARIAT**

The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) is an associate member of the Financial Action Task Force (FATF). This unique position enables it actively contribute to shaping global AML/CFT policy. The EAG Secretariat plays a crucial role in this process by facilitating decision-making within the FATF Global Network, while taking into account the specific features and needs of its member states, as well as the current situation in the Eurasian region.

Over the 20 years of its operation, the EAG has conducted two rounds of mutual evaluations of the national AML/CFT systems of its member states, including not only primary evaluation but also follow-up monitoring. In total, the EAG has produced about 18 mutual evaluation reports and 60 follow-up reports. As a result of these efforts, several EAG member countries have achieved high positions in international ratings, with some placing in the top 10 globally in terms of technical compliance with the FATF standards.

The EAG's success can be attributed to its comprehensive and coordinated approach, which includes identifying



regional money laundering and terrorist financing (ML/TF) risks, implementing mitigation measures, coordinating technical assistance, and engaging the private sector in its activities. New initiatives, such as the International Compliance Council and the EAG Competition among Financial Institutions have further strengthened cooperation not only with government authorities but also with financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs).

In recent years, the EAG has taken an active part in the revision of international AML/CFT standards, acting as a member of the FATF project teams. The EAG has also participated in evaluation and monitoring activities within the Global Network, acting as assessors and official reviewers of mutual evaluation reports for both the FATF and other regional groups. This experience has enhanced the quality of the EAG's own reports and allowed the organization to share best practices from the Global Network with its member states.

Next year, the EAG will embark on its third round of mutual evaluations. Preparations are already underway, including the drafting and approval of the relevant regulatory documents, consultations with member states on the latest amendments to standards and procedures, as well as assessors' training. In this anniversary year, I would like to extend my best wishes to all member states for continued prosperity, global recognition, and the successful completion of this new round of evaluations, demonstrating that our region possesses some of the best AML/CFT systems in the world, built on the knowledge and experience we have gained over the years!

SOAT RASULOV, **AML/CFT/CPF COUNSELLOR** **OF THE EAG SECRETARIAT**

The 20th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) provides an opportune moment to reflect on the accomplishments and objectives achieved over the years.

The enhanced performance of national AML/CFT systems has been in many ways achieved through the efforts of those public authorities, which are in charge of supervising, regulating, and monitoring activities of financial and non-financial institutions.

In fact, the accuracy of the information collected by the latter on suspicious and dubious transactions, being the



basis for the operational analysis conducted by financial intelligence units, depends directly on the degree to which entities understand the risks and fulfill their AML/CFT obligations.

Effective allocation of regulatory resources, along with the automation of certain processes to analyze reports of supervised entities, to revise their risk profiles, and to assess sectoral ML/TF risks, make it possible to build reliable safeguards against criminal proceeds flowing into the financial systems of EAG member states.

I would like to mention that these processes have benefited much from various EAG forums, such as the International Compliance Council, the Supervisory Forum, the Contact Group for expertise sharing on the use of IT solutions in the AML/CFT sphere, and the EAG Annual Contest for the best financial analysis held among compliance departments of financial institutions.

On this anniversary, and as we approach the upcoming round of EAG mutual evaluations, I extend my best wishes for continued success to all public authorities and self-regulatory organizations of EAG member and observer states that supervise, regulate, or monitor the activities of financial institutions and designated non-financial businesses and professions.

STANISLAV SMOLYAR,

AML/CFT/CPF COUNSELLOR OF THE EAG SECRETARIAT

I am probably among those few members of the vast Eurasian Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) family who remember the establishment of our regional group, which has since evolved into a recognized intergovernmental organization. At that time, I worked in the International Cooperation Department of the Federal Financial Monitoring Service and was in charge of all organizational aspects of the International Conference on Countering Terrorist Financing as well as the EAG Founding Conference held on October 5-6, 2004, at the President Hotel in Moscow.

During those eventful days, our eyes lit up with enthusiasm and new hopes as we brainstormed new ideas, familiarized ourselves with the then-unknown abbreviation "EAG," and forged lasting, trustworthy relationships. Most importantly, we were co-creators of a project which was of utmost importance for our countries. It would take too much place to name here



all of my colleagues who contributed to this challenging endeavor, but please be assured that I remember each one of them. Reflecting on those October days fills me with great warmth.

It is only now, 20 years later, that we can fully appreciate the wisdom and foresight of the founding fathers of the Eurasian Group, who, under the leadership of the Russian Federation, united our countries in pursuit of a shared goal!

Since then, the Group has expanded to include three new states, with 16 countries and 24 international organizations granted observer status. The EAG's role and authority in the FATF Global Network have been steadily growing throughout the years, and the outcomes of the EAG's activities are self-evident.

The Secretariat staff, of which I have had the honor to be a member for almost five years, has also evolved. Today, it comprises highly qualified professionals, world-class experts, and dedicated individuals from Belarus, Kazakhstan, Russia, Tajikistan, and Uzbekistan. Each team member brings valuable insights, and some of them have become my close friends. Our team is headed by the talented and strict chief – Sergey Teterukov, whose leadership ensures we effectively address the challenges facing the organization while upholding the traditions established by our renowned predecessors.

I would like to take this opportunity to warmly congratulate Yuri Chikhanchin, Chairman of the EAG, as well as all my colleagues and veterans of the Eurasian Group on the anniversary of our international organization! I wish everyone good health, further professional successes, family happiness, peace, and prosperity.

ANDREY FROLOV,

SENIOR AML/CFT/CPF COUNSELLOR OF THE EAG SECRETARIAT

I joined the EAG Secretariat's team in June 2024, and having previously worked in other international organizations, I can confidently say that the EAG Secretariat is a team of truly versatile experts, professionals.

The staff must address a wide variety of challenges, get into almost every aspect and nuance of AML/CFT/CPF issues, and to be always at the forefront of changes and innovations, whether it concerns international standards or emerging new risks and threats.



Despite the Secretariat's relatively small team, it effectively executes the tasks and achieves the goals set by the Chairman and the EAG Plenary Meeting. Unlike other FATF-Style Regional Bodies (FSRBs), the EAG not only focuses on mutual evaluations and ML/TF typologies but also actively coordinates technical assistance to member states, facilitates experience sharing in IT and innovative solutions, and collaborates with the private sector. Additionally, it identifies supranational ML/TF risks specific to the Eurasian region and develops appropriate response measures. Moreover, the Secretariat staff takes an active part in the activities of other FATF-Style Regional Bodies, FATF meetings, and events of observer countries, representing the EAG on international platforms and effectively advocating for the member states' interests. In summary, as I have mentioned earlier, they are true "universal soldiers."

Thanks to these dynamic efforts, the EAG has grown into one of the leading FSRBs, as recognized by many international experts. And, without a doubt, I am delighted to be part of this team. Needless to say, all this would not have been possible without the considerable support of the member states and the International Training and Methodology Centre for Financial Monitoring (ITMCFM), acting as our primary contributor and provider of technical assistance.

On the occasion of the EAG's 20th anniversary, I would like to wish all of us to keep the momentum going, continue to soar to new heights, and perhaps, one day, become recognized as the world's best FATF-Style Regional Body — should such a competition ever be held among FSRBs!

MIRZOSHARIF SHARIPOV,

AML/CFT/CPF COUNSELLOR OF THE EAG SECRETARIAT

I first heard about the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) in 2012, when an expert mission visited Dushanbe.

At that time, I was working in the Protocol Service of the Chairman's Office at the National Bank of Tajikistan, managing the protocol part for EAG meetings with representatives from various agencies of the Republic of Tajikistan. And back then, the idea of finding out more about the Eurasian Group, its goals and objectives caught my fancy. Since that moment, I embarked on a journey to achieve a new personal goal – to become a member of this organization.



I made my first attempt to join the EAG Secretariat back in 2012 and, surprisingly, the selection competition was held in New Delhi, India. It is remarkable that in the very same country, we now celebrate the 20th anniversary of the Eurasian Group. In 2019, I had the privilege of joining the EAG Secretariat, the body that supports and facilitates the Group's activities. Thus, I got an opportunity to contribute to the development and success of the Eurasian Group.

Over the years, I have forged lasting friendships with many members of the national delegations from all nine member states, without exception. I have the honor of working alongside the Secretariat staff and AML/CFT/CPF experts to address the challenges faced by the EAG.

Working in the Secretariat keeps me enthusiastic. Among other things, I enjoy the unique opportunity to speak my native languages with colleagues and friends here.

Throughout my tenure, I have been guided by one core principle – to provide feasible assistance to EAG member states in developing their national anti-money laundering systems.

In conjunction with national delegations, I have participated in mutual evaluation rounds, coordinated technical assistance efforts, and established a highly effective system of collaboration between public authorities, the private sector of the EAG member states, as well as EAG development partners and observer countries. Some notable accomplishments during my time with the EAG Secretariat include securing the EAG's membership in the FATF Virtual Assets Contact Group and establishing the EAG's Single Technical Assistance Coordination Information System (STACS), which manages technical assistance projects for EAG member states. However, this is not an exhaustive list of achievements.

The progress of our member countries is also my success!

Since its establishment, the Eurasian Group has been a reliable partner and has made significant contributions to the development of the global AML/CFT/CPF system. On the occasion of the EAG's 20th anniversary, I wish for continued progress and further achievements within the FATF Global Network to the Group represented by its Chairman Yury Chikhanchin, Deputy Chairman Shamsiddin Sohbnazarov, and the heads of member state delegations and EAG observer countries. Our organization has all the tools and opportunities needed to achieve substantial results, and the EAG Secretariat will always be committed to supporting the Eurasian Group in realizing its most ambitious goals and objectives.



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FORUM OF PARLIAMENTARIANS OF THE EAG MEMBER STATES: CONTRIBUTIONS OF REGIONAL LEGISLATORS TO ADDRESSING AML/CFT ISSUES AT THE INTERNATIONAL LEVEL

Financial security is an integral part of any country's national security. Today, countries are witnessing a global transformation of the entire system of international security, which causes the intensity of modern threats and challenges in the areas of anti-money laundering, countering the financing of terrorism (AML/CFT), and countering extremism, at the national, regional, and global levels



NIKOLAI ZHURAVLEV
Deputy Chairman of the Federation
Council of the Federal Assembly
of the Russian Federation

Cooperation in the framework of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) is particularly important for the Russian Federation and other countries of the Eurasian region. It is not only the largest FATF-style regional body in terms of total territory and population of states, but it also takes an active part in shaping the FATF Global Network.

technical, non-politicized approach to combating crime. The expansion of inter-state cooperation at various levels (not only between the financial intelligence units and other competent authorities, but also legislative bodies, such as parliaments) has become especially relevant. Uniform legislative rules and approaches to legal regulation can, and should, form the basis for effective international cooperation.

In modern context, it is essential to adhere to the international legal frameworks and promote international cooperation, while maintaining a

Nowadays, certain institutions and mechanisms have been established and operate in the AML/CFT area, based on legal instruments of all levels.



These are mainly universal international instruments such as UN conventions and FATF standards, as well as regional agreements. On the other hand, national anti-money laundering systems offer unique and effective legislative solutions that could be considered and adopted by other countries. Engaging parliamentary representatives in managing ML/TF risks and addressing these issues through legislative means becomes vital.



Since 2022, the Federation Council and the Federal Financial Monitoring Service have been implementing in the EAG the Russian Federation initiative on establishing a new framework for cooperation among the Eurasian financial intelligence units and legislative bodies on AML/CFT issues — the Forum of Parliamentarians of EAG Member States.

In 2023, the Forum of Parliamentarians was officially incorporated as a regular event at the EAG plenary meetings, with the EAG Secretariat reporting its outcomes to the FATF.

The Forum provides a platform for a dialogue on financial security issues between legislative and executive authorities of participating countries. The Forum's primary objective is to share best regulatory

practices, aiming to complement, rather than restrict, national anti-money laundering systems.

To date, three Forum of Parliamentarians sessions have been held, where delegations shared their views on regulatory methods to mitigate supranational ML/TF risks.

In 2023, the topic of discussion was the involvement of non-profit organizations in the financing of terrorism and extremism. In June 2024, the III Forum of Parliamentarians discussed the legislative regulation of new technologies and virtual assets.

The Forum session is attended by representatives from EAG member states, including Belarus, China, India, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, and Russia. The list of participating

parliamentary delegations is expanding year to year. International organizations and observer countries are also invited to take part in the discussions. In previous Forum sessions, speakers and participants have included representatives from Armenia, Iran, Mongolia, UAE, USA, as well as representatives of the CSTO Parliamentary Assembly, the United Nations Office of Counter-Terrorism, and other international organizations such as the Financial Action Task Force (FATF) and the Middle East and North Africa Financial Action Task Force (MENAFATF).

The Forum of Parliamentarians serves as a platform for promoting and consolidating in its final declarations a non-politicized approach to addressing AML/CFT issues at the international level.

The role and mission of the Forum of Parliamentarians is not only to foster new partnerships and channels of collaboration between the EAG countries' parliaments but also to enhance national cooperation on AML/CFT matters between legislative bodies and relevant competent authorities, i.e. financial intelligence units of member states.

NURLANBEK AZYGALIYEV,
DEPUTY CHAIRMAN OF THE KYRGYZ REPUBLIC'S
JOGORKU KENESH (PARLIAMENT), AT THE III FORUM
OF PARLIAMENTARIANS:

"Today's event is unique in bringing together parliamentarians, heads of financial intelligence units, and executive authorities to discuss key areas for enhancing national systems to combat money laundering and terrorist financing... I hope that the Forum will foster expanded and deeper collaboration between our nations' parliamentarians, enabling the timely adoption of coordinated and much-needed anti-money laundering and terrorist financing regulations. In the current global landscape, the successful development of national counteraction systems requires international cooperation."



SERGEI KHOMENKO,
DEPUTY CHAIRMAN OF THE COUNCIL OF THE REPUBLIC OF
THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BELARUS,
AT THE III FORUM OF PARLIAMENTARIANS:

"The Forum provides a valuable platform to address the challenges and risks posed by new innovations and emerging financial technologies, including virtual currencies, as well as to develop appropriate regulatory frameworks, particularly at the legislative level. The exchange of opinions among specialists and experts within this Forum will provide a solid foundation for incorporating effective regulations into national legislation systems, ultimately ensuring the stability and security of our countries."



OLGA PEREPECHINA,
DEPUTY CHAIRMAN OF THE SENATE OF THE PARLIAMENT
OF THE REPUBLIC OF KAZAKHSTAN, AT THE III FORUM
OF PARLIAMENTARIANS:

"Crime continues to evolve with time, yet, unfortunately, we are not always able to detect it at its earliest stages. Therefore, it is imperative that all nations work together to respond swiftly to



crime, both at the national and international levels. This Forum has undoubtedly become a significant venue for the exchange of experience and expertise on the most urgent issues facing our region, as well as for reinforcing our collaborative efforts... I am confident that today's discussion will facilitate the sharing of valuable insights, and I believe the Forum will achieve its objectives. As legislators, we play a vital role in preventing the illegal outflow of capital from our countries and combating terrorism."

RAJABBOY AHMADZODA,
FIRST DEPUTY CHAIRMAN OF THE NATIONAL ASSEMBLY
OF THE SUPREME ASSEMBLY OF THE REPUBLIC OF
TAJIKISTAN, AT THE III FORUM OF PARLIAMENTARIANS:

"Dear colleagues, our collective challenge today is ensuring the security and stability of our countries. I urge all of us to pool our resources, knowledge, and expertise in this endeavor. We believe that through joint efforts and active engagement, we can make significant progress in combatting money laundering and terrorist financing. I have no doubt that the discussions held here will allow us to enhance and refine the strategies and measures already in place, making them more effective in countering these threats."



MENG MA,
DEPUTY DIRECTOR OF THE LEGISLATIVE AFFAIRS
COMMISSION OF THE STANDING COMMITTEE OF THE
NATIONAL PEOPLE'S CONGRESS, AT THE III FORUM
OF PARLIAMENTARIANS:

"Our country is committed to working both autonomously and in collaboration with other nations. As previously emphasized, we must intensify our efforts. The threat of terrorism remains a serious danger to society, and it is essential that we establish an effective global system to address it. We call on all nations to raise public awareness, ensure a fair common future, promote effective information exchange and collaboration, and apply international best practices — just as this Forum aims to do — to continuously improve our legal frameworks."



NARIMAN UMAROV,
CHAIRMAN OF THE COMMITTEE ON JUDICIAL
AND LEGAL AFFAIRS AND ANTI-CORRUPTION
OF THE SENATE OF THE OLIY MAJLIS (PARLIAMENT)
OF THE REPUBLIC OF UZBEKISTAN, AT THE III FORUM
OF PARLIAMENTARIANS:

“The format of today’s event is particularly important and unique, as it brings together representatives from parliamentary committees, interagency committees and commissions, law enforcement agencies and supervisory authorities, and financial intelligence units from EAG member states. This allows for the exchange of expertise, as well as familiarization with best practices in adopting new regulations and implementing national policies aimed at identifying and disrupting terrorist financing channels. The Forum is also pertinent in light of regional threats that have been identified at the supranational level through our collaborative work at the EAG site. These threats include activities by international terrorist organizations, drug trafficking, Ponzi schemes, the use of new technologies for illicit purposes, among others. As we all know, effective counter-terrorism and counter-extremism activities remain one of the most pressing concerns in the context of globalization and the evolving nature of international and regional conflicts.”



The parliamentary forum held under the auspices of the EAG site provides a unique opportunity for the creation of new anti-money laundering measures. Today, we are holding the III Forum of Parliamentarians of the EAG member states. We believe that the extensive experience of parliamentarians, along with best practices from financial intelligence units, will enable us to create new mechanisms for countering money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. I am confident that today’s Forum will contribute to strengthening our collaboration in the Eurasian region.”

GEVORG PAPOYAN,
CHAIRMAN OF THE STANDING COMMITTEE
ON FINANCIAL-CREDIT AND BUDGETARY AFFAIRS
OF THE NATIONAL ASSEMBLY OF THE REPUBLIC
OF ARMENIA, AT THE III FORUM
OF PARLIAMENTARIANS:

“An event of this nature undoubtedly contributes to the expansion of interstate cooperation, enabling us to more effectively address the challenges and threats we face. The eradication of these threats requires collective efforts and coordinated actions.”



RUSTAM SHOKHMUROD,
CHAIRMAN OF THE COMMITTEE ON LAW
ENFORCEMENT, DEFENSE, AND SECURITY OF THE
HOUSE OF REPRESENTATIVES OF THE SUPREME
ASSEMBLY OF THE REPUBLIC OF TAJIKISTAN, AT THE
III FORUM OF PARLIAMENTARIANS:

“Modern terrorist organizations invest substantial resources into their operations. Terrorism, extremism, and transnational crime pose new threats to global stability, and are unfortunately becoming tools in geopolitical maneuvering. This necessitates the development of new mechanisms to combat money laundering and terrorist financing by the EAG and other international institutions.



SUPRANATIONAL ASSESSMENT OF MONEY LAUNDERING AND TERRORIST FINANCING RISKS IN THE EURASIAN REGION

The rapid growth of payment services, the shift to online financial transactions, and the global economic integration have accelerated criminal activities such as money laundering and terrorist financing, enabling criminals to transcend borders. They form cross-border criminal networks that are difficult for individual countries to identify and combat alone. In this context, effective interstate cooperation mechanisms are essential to investigate the causes, nature, and impact of criminal activities



➤ **EVGENY SEMYONOV**

Risk Assessment Department of the Federal Financial Monitoring Service, Co-Chairman of the EAG Working Group on Typologies and Combating Financing of Terrorism and Crime (WGTFP)



➤ **NAZERKE ZHAMPEIIS**

Senior AML/CFT/CPF Counsellor of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) Secretariat



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The EAG Working Group on Typologies and Combating Financing of Terrorism and Crime (WGTFP) is one of the key analytical forums for joint work of experts of member states and observer countries in the Eurasian

region. The Working Group organizes and conducts research into the main schemes key methods and opportunities of money laundering and terrorist financing in a range of subject areas, monitors the operational environment, and

performs risk assessments. The Group maintains an ongoing exchange of best practices, typologies, and experience of automated analytics. The Working Group's effectiveness is supported as well by simultaneously conducting multiple typology studies.

The Group adheres strictly to the Financial Action Task Force (FATF) international standards on anti-money laundering and countering the financing of terrorism. As such, the Group's key focus in this area is the assessment of risks specific to the Eurasian region. This work is of great importance for the international AML/CFT system, since only a deep and comprehensive understanding of ML/TF risks by the government and private sector actors across the region will ensure the most effective development of AML/CFT systems at both national and regional levels, as well as the timely implementation of coordinated measures to mitigate these risks.

Supranational¹ risk assessment has been assigned as one of the key focus of the EAG (as per EAG Strategy for 2019–2023 and 2024–2028), and has been regularly prioritized throughout Russian presidencies in the EAG.

In 2020–2022, all member states and observers collaboratively conducted the first supranational risk assessment (the first EAG project on ML/TF risk identification and analysis). An international project team was formed to perform this endeavor, with national sub-teams in each participating country, actively supported by the EAG Secretariat. The team developed methods that included positive previous practice of international organizations, as well as defined the data collection methods, e.g. questionnaires, statistics reports. The project participants have collected and analyzed an extensive amount of data from various sources: including different statistical data (on crime, suspicious transactions, results of supervision of financial institutions and Designated Non-Financial Businesses and Professions

(DNFBPs), etc.), results of typology and other studies, mutual evaluation reports and national risk assessments reports, survey results of competent authorities of member states, and many others. Based on the collected data, a general and sub-regional reports on the results of the regional risk assessment were prepared. To cross-check the findings, the project team held field meetings with representatives of public authorities and the private sector in the Eurasian countries. All this ensured the fullest understanding of supranational (regional) risks that affect the entire region and contributed reliable information to the conclusions of the study.

The resulting reports identified the main threats, vulnerabilities, and ML/TF risks in the region.

In the case of money laundering, risks are linked to individuals, groups of individuals, entities whose activities could potentially harm the state, society, economy, etc. In other words, a criminal activity that generates illicit profit, potentially subject to laundering. Criminal activities that are mostly committed by organized criminal groups and criminal organizations were identified as posing particularly high levels of threat.

The findings identified the sources of criminal proceeds that are potentially laundered at the regional level. Participating states specified a range of criminal acts that potentially lead to money laundering. However, a regional dimension can be attributed only to those threats that were identified by at least two countries, or by a single country, but with citizens or entities of other countries involved in predicate offences or money laundering,



or when other states served as transit points for criminals, or with citizens or entities from unidentified countries involved in the crime.

As a result, the following illicit activities have been specified as key regional money laundering threats².

Tax crimes, particularly tax evasion and VAT fraud, generate substantial amounts subject to further laundering. Tax evasion schemes in the trade sector commonly

¹ According to the established methodology, a regional (supranational) risk is an ML/TF risk that exists or may arise in two or more EAG member states, or one that has a cross-border nature.

² https://eurasiangroup.org/files/uploads/files/Summary_RRA.pdf.

involve manipulating invoices to misrepresent the price or quantity of goods. Similarly, threats from crimes in the customs sector, e.g. altering the value or quantity of transported goods or falsifying commodity codes of the foreign economic activity are used in gray import schemes to reduce tax liabilities or cash out money.

Corruption crimes, in terms of the amount of criminal proceeds, pose another considerable threat. This includes various forms of bribery, abuse of power, embezzlement or misappropriation of trusted funds.

Fraud is another threat that generates a significant amount of criminal proceeds, given the wide variety of different offenses that are covered by this notion. The problem of fraudulent activities in the financial market, in particular, organization and participation in Ponzi schemes, is reviewed separately. These crimes have proliferated in the region due to economic instability exacerbated by the pandemic.

Crimes related to drug trafficking have a high prevalence and scale, which is partly due to the drug trafficking routes available in the region (in particular, from Afghanistan).

Another identified threat is illegal entrepreneurship, generating cash proceeds that can be physically transported across borders to be integrated into the legitimate economy.

Completing the list of key threats is the organization and facilitation of illegal migration. Given the absence of restrictions on the movement of individuals within the EAEU, schemes are in place to transit citizens out of developing countries.

As for terrorist financing, the reports mention terrorist groups and their supporters, their funds, and past, present and future terrorist financing activities. In other words, individuals or entities that may be raising, transferring or using money for terrorist financing in the country or in the region³.

Here, the key TF threats are citizens of the region countries, namely those who travel abroad to participate in armed conflicts, finance terrorist organizations in the region while staying in third countries, are relatives of terrorists and support them financially, are under the influence of destructive online propaganda and plan terrorist activities in the region. Other threats involve foreign terrorist fighters transiting or temporarily staying in the region, members of terrorist organizations outside the region who recruit Eurasian citizens into terrorist activities over the Internet, and cells of international terrorist organizations that finance terrorism and recruit citizens in the region.

Money laundering and terrorist financing vulnerabilities include factors that weaken the AML/CFT framework or monitoring measures or certain characteristics of the region and individual countries, as well as characteristics of certain sectors, financial products or services that make them susceptible to ML/TF.



³ https://eurasiangroup.org/files/uploads/files/Summary_RRA.pdf.

The key vulnerabilities in the region include poor regulation of certain sectors, products and services (e.g. virtual assets, informal money transfer systems and foreign electronic payment systems, crowdfunding), the high prevalence of cash transactions, significant migration flows, and the objective duration and difficulty of mutual legal assistance procedures.

In turn, ML/TF risks present the probability that money laundering and terrorist financing behavior observed by the countries will occur, and are regarded as regional, if they are specific to or may occur in two or more states in the region.

The main regional ML risks are divided into three categories. The high-risk category consists of schemes involving fictitious or controlled companies (in various forms but usually such companies are engaged as counterparties to fraudulent transactions), as well as offshore companies, various cash-out schemes (traditional and more sophisticated aimed at circumventing banks' preventive measures), "transit" transactions via bank accounts, and ways of using criminal proceeds to purchase property, assets, and investing in legitimate businesses.

Medium risk is attributed to electronic payment instruments and virtual assets, securities markets, and transfers made without opening a bank account. Withdrawal of money abroad using forced collection tools was ranked as low risk.

The identified terrorist financing risks are similarly categorized based on their occurrence. Examples include family members financing terrorists under the guise of providing for basic needs, as well as the use of social networks to

 **THE KEY VULNERABILITIES IN THE REGION INCLUDE POOR REGULATION OF CERTAIN SECTORS, PRODUCTS AND SERVICES (E.G. VIRTUAL ASSETS, INFORMAL MONEY TRANSFER SYSTEMS AND FOREIGN ELECTRONIC PAYMENT SYSTEMS, CROWDFUNDING), THE HIGH PREVALENCE OF CASH TRANSACTIONS, SIGNIFICANT MIGRATION FLOWS, AND THE OBJECTIVE DURATION AND DIFFICULTY OF MUTUAL LEGAL ASSISTANCE PROCEDURES**

raise funds for terrorist activities both deceptively (disguised as support for the unjustly convicted or charitable events) and openly. The raised money are usually physically transported across border or credited to bank cards (including those of front men). Transfers made without opening a bank account are also used for this purpose. These funds are often allocated for acquiring material resources to support foreign terrorist fighters.

The active cooperation within the project team facilitated the approval of the project completion reports by all participants at the 36th EAG Plenary Meeting.

To date, only a few supranational risk assessments have been conducted globally, with limited experience among FATF-style regional bodies or supranational entities. Therefore, the results of the above work underline the EAG's unique and prominent position in the global AML/CFT landscape and can be rightfully regarded as one of the best practices in this area. This has been repeatedly confirmed by feedback from representatives of FATF, the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), the Commonwealth of Independent States Anti-terrorism Center (CIS ATC), the Office for the Coordination of the Fight Against Organized Crime and Other Dangerous Types of Crime

on the Territory of the CIS Member States and other multinational bodies. Furthermore, the results of the regional risk assessment have significantly enhanced each participating country's understanding of its national risks.

Nevertheless, risk assessment is only a starting point for the EAG's larger process of enhancing and ensuring the effectiveness of the international AML/CFT system in the Eurasian region.

In particular, the threats, vulnerabilities, and risks identified through these assessments form the foundation for the risk-based approach for all participants of the national anti-money laundering systems of the EAG countries. Following the regional risk assessment, the project team developed a supranational Action Plan, which was approved by all member states at the 37th EAG Plenary Meeting. The document outlines a broad and diverse range of interstate measures intended to minimize the identified negative trends. About half of the items of the Plan have already been implemented. Also, as a follow-up to this document, the countries have identified individual national measures to mitigate regional risks. In addition, the results of the regional risk assessment together with the results of the EAG mutual evaluations will be used when reviewing technical assistance needs.



Presently, all other activities within the WGTYP are based on the findings of the supranational risk assessment. These include typology studies to analyze key ML/TF threats and methods; the development of a Typology Register to classify findings and improve the efficiency of their practical application, and the creation of methodological recommendations and other documents aimed at mitigating the identified risks. The Group also promotes best practices in combating the identified negative trends across member states.

Looking ahead, one of the EAG's promising initiatives is updating the findings of the conducted

supranational risk assessment and progressing to the second stage of the process, i.e. risk assessments of the so-called unobserved ML/TF mechanisms (i.e., methods that are likely to occur based on available information without direct evidence).

Given the rapid evolution of crime, money laundering, and terrorist financing, it is important not only to conduct global and comprehensive supranational risk assessments once every few years but also to measure negative trends more frequently.

In this regard, another key initiative currently under development in the EAG Working Group on Typologies

and Combating Financing Terrorism and Crime is to ensure effective monitoring of the identified risks dynamics based on the mitigation measures and other influencing factors.

In conclusion, we should emphasize the importance of coordinated joint actions to identify and mitigate the risks specific to the Eurasian region. Adherence to the risk-based approach will enable the EAG member states to focus their efforts on priority areas, which is essential for building an effective AML/CFT system at both national and international levels.

◀ ONE OF THE PROMISING INITIATIVES OF THE EAG IS TO UPDATE THE RESULTS OF THE SUPRANATIONAL RISK ASSESSMENT AND MOVE TO THE SECOND STAGE OF THE PROCESS, THAT IS, RISK ASSESSMENT OF THE SO-CALLED UNOBSERVED ML/TF MECHANISMS

EAG PROJECT ON DEVELOPING METHODOLOGICAL RECOMMENDATIONS FOR RISK ASSESSMENT AND THE APPLICATION OF A RISK-BASED SUPERVISORY APPROACH IN THE NPO SECTOR

To enhance the technical compliance with the requirements of the Financial Action Task Force (FATF) Recommendation 8 and ensure effectiveness with respect to Immediate Outcome 10 in EAG member states, the 37th Plenary Meeting initiated a project to develop methodological recommendations for risk assessment and the application of a risk-based supervisory approach in the nonprofit organization (NPO) sector



▶ OLGA TISEN
Project Manager, Head of the Legal Department of the Federal Financial Monitoring Service, Doctor of Law

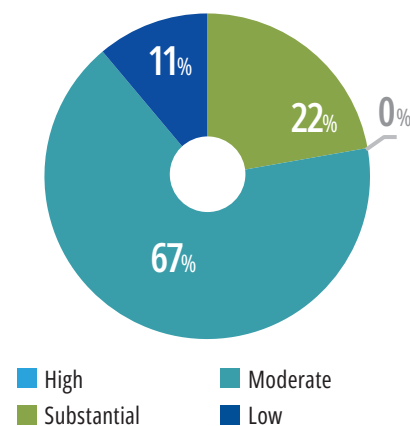
The challenges of complying with Recommendation 8 are not unique to EAG member countries; they are common globally, as evidenced by the results of mutual evaluations. Following the evaluations, most EAG member states were rated mainly as “partially compliant” under Recommendation 8 and demonstrated moderate effectiveness in achieving Immediate Outcome 10¹. However, as for the follow-up reports and the second round, countries have made significant efforts to improve their ratings.

To acquire sufficient empirical framework, the project team developed and distributed a questionnaire with the information required to review the risks in the NPO sector. The team also conducted a thorough review of mutual evaluation reports (MER) and follow-up reports concerning NPO supervision in EAG countries. The

findings were compiled with a focus on assessing effectiveness under Immediate Outcome 10 (question 10.2) and on technical compliance as per Recommendation 8 (criteria 8.3, 8.4).

The responses to the questionnaire, which covered methods and approaches to risk assessment and the application of a risk-based supervisory approach in NPO

► Figure 1: EAG states ranking by R. 8



¹ Refer to the Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems.

supervision, were collected and analyzed. Based on these findings, a document was drafted on the EAG platform. It provided a concise description of the risks associated with the misuse of NPOs for terrorist financing, in line with updated international standards. The document also outlined a comprehensive process for risk assessment and the application of a risk-based supervisory approach to NPO activities.

The project identified several categories of NPOs that may be at a risk of involvement in Terrorist Financing (TF) in some EAG member states. These include religious associations, charitable organizations, youth groups aligned with certain subcultures, organizations dealing with migration issues, NPOs focused on cultural identity, and national associations representing peoples in conflict with host nations. Notably, pseudo-religious organizations—entities that lack a genuine connection to traditional religious practices—were found to be actively involved in financing terrorist organizations.

The risks associated with charitable NPOs include the potential misuse of funds raised for the following purposes:

- Purchasing clothes, food, medicine, and other goods for members of terrorist organizations;
- Assisting foreign terrorist fighters posing as victims through charitable funds intended for individuals in dire circumstances;
- Covering the transportation costs of foreign terrorist fighters using redirected NPO funds.

In addressing the risks of NPO involvement in terrorist financing, it should be noted that the main objective of improving efforts therein is to protect NPOs from abuse. In this regard, while developing mechanisms to counteract this

practice, it is essential to take into account the fact that NPOs play a crucial role in the global economy. This is a key point highlighted in the FATF's Explanatory Note to Recommendation 8.

A separate chapter of the document provides a detailed methodology for assessing the risks of NPO involvement in terrorist financing. This includes procedures for preparing risk assessments, approaches to reviewing information, identifying high-risk NPOs, and applying assessment results in practice. In addition, the methodology is further enriched with examples of best practices for risk assessment within the NPO sector.

The document outlines that the risks associated with the misuse of NPO for terrorist financing can be identified through the following review processes:

- Examining possible links between the NPO and individuals or entities involved in terrorist activities, including the recipients of NPO funds;
- Assessing the beneficiaries of NPO services to determine if they might be exploited for terrorist resourcing;
- Investigating the potential use of transportation and humanitarian programs by NPOs to cover travel costs for individuals heading to terrorist activity zones.

To effectively assess these risks, the following sources of information are essential:

- Legal and regulatory framework governing NPO activities;
- Information provided by governmental authorities and other official bodies;
- Interagency collaboration materials

and insights gained from cooperation among agencies;

- Data from registration authorities overseeing NPO formation and compliance;
- Statistical, analytical, and other information from supervisory authorities;
- Reviews of non-registered NPOs to understand risks in unregulated entities;
- Surveys and consultations with NPOs, competent authorities, financial institutions, and designated non-financial businesses and professions (DNFBPs);
- Information from self-regulatory bodies such as NPO associations;
- Information from questionnaire surveys of NPO representatives;
- Law enforcement data, including information on crime, national security, terrorism threats level, counterterrorism and CTF efforts;
- Reports from financial institution associations and DNFBPs providing services to NPOs;
- Results of TF risk assessments at the national level;
- TF risk assessments reports from foreign countries;
- Peacekeeping and humanitarian organizations' reports, especially concerning assistance to migrants and families of foreign terrorist fighters;
- Criminal case files and analysis of judicial practices related to TF offenses involving NPOs;
- Scientific and scientific-practical research on the extent of NPO involvement in TF and related illegal activities;
- Operational situation monitoring outcomes;
- Typologies and indicators of dubious transactions;
- Reliable data from public sources, such as information on official NPO websites and their associations;
- NPO cooperation, such as feedback provided by NPO representatives in working groups tasked with risk assessments.



Effective risk assessment, supervision, and monitoring of high-risk NPOs are impossible without effective interagency cooperation. In some EAG member states, closed communication channels provide authorized bodies and relevant organizations with access to up-to-date information and facilitate prompt exchange thereof, to address the challenges facing the national Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) system.

Alongside this, forming focus groups with representatives and beneficiaries of NPOs, creating advisory platforms to address topical issues of NPO activities and providing feedback to NPOs, as well as organizing joint events for government agencies and NPO representatives, contribute

much to obtaining comprehensive information on NPO activities and assessing their TF risks.

The project group participants drew particular attention to the mechanisms for applying a risk-based supervisory approach in the NPO sector. The project highlights best practices and procedures for applying this approach to prevent NPO misuse for terrorist financing.

To further mitigate the risk of NPO involvement in TF, it is recommended that, during the registration process, authorities verify whether the NPO's founders appear on the following lists:

- United Nations Security Council lists;
- National lists of individuals and entities involved in or suspected of terrorism;

- Lists of members (founders) of organizations whose operations have been halted due to terrorist activities;
- Lists of persons who were previously leaders or members of the governing body of an association or organization in respect of which a court has made a decision that has entered into legal force to liquidate or prohibit activities in connection with involvement in extremism or terrorism.

Authorities may use the following information, available from official government and international organization websites, to review documents submitted for NPO registration and verify the founders:

- Information on organizations and individuals suspected of terrorism (websites of the UN Security Council and authorized AML/CFT/CPF bodies);
- Lists of associations and organizations whose activities have been suspended for illegal activities;
- Lists of organizations, including foreign and international entities, designated as terrorist under national laws;

« THE PROJECT GROUP PARTICIPANTS DREW PARTICULAR ATTENTION TO THE MECHANISMS FOR APPLYING A RISK-BASED SUPERVISORY APPROACH IN THE NPO SECTOR. THE PROJECT HIGHLIGHTS BEST PRACTICES AND PROCEDURES FOR APPLYING THIS APPROACH TO PREVENT NPO MISUSE FOR TERRORIST FINANCING

- Additional data from legal entity registers, judicial bodies, and information on disqualified individuals, etc.

Non-registered organizations that meet the FATF definition are especially vulnerable since they are not subject to control and monitoring mechanisms and are therefore particularly at risk of being misused for terrorist purposes. Relevant information on non-registered NPOs may be obtained from the following sources:

- Law enforcement agencies, including outcomes of investigative and operational actions;
- Regulatory, supervisory, and state bodies, as well as other relevant organizations;
- Financial intelligence reports and analysis of financial flows;
- International cooperation, including exchanges of information with foreign counterparts;
- Data from NPO interactions, such as self-reported information;
- Internet research and monitoring of online activities related to unregistered NPOs.

In most EAG member states, supervisory authorities review reports from all NPOs registered in the country. As a rule, NPOs are required to submit the following information to the relevant authorities:

- Accounting, tax, financial statements, and statistical reports;
- Information on members of the NPO governing bodies;
- Documents confirming the intended use of funds and other assets;
- Reports on program implementation and the organization or absence of events.

To prevent the misuse of NPOs for terrorist financing, some states require NPOs to upload their financial activity reports to the information systems of supervisory

authorities. Some EAG member states impose a legal obligation on financial institutions to provide supervisory authorities with access to NPO financial records.

To prevent funds raised for charitable purposes from being diverted to terrorism, a number of countries stipulate that charitable donations in cash must be deposited into the NPO's bank account within a specified period following their removal from collection boxes. Penalties are imposed for failure to comply with these regulations.

For the purpose of supervising NPOs, authorized bodies employ the following tools:

- 1) Obtaining and reviewing NPO regulatory and founding documents, as well as information on their financial and operating activities;
- 2) Reviewing NPO documents and (or) information provided by state statistical agencies, tax

authorities, and other state regulatory bodies, as well as financial institutions;

- 3) Participating in events organized by NPOs;
- 4) Verifying that the NPO's activities, including the allocation of funds and use of assets, align with the purposes specified in its founding documents;
- 5) Issuing written warnings or orders to NPOs in case of revealing any legal violations.

The document states that, through reviewing the information obtained in the course of supervisory activities over NPOs, the following objectives can be accomplished:

- Identifying gaps in legal regulation and developing legislative norms to address them;
- Determining the extent to which the measures developed to mitigate the risks of NPO involvement in terrorist financing are implemented;
- Detecting instances of NPOs misuse





for terrorist financing that were overlooked by authorized bodies;

- Developing and implementing measures to address identified gaps;
- Identifying high-risk NPOs;
- Identifying unregistered NPOs, among other goals.

Following the review, an algorithm for mitigating the risks of NPO use for illegal purposes, particularly (TF), has been proposed.

The project participants believe that NPOs can provide substantial assistance to government agencies in countering terrorism and its financing. NPOs can play a pivotal role in mitigating terrorist threats through activities such as:

- Countering the propaganda of terrorist ideologies;
- Engaging in information and awareness-raising efforts to counter terrorist narratives;
- Implementing preventive measures

against terrorism and aimed at families of terrorists;

- Increasing religious literacy among the population (for religious NPOs);
- Working with terrorists released from prison or former foreign terrorist fighters to prevent their further radicalization.

IN ALIGNMENT WITH THE FATF STANDARDS, THE FOLLOWING SEQUENCE OF ACTIONS TO MITIGATE TF RISKS IN THE NPO SECTOR APPEARS TO BE THE MOST EFFECTIVE:

- 1) Compiling a list of NPOs that fall within the FATF definition;
- 2) Assessing the risks associated with each NPO falling under the FATF definition, identifying those that refer to high risk;
- 3) Developing response measures tailored to the specific vulnerabilities and circumstances of high-risk NPOs to mitigate their potential misuse for TF purposes;
- 4) Tracking and updating information on risks associated with high-risk NPOs;
- 5) Identifying NPOs that fall under the FATF definition on a regular basis and implementing countermeasures against their involvement in terrorist financing;
- 6) Implementing the developed risk mitigation measures while maintaining a balance between ensuring the objectives to be achieved and avoiding undue pressure on trustworthy NPOs;
- 7) Monitoring the effectiveness of the measures implemented;
- 8) Developing additional measures to address any gaps identified in the NPO sector and eliminating them.

NPOs, which members include virtual asset service providers, cryptocurrency enthusiasts, and business representatives in the IT sphere, can play a significant role in counteracting terrorist financing through virtual assets.

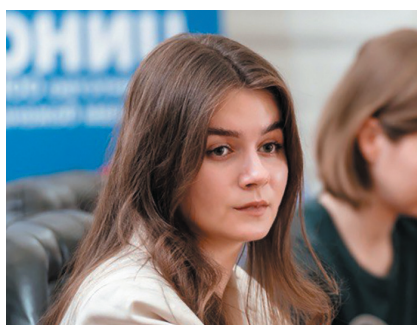
In order to ensure thorough examination of these issues on the EAG platform and improve the methodology for supervising the sector, participants of the 40th EAG Plenary Meeting decided to expand the project to include NPO self-regulation, as suggested by FATF representatives and observers. This will enhance the final document by incorporating additional insights into NPO governance and oversight.

THE ASSOCIATION OF PRESS RELATIONS SERVICES OF EAG FIUS AS MEANS TO ENHANCE FINANCIAL SECURITY

In an era of rapid digitalization and the global transformation of the information landscape, shaped by complex economic and political developments, Financial Intelligence Units (FIUs) are assuming an increasingly pivotal role in combating money laundering and terrorist financing. Today, the fight against these financial crimes extends beyond traditional national boundaries, underscoring the necessity of international cooperation, built on coordination and mutual trust



IRINA RYAZANOVA
Head of the Press Relations Service,
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EKATERINA ISTOMINA
Expert Specialist of the Press Relations
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Service

UNIFIED VOICE OF THE EAG

In December 2023, at the 39th Plenary Meeting of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) in China, Russia proposed to form a unified approach to Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) communications. This initiative aims to enhance information exchange among EAG member states.

Other states supported the initiative, and the 40th EAG Plenary Meeting (held in Kyrgyzstan) established the Association of Press Relations Services of Financial Intelligence Units of the EAG member states (the Association) and approved its vision for action.

Financial intelligence officers of Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan joined the Association.

AIMS AND OBJECTIVES OF THE ASSOCIATION

The Association operates in alignment with the principles and

goals defined in the EAG Information and Communication Strategy 2022, further elaborating and supplementing them with new forms of cooperation. The Association pursues the following goals and objectives:

- Building up the standing of the EAG and financial intelligence units at the national and international levels.
- Strengthening the impact of the FATF Global Network, while promoting its mission and recommendations.
- Identifying and mitigating common risks and threats in the AML/CFT information environment.
- Raising public and expert community awareness of FATF, EAG, and national anti-money laundering systems activities.
- Building public support for the EAG and financial intelligence units' work.
- Combating misinformation and fake news in media related to AML/CFT efforts.
- Raising financial security and financial literacy of the population across EAG member states.
- Preventing specific types of cross-border crimes.

- Facilitating the exchange of experience in communication work and information on risks.
- Boosting and expanding cooperation with entities involved in global AML/CFT processes.

MEDIA DIPLOMACY: A NEW FRONTIER IN COMBATING FINANCIAL CRIME

Establishment of the Association of Press Relations Services of Financial Intelligence Units of the EAG member states was a milestone towards a transparent and safe financial environment. In the era of information wars, when misinformation can do as much harm as traditional crimes, media diplomacy becomes an integral part of international relations.

The Association is committed to set an example of how global organizations can use media as means to foster financial security.

Today, many international organizations recognize the importance of coordinated media efforts and the development of a shared information space. By fostering unified communication strategies, organizations are able to amplify their voices and engage a broader audience, strengthening cooperation across all stakeholders.

MEDIA AS A BRIDGE OF INTERNATIONAL UNDERSTANDING AND COHESION: GLOBAL EXPERIENCES

FATF-Style Regional Bodies: Practice of the GIABA



In addition to the EAG, other FATF-style regional bodies are also involved in this work. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) maintains communication with journalists, holds meetings with media editors in the region with the aim to leverage media and raise awareness



of AML/CFT issues among the West African population. In addition, GIABA provides training for journalists to improve their skills in reporting on financial security matters.

ASEAN



The Association of Southeast Asian Nations (ASEAN) runs a media cooperation program — ASEAN Media Cooperation (AMS). It is focused on fostering understanding between the ASEAN members through the media. The ASEAN Media Portal is developed to popularize the region's cultural diversity. The portal is intended to inform the public on opportunities in ASEAN member countries.

Arab League



Media cooperation within the Arab League plays a crucial role in strengthening Arab unity, promoting common values and interests, and countering misinformation. This activity includes the Arab Media Excellence Awards in four categories: radio, television, print and digital media. Nominations include: best report, best documentary, best television program, and best journalist investigation. The competition aims to strengthen mutual understanding and cohesion between Arab countries through the media and to support and encourage high-quality journalism in the Arab region.

Media diplomacy is a rapidly growing part of international relations. International organizations recognize that public trust and support are critical to achieving their objectives. The effective use of media has become essential in promoting international initiatives, fostering understanding between nations, and addressing global challenges.

BRICS



BRICS is implementing a comprehensive approach, including joint media projects. Their mission is to consolidate cooperation between the BRICS countries and spread unbiased information on the work of the BRICS member states and partners. Vast range of topics covered provides an insight into all aspects of member states, i.e. scientific discoveries and latest developments, BRICS & G20, interviews with media figures and politicians, cultural life, etc.

Online platforms, among others, serve as a tool of such interaction. For example, a team of journalists posts the history of BRICS countries, their potential, and different points of view on geopolitics on one of such BRICS sites.

THE INTERNATIONAL TRAINING AND METHODOLOGY CENTRE FOR FINANCIAL MONITORING: THE LEADING PROVIDER OF TECHNICAL ASSISTANCE IN THE EURASIAN REGION

The ITMCFM supports the Eurasian countries in their preparation for mutual evaluations of compliance with international AML/CFT standards and in addressing the deficiencies identified during these evaluations

One of the ITMCFM's primary focuses is providing technical assistance to Russia's partner states in the Eurasian region, helping them develop national AML/CFT systems by sharing knowledge and experience. This work significantly enhances the institutional and human resource capacities of anti-money laundering systems in the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) member states.

As one of the leading donors and providers of technical assistance in the Eurasian region, the ITMCFM offers a range of services, including:

- Assistance in preparing for mutual evaluations of compliance with international AML/CFT standards and addressing deficiencies identified during these evaluations;
- Support in implementing the national technical assistance plans developed by the Secretariat of the EAG.

The Centre tailors its technical assistance to the needs of its target audience, the subject matter, and the nature of the activities. The various formats of assistance include:

TRAINING OF REPRESENTATIVES FROM FOREIGN PARTNER STATES AT THE CENTRE

This is one of the most effective forms of technical assistance. This includes, for instance, short-term training sessions and internships.

The Centre offers both profile courses (training in preparation for mutual evaluations, practice-oriented internships for supervisory, law enforcement, and other competent authorities) as well as basic training on international AML/CFT standards. Trainees also benefit from ITMCFM's digital resources, including the Graphus Financial Investigation Training System.

FIELD TRAINING IN PARTNER STATES

Training is conducted in priority areas based on the specific needs of each

country, including based on the results of mutual evaluations of compliance with FATF Recommendations.

REMOTE TRAINING

Remote training has become a popular tool, especially given the international nature of the Centre's activities.

Vide Conferencing system was launched by the ITMCFM following a decision to develop a Unified Information Space during the 9th EAG Plenary Meeting (December 16-19, 2008). It is an important component of providing technical assistance that facilitates real-time communication between national financial intelligence units and other state agencies, supports online workshops, seminars, meetings, and practical roundtables.

The ITMCFM posts videos, presentations, and other materials on its official website. These materials can be accessed both directly by national experts or by an FIU and then forwarded to relevant AML specialists as part of interagency cooperation.



► Joint training of the Financial Monitoring Center of the Central Bank of the Republic of Armenia, Rosfinmonitoring, ITMCFM and the EAG Secretariat

ITMCFM'S DISTANCE LEARNING PLATFORM

In 2020, ITMCFM based on Russian platform for online training launched its own system distance learning theme.

In 2022, the Centre launched an online courses platform offering tailored learning tracks for each individual user. The ITMCFM grants access to videos of expert meetings and video instructions to partner states.

This online training system reaches a broad audience, unrestricted by time or location. A number of countries from all key regions of the world, including the Eurasian region, have expressed interest in the platform.

DEVELOPMENT OF REGULATORY AND GUIDANCE DOCUMENTS AND CONDUCTING RISK ASSESSMENTS AS PART OF TECHNICAL ASSISTANCE PROJECT PLANS

This is one of the newest and one of the most popular formats of technical assistance at the moment. The ITMCFM supports states in developing:

- Methodologies for conducting national ML/TF risk assessments;
- Methodologies for conducting national PF risk assessments;
- Vulnerability assessment methodologies for various legal entities and organizations;

- Models and methodologies for sectoral ML/TF risk assessments;
- Guidelines for conducting asset tracing (parallel financial) investigations.

The high demand for ITMCFM's services is reflected in the feedback from partner states, the proportion of national action plans assigned to the Centre by EAG member states, and the critical role that the Centre's work plays in forming the legal and regulatory foundations of national AML systems.

RESPONDING TO TECHNICAL ASSISTANCE REQUESTS FROM EAG MEMBER STATES

The ITMCFM has developed and tested training workshops to assist FIUs, competent public authorities, and private sector representatives of partner states in preparing for the ongoing round of EAG mutual evaluations. This includes interviews with evaluators.

The guiding principle of ITMCFM's technical assistance is to meet the specific needs of countries that have undergone mutual evaluations, helping them improve the effectiveness of their national AML systems. For countries yet to undergo evaluation, the Centre focuses on providing critical support for their upcoming assessments.

ITMCFM REMAINS COMMITTED TO PROVIDING TECHNICAL ASSISTANCE TAILORED TO THE NEEDS AND PRIORITIES OF ITS PARTNER STATES.

This includes preparing for mutual evaluations and addressing gaps identified during these evaluations, and assisting in the preparation of progress reports and the establishment of national AML/CFT Risk Assessment Centers.



► ITMCFM training course for the delegation of the Republic of Madagascar

BUILDING TALENT POOL FOR NATIONAL AML/CFT SYSTEMS IN THE EURASIAN REGION

The International Network AML/CFT Institute (INI) plays a significant role in building a talent pool in the Eurasian region. The Institute is dedicated to training highly qualified specialists who ensure compliance with current anti-money laundering regulation, address evolving challenges, and effectively manage financial security risks and threats



> ANNA BULAEVA,
*Chief Specialist Coordination
of Scientific and Educational
Projects Department, ITMCFM*

A system for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) fosters financial transparency, sustainable development and national security, bring together financial intelligence units, law enforcement agencies and supervisory authorities, as well as financial institutions. Training AML/CFT professionals and increasing their knowledge and expertise is crucial for enhancing national anti-money laundering systems.

AML/CFT staffing shortage in Russia became evident in the early 2000s. This period was marked by the rapid development of the financial monitoring system and the integration of international Financial Action Task Force (FATF) standards into national legislation. In a broader sense, the term "AML/CFT talent pool" refers to professionals with relevant expertise.

To build the human resources in this field, in 2006, Viktor Zubkov, then-head of the Federal Financial Monitoring Service initiated the establishment of the Institute for Financial and Economic Security at the National Research Nuclear University MEPhI. This initiative

was part of the implementation of the Concept of the National AML/CFT Strategy for Basic Training of Personnel for the National AML/CFT System. In 2009, Oleg Markov, Head of the Federal Financial Monitoring Service and Chairman of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) initiated the launch of the international AML/CFT training program for Eurasian states. The first students graduated the program in 2012.

In December 2013, the Federal Financial Monitoring Service, with the support of the Ministry of Science and Higher Education of the Russian Federation and the Federal Agency of Scientific Organizations, established the International Network AML/CFT Institute (INI). The Institute's mission is to build a talent pool for national anti-money laundering systems of EAG member states.

Since its foundation, INI has grown to include 55 institutions across 10 countries – Belarus, Brazil, China, Egypt, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, UAE, and Uzbekistan. In 2021, the International Training and Methodology Centre for Financial Monitoring (ITMCFM)

was established to coordinate activities and provide information and methodological support to INI members.



OVER THE PAST DECADE, INI HAS DEVELOPED AND CONSISTENTLY ADVANCED UNIFIED APPROACHES TO AML SPECIALISTS' TRAINING ACROSS THE EURASIAN REGION:

- All INI member universities have dedicated AML/CFT departments and adhere to a common list of recommended core disciplines, academic fields, and programs in AML/CFT;
- Key AML/CFT courses are integrated in four majors: economics, law, information security, and international relations.

INI member universities develop and implement specialized training programs that align with the national requirements and unique characteristics of AML/CFT systems in EAG member states.

This way, the International Network AML/CFT Institute (INI) plays a significant role in building a talent pool in the Eurasian region. The Institute is dedicated to training highly qualified specialists who

ensure compliance with current anti-money laundering regulation, address evolving challenges, and effectively manage financial security risks and threats.

International students and stateless individuals are enrolled in INI-affiliated Russian universities through government-issued quotas, coordinated by the Federal Financial Monitoring Service, in response to foreign demand for higher education and professional development in this domain.

The INI faculty, comprising leading academics and practitioners, offers tailored higher education programs to students from around the globe. ITMCFM provides ongoing professional development for INI university instructors and fosters specialization in AML/CFT subjects. Member universities regularly convene joint scientific and practical conferences addressing emerging AML/CFT threats and risks, and they facilitate academic mobility programs, enabling faculty to exchange knowledge and integrate best practices into their curricula.

Since 2015, INI has been holding the International Scientific and Practical Conference annually. It is focused on money laundering (ML) and terrorist financing (TF) threats to both national and global economies, alongside issues related to financial security.

The unified system of intellectual, material, information, scientific, and educational resources coupled with innovative technologies, including

distance learning—ensures that students gain the most relevant and up-to-date knowledge in the AML/CFT field. This system enables students to actively participate in international events and research projects conducted by INI member universities and partner organizations, regardless of their location.

Hundreds of AML/CFT students have graduated from INI member universities. The Network Institute universities monitor their employment, and it is evident that these professionals are highly sought after by financial intelligence units, law enforcement agencies and supervisory authorities, as well as financial and non-financial organizations across EAG member states and non-CIS countries.

INI graduates are distinguished by their broad outlook, high professional standards, analytical thinking, and teamwork skills. We are confident that INI students will contribute to strengthening financial systems at both national and global levels.

At present, INI member universities have accumulated vast experience in training qualified personnel for national anti-money laundering systems. The Network Institute remains committed to advancing this important work, expanding the number of members from non-CIS countries, and fostering synergetic partnerships.



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OLEG KONOVALOV:

THE STRATEGIC TASK OF THE CBOCC IS TO EFFECTIVELY COUNTER THREATS TO NATIONAL SECURITY OF THE CIS MEMBER STATES



Oleg KONOVALOV, Director of the Coordination Bureau for Organized Crime Control of CIS member states (CBOCC or Bureau), discusses the Bureau's role in combating transnational crime in the CIS region under current conditions

– Mr. Konovalov, what is the role of the Bureau in the framework for combating transnational crime?

– The Bureau holds a unique position in the public security framework of the CIS member states. As a permanent working body and *de facto* the executive instrument of the CIS Council of Ministers of Internal Affairs (the Council), it serves as

an analytical hub, coordinating the implementation of the Council decisions and facilitating cooperation between law enforcement agencies and other CIS bodies on all key aspects of combating transnational organized crime.

The Council defines the key directions of the Bureau's work, which are regularly adjusted to address the

evolving crime landscape. In fact, the Bureau plays an active role in shaping counter-criminal policies, bringing the most urgent cross-border crime issues to the Council's attention.

The Bureau focuses on interstate search for persons, conducting joint operational and preventive measures, and working with task forces.

– What underlying documents guide the CBOCC work?

– A number of fundamental interstate strategic documents, approved at the highest level, largely determine the collective actions taken to combat international criminal activity in the CIS region.

One of the principal concept documents is the Interstate Program of Joint Efforts against Crime, adopted by the heads of the CIS member states for a medium term.

In 2023, the heads of the CIS member states approved the Interstate Program for 2024–2028.

As usual, the Bureau prepared this document based on an in-depth analysis of the current crime landscape, trends and forecasts of the development of the operational environment in the CIS region, incorporating proposals from competent authorities, including the Council of Heads of Financial Intelligence Units of the CIS member states (CHFIUs).

Documents like this guide key areas of cooperation among internal affairs bodies, as well as other law enforcement agencies in the CIS countries, and establish a foundation for a comprehensive approach to targeted measures.

– An exponential growth of cybercrime is one of contemporary global challenges. What steps is the Bureau taking to combat cybercrime?

– In the view of the global increase in the number of crimes committed by means of information and telecommunication technologies, measures to counter cybercrime remain a priority for the Bureau.

These crimes are, as a rule, extraterritorial. Therefore, we must develop a legal framework for

« THE BUREAU AND THE COUNCIL ARE FOCUSED ON CRIMINAL CHALLENGES ASSOCIATED WITH ADVANCING INFORMATION AND COMMUNICATION TECHNOLOGIES. WE TAKE MEASURES TO COUNTERACT THESE CHALLENGES VIRTUALLY EVERY HOUR AND DEVELOP APPROPRIATE RESPONSES

international cooperation in order to establish joint investigation and prosecution of such crimes.

Combating these crimes effectively requires consolidated efforts from all CIS law enforcement agencies and other security bodies. Given the use of advanced scientific and engineering technologies, the process requires recruiting highly qualified specialists and conducting scientific research.

The CBOCC, in collaboration with the Council's Scientific Advisory Board, conducted a thorough analysis of the current cybercrime landscape and studied the likely trends in the development of cybercrime in the regional and global contexts as part of the implementation of the Council's instructions.

Further, by the Council's decision, a Regulation on coordinated measures of the CIS internal affairs bodies to combat new crimes in the field of information technologies was prepared and approved. The document outlines procedures for cooperation, information exchange, and joint actions.

The work in this track goes further, of course.

The Bureau and the Council are focused on criminal challenges associated with advancing information and communication technologies. We take measures to counteract these challenges virtually every hour and develop appropriate responses.

In August 2024 during a Council meeting in Minsk, several decisions were made to enhance the fight against cybercrime, including the approval of a draft Protocol amending the Agreement of the CIS Member States in Combating IT Crimes dd. September 28, 2018. The amendments are aimed at updating terminology and the clauses on forms of cooperation between competent authorities and on the elements of offences. The Council also approved the 2025–2028 Plan for cooperation between the CIS Ministries of Internal Affairs on combating ICT-related crimes and the Decision to establish a common online database of digital traces of such crimes.

– How does the Bureau collaborate with other agencies?

– It is very dynamic. In its mission to fight cross-border crime, the Bureau acts as a link between the interior bodies and other competent agencies of the CIS countries, as well as the CIS law enforcement and security structures.

The Bureau has signed partnership agreements with the CIS Anti-Terrorism Center, the Coordination Service of the Council of Border Troops Commanders, the Secretariat of the Coordination Council of Prosecutors General of the CIS member states, the Committee of Heads of Law Enforcement Units of the Council of Heads of Customs Services of the CIS member states, the Council of Heads of Financial Intelligence Units of the CIS member

states, and other bodies and councils related to combating crime.

Here I will elaborate on the Bureau's partnership with the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG).

The Bureau acts as the EAG observer since 2019; its expertise is valued when drafting, considering, and discussing materials and documents in the EAG working groups. In May this year, I took part in the 40th EAG Plenary Meeting, where I reported on the current activities of the Bureau and the Council, and described the promising areas of cooperation between the Ministries of Internal Affairs of CIS countries in combating cross-border crime.

Furthermore, the Bureau regularly engages with the Council of Defence Ministers of the CIS member states, as well as with our colleagues from the Collective Security Treaty Organization (CSTO).

We follow a consistent course of cooperation within the Inter-Parliamentary Assembly of the CIS member states. Over the past few years, the Bureau's officials have been involved in drafting documents on matters of defense, security, and law enforcement adopted by the Assembly.

In the context of geopolitical changes, the Bureau, committed to improving the forms and methods of its activities, has been expanding the scope of cooperation and keeping involved in measures to counter transnational crime conducted by the CIS Executive Committee, the Shanghai Cooperation Organization (SCO), and the BRICS.

– Mr. Konovalov, the world now faces dynamic changes in the crime environment and the emergence of new threats. How does the CBOCC respond to the new challenges?

– The Bureau has developed several initiatives aimed at countering the recruitment of citizens by terrorist and extremist organizations. We drafted a Concept for Promoting Cooperation between the Ministries of Internal Affairs of the CIS member states in this field, which has been approved by the Council. The document outlines a system of targeted measures promoting informational, organizational, and practical cooperation and provides conditions for uniting the efforts of internal affairs bodies in preventing such recruitment.

Additionally, the Bureau's website provides a regularly updated List of Terrorist and Extremist Organizations whose activities have been banned in the CIS territory under national laws.

– What is your vision for the CBOCC future? What should be its focus?

– Amidst the current dynamically evolving operational environment, fostering new and forward-looking joint measures and collaborative efforts to combat crime, based on partnership and mutual respect for the interests of all law enforcement agencies, has a crucial stabilizing influence on the security of our states.

As such, the Council supported the Bureau's initiative to create several forums for discussing current matters of cooperation, namely the Meeting of Heads of Metropolitan MIA Divisions of the CIS Countries and the Meeting of Heads of MIA Crime Investigation Departments of the CIS Countries. Another popular format of collaboration is the international scientific and practical conferences organized by the Council. I am confident that fostering professional ties will undoubtedly contribute to addressing pressing challenges in the fight against crime.

The current crime landscape in the CIS countries calls for consistent and coordinated joint actions, prompt information interaction, and multiservice communication channels that would enable the online exchange of electronic operational information and the data from specialized resources maintained by the relevant competent authorities of the CIS member states, as well as the CIS security and law enforcement structures. To this end, the Bureau will draft a number of international agreements to regulate this work.

Furthermore, we are committed to enhancing the cultural and ideological components of cooperation among the internal affairs bodies of the CIS member states, building upon our long-standing common history. I believe, we should not omit putting this valuable asset to good use. To this end, we are updating the Bureau's official website and the Council's journal called "Sodruzhestvo" (Commonwealth) founded by the Bureau with relevant and substantive content.

Since 2023, the Council has been holding a media contest, and the results show that the CIS countries are enthusiastic about this initiative.

In conclusion, I would like to emphasize that the primary strategic objective of the Bureau in the CIS region remains the preservation and continued development of an effective system for combating threats and challenges to the national security of the CIS member states. Integrating these efforts within a unified legal framework will ensure public and personal security across the region.

INTERNATIONAL COOPERATION AND CONSOLIDATION OF THE AML/CFT SYSTEM IN THE EURASIAN REGION



SVETLANA PODDUBSKAYA
Head of the Coordination and
International Cooperation Department,
Financial Monitoring Department
of the State Control Committee of the
Republic of Belarus

The FMD's primary functions include fostering international cooperation to counter money laundering, terrorist financing, and proliferation financing; analyzing transactions subject to special controls; and developing information systems. Therefore, collaboration with other countries is essential to both the FMD and the broader national AML framework

The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), one of the FATF-style regional bodies, celebrates its 20th anniversary this year.

The strength of the EAG lies in its nine member states, each with a robust national anti-money laundering and counter-terrorism financing (AML/CFT) system. The strong cooperation between the private sector and supervisory authorities, the identification of money laundering and terrorist financing (ML/TF) trends, the development of information and analytical frameworks, crime detection and investigation by law enforcement agencies, fair judicial proceedings, and the steadfast endeavor of each member state to adhere to strict FATF standards – these pillars support

an effective AML/CFT framework across EAG countries.

A key component of any national AML system is its financial intelligence unit (FIU). In Belarus, this role is assigned to the Financial Monitoring Department (FMD) of the State Control Committee. The FMD's primary functions include fostering international cooperation to counter money laundering, terrorist financing, and proliferation financing; analyzing transactions subject to special controls; and developing information systems. Therefore, collaboration with other countries is essential to both the FMD and the broader national AML framework.

The Financial Monitoring Department is directly engaged in activities of various integration setups for countering

the money laundering and terrorist financing.

We are actively engaged in AML/CFT activities of the Council of Heads of Financial Intelligence Units (CHFIs), which is the CIS sectoral body. Relevant regulatory basis is being developed within the Eurasian Economic Union framework, and the FMD is notably involved in this effort. In June 2024, Belarus became a full member of the Shanghai Cooperation Organization (SCO), which promotes *inter alia* cooperation on issues related to countering terrorism, separatism, and extremism.

FATF, through its regional groups like the EAG, establishes and monitors international standards for AML systems. Belarus is among the six founding members of the EAG, established on October 6, 2004.

With the EAG now having an inter-governmental status, the FMD continues actively working on this international platform, making significant contribution to the evaluation processes by providing highly qualified expert assessors.

The FMD obtaining technical assistance through the EAG, in particular for national personnel professional development, undoubtedly benefits the national anti-money laundering system.

The EAG's typology studies on laundering criminal proceeds and the financing of terrorism are particularly relevant to the development of the FMD and its effectiveness. The EAG explores the risks of money laundering and the financing of terrorism and studies trends at the regional level.

The EAG's collaborative efforts ensure that all parties in the AML system, including international organizations and concerned states, work together to address these challenges.

As an associate member of FATF, the EAG enables Belarus to participate in FATF projects. The FMD coordinates with public authorities and takes an active role in various FATF initiatives and research efforts.

Timely access to relevant information through secure communication channels is critical for addressing emerging threats and risks. Both FATF and the EAG prioritize information exchange as a core element of AML/CFT work.

Financial intelligence units across the world prioritize international information exchange, and the Financial Monitoring Department is no exception.

In Belarus, there are no legislative obstacles or the requirement for signing international agreements or memoranda, that would impede interaction with foreign FIUs in the field of AML/CFT/CPF.

Nevertheless, the FMD has signed bilateral agreements with 25 foreign FIUs, and this number continues to grow.

Over its 21 years of operation, the FMD has established relationships with FIUs in more than 150 countries, facilitating the exchange of crucial financial information.

This exchange of information empowers national FIUs by providing access to valuable insights from their international counterparts, including details on financial instruments that help uncover complex cross-border money laundering and terrorist financing schemes.

International information exchange by the FMD produces tangible results in its work and certainly facilitates the effectiveness of the national and global anti-money laundering system.

The information obtained by the Financial Monitoring Department through international cooperation has enabled law enforcement agencies of Belarus to identify numerous crimes, including economic and corruption-related offenses.

It is impossible to overestimate the role of the EAG in the national anti-money laundering systems of the member states. The Group provides an international platform where various experts of both member states and observers share their experience and collaborate on practical initiatives.

The Commonwealth of Independent States Anti-Terrorism Center (CIS ATC) and the Collective Security Treaty Organization (CSTO) implement initiatives to combat illegal migration, terrorism, drug trafficking, and other transnational crimes.

Collaboration with law enforcement agencies and direct involvement of the FMD in these projects at the national level alone allowed law enforcement agencies to identify a number of crimes based on FIU information; a number of foreign citizens have been banned from entering Belarus, which indicates the effective work in this area.

In conclusion, international interagency cooperation in the fight against money laundering and the financing of terrorism promotes both national and regional interests, and helps accomplish the most challenging goals both in the Eurasian region and the entire global anti-money laundering network. To ensure continued success, it is essential to maintain a constructive and professional dialogue across all levels of international cooperation.

INTERACTION BETWEEN THE EEC AND THE EAG IN AML/CFT: A RETROSPECTIVE AND FUTURE OUTLOOK

Commission's interaction with the EAG is always at the highest level and is characterized by mutual trust, timely information exchange, and constructive support on a wide range of topics



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I extend my congratulations to our colleagues at the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) on this important milestone which marks the 20th anniversary of the Group's founding. In light of this, I would like to introduce the reader to the significant events in the history¹ of the EAG's engagement with the Eurasian Economic Commission (EEC), the Eurasian Economic Union's (EAEU)² permanent regulatory body.

Collaboration with international organizations, as well as regional integration and intergovernmental partnerships, are among the top priorities of the EAEU's international efforts. One of its partners is the EAG, which is a key body in the field of anti-money laundering and counter-terrorism financing (AML/CTF) in the region.

The EEC's collaboration with the EAG has typically been included in the Main Directions of EAEU International Activities, which are approved annually by the heads of the EAEU member states³.

In order to implement the provisions of the Main Directions, the EEC was granted an observer status in the EAG in June 2016 (in accordance with the resolution of the 24th EAG Plenary Meeting)⁴. Since then, EEC representatives have actively participated in events organized by the EAG.

However, global economic trends, the emergence of new technologies, and the increasing threats to the financial systems of the EAEU member states have rendered previous models of interaction between the EEC and the EAG insufficient.

In 2020, the EEC initiated a series of meetings with EAG representatives at various levels, resulting in an agreement between the two organizations' leaders on the need to deepen further collaboration in the field of AML/CFT.

To formalize this partnership, a draft Memorandum of Understanding between the EEC and the EAG was developed. The Memorandum aimed to enhance the depth and scope of collaboration, leveraging the combined expertise and capabilities of both organizations.

¹ The period concerning the EAEU predecessors — namely, the Customs Union and the EurAsEC — is not covered (authors' note).

² The EAEU is an international organization comprising five member states — Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia — aimed at promoting regional economic integration (<http://www.eaeunion.org/#about>).

³ For information on the Main Directions of the Eurasian Economic Union's International Activities for 2024, visit <https://www.altar.ru/tamdoc/23vr0027/>.

⁴ For the list of EAG observers, visit <https://eurasiangroup.org/ru/observers>.

► Table 1. Extracts from EAEU Member States' Mutual Evaluation Reports Highlighting Deficiencies under Recommendation 32

COUNTRY	YEAR OF PUBLICATION	MUTUAL EVALUATION REPORT EXTRACT	RANKING UNDER R.32
Belarus	2019	"... there is no requirement to declare currency or BNIs being transported across the internal borders of the Customs Union... "	Largely compliant
Russia	2019	"...However, Russia's declaration system applies only to movements (both inward and outward) of cash and BNIs from and to the EAEU, meaning that only movements that cross the external borders of the EAEU are subject to the declaration requirements.... "	Largely compliant
Kazakhstan	2023	"...In Kazakhstan, the cross-border declaration system applies to cash and BNIs transported across the EAEU customs border ; it does not apply to the movement within the EAEU..."	Largely compliant

The draft Memorandum was approved by the decision of the EEC's Board and the EAG Plenary Meeting, despite certain coordination challenges arising from differing perspectives among various departments of the EAEU and EAG member states. The Memorandum was officially signed in Moscow, Russia, on February 12, 2021⁵. This was a critical step for the continued integration of AML/CFT initiatives.

The Memorandum covers several areas of cooperation including the identification, analysis, and management of ML/TF risks associated with the free movement of goods, services, capital, and labor, as well the development of ideas for the implementation of AML/CFT measures in EAEU member states.

According to this document, EEC staff members were, for the first time, selected to assess the Republic of Uzbekistan's mutual evaluation report. This set a positive precedent

and laid the framework for future EEC staff involvement in these processes.

Moreover, EEC officials also took part in the regional risk assessment, given that the EAG Secretariat and member states dedicated a whole portion of the final report to the EAEU sub-region. The findings of this assessment in the Eurasian region will contribute to the creation of a unified EAEU financial market, in accordance with the Treaty on the EAEU of May 29, 2014, and the Approved Concept for Establishing a Common Exchange Market for Goods.

In 2022, the EEC was ranked "High" based on the findings of the EAG Secretariat's analysis of the EAG member states and observers contributions, demonstrating the EEC and EAG's fruitful cooperation. Notably, only the Financial Action Task Force (FATF) and the EEC were given such a high rating among

the 23 international observer organizations.

In turn, members from the EAG Secretariat attended EEC-organized sessions of the Financial Markets Advisory Committee to examine matters under the EAG's purview. At the EEC's request, the EAG Secretariat has also repeatedly provided methodological assistance in harmonizing AML/CFT regulations and procedures.

In collaboration with the EAG Secretariat, the EEC is currently exploring the possibility of obtaining FATF supranational jurisdiction status concerning FATF Recommendation 32. It is widely recognized that the absence of customs controls at the internal borders of the EAEU member states has negatively impacted the mutual evaluation ratings of the Union's member countries, preventing them from achieving the highest rating, "Compliant", under Recommendation 32.

⁵ The EEC and the EAG have signed a Memorandum of Understanding: <https://eurasiangroup.org/ru/eag-and-eec-signed-memorandum-of-understanding>



At the same time, according to the FATF Methodology, Recommendation 32 can be implemented through supranational measures when a country is part of a supranational jurisdiction with a common customs territory. In such cases, cross-border movements of funds are considered to occur only when they cross the external borders of the supranational jurisdiction, not the internal ones.

Given that the EAEU operates under a unified customs policy, governed by the EAEU Customs Code, international AML/CFT treaties, and

applicable Union body regulations governing the movement of cash and/or financial instruments across the EAEU border, it would be reasonable to assert that the EAEU meets the FATF requirements applicable to supranational jurisdictions.

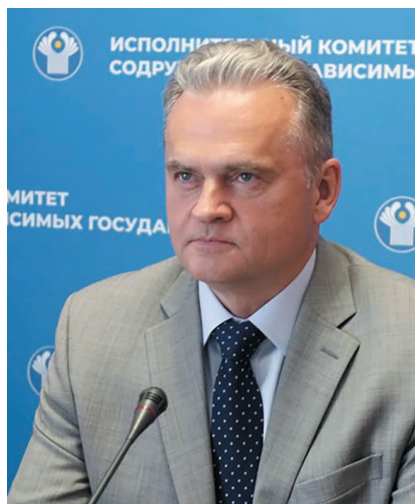
However, the FATF has established a special procedure for formally recognizing supranational jurisdictions as such, and there are no global precedents for obtaining such status. The EAG Secretariat has expressed its willingness to assist in preparing the necessary application.

This matter is currently under consideration by the governments of the EAEU member states.

In conclusion, it should be mentioned that even though the EAEU's decision-making processes are complicated and occasionally involve lengthy negotiations with member state authorities, the Commission's interaction with the EAG is always at the highest level and is characterized by mutual trust, timely information exchange, and constructive support on a wide range of topics.

ON COOPERATION OF THE CIS COUNTRIES IN COMBATTING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

Combating crime, especially international, remains the most relevant area of cooperation among the CIS member states. To this end, the region continues to develop and strengthen legal and organizational frameworks for collective measures in countering crime



EVGENY KLEMEZ

Director of the Department
for Security Cooperation,
CIS Executive Committee

Since the early 2000s, common risks and threats related to anti-money laundering and countering the financing of terrorism (AML/CFT) in the CIS region have become increasingly apparent. In 2004, member states took their first major step toward mitigating these risks. The CIS Council of Foreign Ministers, supporting Russia's initiative, endorsed the establishment of the FATF-style regional body. On March 26, 2004, interested states convened at the founding conference, and on October 6, 2004, the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) was officially established.

Simultaneously, the Commonwealth of Independent States (CIS) continued implementing necessary organizational and practical measures in this domain.

On December 5, 2007, CIS member states signed the Treaty on Anti-

Money Laundering and Countering the Financing of Terrorism.

Following amendments to FATF Standards in February 2012, legislative revisions became necessary. In response, on November 28, 2014, the CIS Inter-Parliamentary Assembly adopted a model law on Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF).

Under the Agreement signed by the heads of states on December 5, 2012, the Council of Heads of Financial Intelligence Units of the CIS member states (CHFIUs, the Council) was established to coordinate collaborative effort in combating money laundering and countering the financing of terrorism.

The CHFIUs includes the representatives from seven CIS states (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and

Uzbekistan). The Head of the CIS Secretariat and a representative from the CIS Executive Committee are also part of the Council, with an advisory voting right.

The first meeting of the Council was held on May 22, 2013.

Over the past eleven years, it has convened 27 times, addressing more than 200 organizational, methodological, and practical issues, all aimed at enhancing cooperation on AML/CFT within the CIS and across other international platforms.

Meeting updates are regularly posted on the official website of the CIS Executive Committee (<http://www.cis.minsk.by> Cooperation Areas section), and the Council's website (<http://www.fiu-cis.org>).

The Council was created to build on existing collaboration between financial intelligence units (FIUs) and to consolidate efforts at a higher level.

Later, the Council continued working on improving the AML/CFT/CPF legal framework and promoting cooperation in this area. In 2016, the Council began updating the Treaty dd. December 5, 2007. The revised Treaty was signed on October 15, 2022 at the meeting of the Council of Heads of State of the CIS. The Agreement came into effect on April 26, 2023 in Belarus, Kyrgyzstan, and Russia. Tajikistan has also completed the required formalities. Now, in addition to AML/CFT measures, the Agreement covers cooperation of the CIS states in countering proliferation financing (CPF).

The CHFIUs, like all sectoral bodies in the CIS, plays a vital role in promoting interagency collaboration among member states' competent authorities. FIUs' efforts focus not only on identifying and combating financial crimes but also on developing new mechanisms, methods, and



► The 27th Meeting of the Council of Heads of Financial Intelligence Units of the CIS Member States

forms of joint action to address shared challenges. Recognizing that FIUs cannot operate effectively in isolation, the Council collaborates with the CIS Executive Committee and other CIS sectoral bodies to enhance synergies.

As such, the CHFIUs has formalized cooperation and partnership agreements with the following entities:

- As such, the CHFIUs has formalized cooperation and partnership agreements with the following entities:
- Commonwealth of Independent States Anti-Terrorism Center (CIS ATC; June 17, 2014);
- Coordination Bureau for Organized Crime Control of the CIS member states (CBOCC; June 17, 2014);
- Council of Border Troops Commanders (CBTC; June 17, 2014);
- Cooperation Council for Basic Sciences of the CIS member states (CCBS; May 16, 2015);
- Coordination Council of Heads of Tax (Financial) Investigation Bodies

of the CIS member states (CCTIB; July 07, 2015);

- Coordination Council of Prosecutors General of the CIS member states (CCPG; June 08, 2016);
- Council of Heads of Migration Authorities of the CIS member states (CH MA CIS; November 29, 2017);
- Interstate Anti-Corruption Council (IACC; December 08, 2017).

In addition, a Cooperation Protocol with the EAG was signed on November 11, 2016.

During its meetings, the Council regularly invites representatives from the CIS sectoral bodies, including the ATC, CBOCC, CBTC, CCPG, CCTIB, IACC, as well as from the EAG and the International Training and Methodology Centre for Financial Monitoring (ITMCFM).

Through a shared understanding of common goals, the CHFIUs continues to develop proposals for improving the legal framework governing cooperation between the CIS member states. These proposals are submitted to the CIS's

highest bodies for review, and once approved, the Council implements practical measures in coordination with other sectoral cooperation bodies.

One key initiative was the development and approval of the Concept of Cooperation in Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing, which was ratified on October 11, 2017. The Council reviews the progress of the Concept's implementation annually at its meetings.

The CHFIUs alongside the IACC took active part in the development of the CIS Member States Anti-Corruption Concept, which draws upon the fundamental and universal principles of the United Nations 2003 Anti-Corruption Convention. Specifically, Chapter V of the Convention focuses on asset recovery, stipulating that assets acquired through corruption be reclaimed. This mechanism is essential in preventing the laundering of proceeds derived from criminal activities, including corruption.

The Council serves as an operational interaction body of financial intelligence units and aims to create a secure environment for the exchange of relevant data and the organization of joint anti-crime operations. As practice shows, the Council effectively fulfills its tasks.

A system for analyzing current and potential risks and threats has been developed. The legal basis for FIUs cooperation advances and personnel training is delivered.

Information exchange occurs in real time. The Council facilitates coordinated special operations aimed at identifying criminal assets, illicit financial flows, and the financing of terrorism. A constructive interaction has been established with financial

intelligence units of non-CIS countries and relevant international organizations.

The CHFIUs submits annual reports to the CIS Executive Committee, detailing its accomplishments, and the International Training and Methodology Centre for Financial Monitoring reports on its activity as the basic institution for AML/CFT training across the CIS member states (Decision of the CHFIUs dd. October 30, 2015).

The Russian Financial Intelligence Unit efficiently supports the Council's Secretariat alongside with the CIS Executive Committee (Department for Security Cooperation, with its representative acting as Deputy Head of the CHFIUs Secretariat). The Council's Secretariat is responsible for developing proposals for the Council's activities and providing organizational, technical, and informational support. The regulation governing the Secretariat was approved by the Council on November 13, 2013.

The CHFIUs is authorized to establish expert working groups as needed, including for preparation and review of draft documents within the Council's activities.

CURRENTLY, THERE ARE THREE WORKING GROUPS:

- Anti-Money Laundering Group (AMLWG),
- Counter Terrorist Financing Group (CTFWG),
- CIS FIU Information Sharing System Group – Synergy (ISSWG).

Additionally, a separate group is working on the development of the International Money Laundering and

Terrorist Financing Risk Assessment Center (IRAC).

The Council members initiated a number of projects such as monitoring cross-border cash flows, researching crypto-asset turnover, and developing common criteria for regulating electronic payment systems to mitigate ML/TF risks.

Financial intelligence units are able to identify the ultimate beneficiary or the individual who cashes out e-money. A unified registry of cryptocurrency exchanges has been collated and uploaded to IRAC.

The Barrier operation conducted by the Council has proven its effectiveness in monitoring financial transactions. Especially, transactions conducted in areas susceptible to terrorism, border conflict zones, and transactions involving individuals on the CIS international wanted list for terrorist and extremist crimes, among other criteria.

Effective international cooperation is impossible without prompt information exchange, and the Council has a well-established relevant infrastructure. The Council and the ITMCFM started developing the Information Sharing System (ISS) in 2015. Currently, all Council members have access to a safe and secure communication channel. The Information Sharing System is very important as it also serves as the basic infrastructure for IRAC.

With the evolution of technologies, a need emerges to change the approach to risk mitigation. IRAC, formally established on October 13, 2023, during the Heads of the CIS member states meeting, is one of the key tools for addressing these challenges. Soon, the technical work for the IRAC platform will be complete.

THE ISS HAS BEEN ASSIGNED WITH SPECIFIC TASKS, WHICH IT EXECUTES IN FULL, NAMELY:

- Provides secure infrastructure for information exchange and remote access to shared resources;
- Provides a common integrating hub for FIUs and maintains updated centralized information resources;
- Ensures personal identification and restricted access to information based on standardized protocols.

IRAC is intended to ensure effective interstate information exchange between FIUs and provide a shared information space. For these purposes, an infrastructure that ensures safe exchange of data and electronic documents is being designed and deployed, unified standards for electronic communication developed, common resources maintained and shared. Data protection is top priority therein.

National procedures ensuring the fulfillment of the Agreement are in place in Russia, Kyrgyzstan, and Belarus. Pursuant to Article 15 of the Agreement, it came into force on August 23, 2024 in these states.

One of the Council's top priorities is training AML specialists. In practice this function is supported by the ITMCFM. The Center's focus is providing training, preparing methodological materials, and conducting practical seminars on AML/CFT.

At annual meetings, the ITMCFM, being the Council's basic organization, reports on the key planned activities and the previous year's achievements.

Over the past years, the ITMCFM held a number of events, which were always practice-oriented and aimed at solving specific problems on the most pressing issues faced by FIUs of the member states.

The CIS Executive Committee has acknowledged the dynamic and consistent staff training efforts of both the Council and the ITMCFM.

The Council also participates in implementing targeted interstate programs aimed at strengthening security across the CIS countries and maintains high levels of cooperation and trust with the CIS Executive Committee, contributing significantly to AML/CFT efforts.

The EAG granted observer status to the CIS Executive Committee at one of its initial plenary meetings. In accordance with Article 8 of the Agreement on the Eurasian Group on Combating Money Laundering and Financing of Terrorism, the CIS Executive Committee provides the EAG Secretariat with an annual

observer report detailing AML/CFT activities in the region.

Whenever possible, representatives from the CIS Executive Committee attend the EAG Plenary Weeks held twice a year. They give presentations at plenary meetings and update participants on AML/CFT activities implemented in the CIS.

The CIS Executive Committee is doing its best to support the EAG in the implementation of collaborative measures alongside other CIS sectoral bodies, several of which are also EAG observers including the CHFIUs, Anti-Terrorism Center (ATC), and Coordination Bureau for Organized Crime Control (CBOCC).

As the EAG approaches its 20th anniversary, it has accumulated a wealth of practical experience, supported by the dedicated work of its Secretariat, working groups, and the commitment of each member state.

We are grateful for the opportunity to collaborate within the EAG events. We look forward to continued mutually beneficial contacts between the CIS Executive Committee and the EAG, and we wish the Group continued success in its efforts to safeguard citizens and society from criminal attacks.



COMBATING THE MISUSE OF INFORMATION AND COMMUNICATION TECHNOLOGIES FOR CRIMINAL PURPOSES IN THE CSTO MEMBER STATES

Crimes involving computer information and information-communication technologies (ICT) – including offenses against the security of computer information, information security breaches, computer crimes, and informatization-related criminal activities – have been steadily increasing as a proportion of overall crime. A comparative analysis indicates that ICT-related crimes account for approximately 33–38% of all crimes covered by the criminal codes of the Collective Security Treaty Organization (CSTO) member states



➤ VALERY SEMERIKOV
Deputy Secretary General
of the CSTO

The severity of information crimes, along with the challenges and threats they pose to the stability and security of society, undermines democratic institutions and values, ethical values, and justice. These offenses hinder sustainable development and the rule of law. Some of the most significant threats include the online dissemination of content that is:

- Politically harmful to national and allied interests, including the ideas of terrorism, religious fundamentalism, and extremism,
- Teaching the fundamentals of sabotage and terrorism,
- Techniques and methods of collecting sensitive information and funds,
- Propaganda and recruitment.

Economic crimes involving electronic resources are also on the rise and become increasingly sophisticated.

The misuse of ICT provides ample opportunities for other forms of crime, including money-laundering and financing of drug trafficking and terrorism.

The growing number of ICT-related crimes is alarming, particularly those involving significant financial sums, which could constitute a substantial portion of national assets and threaten political stability and sustainable development. Crimes targeting computer networks that handle state secrets, or those controlling military, critical infrastructure, or large-scale production systems, pose especially severe risks. The consequences of such offenses are unpredictable and could be far-reaching.

While committing computer crimes once required advanced technology and specialized expertise, at present, both programs designed



to commit a wide range of illegal acts with computer information (tools) and instructions for their use (methodology) are practically freely available on the global Internet.

In response to these growing threats, in 2008–2009, the CSTO launched a comprehensive interstate operation to identify, prevent, and combat these challenges and threats.

This initiative, titled PROXY – Countering Crime in Information Technology, defines information technology as the combination of data, IT infrastructure, entities that collect, generate, and distribute information, and the systems regulating the public relationships that arise from them.

Since 2014, the PROXY operation has been an ongoing CSTO's initiative aimed at countering crimes committed with the use of information technology.

Initially implemented from 2008 to 2010, and continuing from 2012 to the present, the operation is designed to establish and enhance modern mechanisms for cooperation on

information security. It seeks to collectively protect the information spaces and resources of the CSTO member states from illicit access and criminal exploitation, which could undermine their military-political, economic, and social stability.

The following specialized units are involved in the PROXY activities, within their competence:

- National security and internal affairs (police) agencies specializing in fighting IT crimes,
- Competent bodies responsible for combating drug trafficking and illegal migration,
- Financial monitoring agencies that use Internet in their operations.

These activities are focused on joint, coordinated efforts to prevent the misuse of national internet segments, curb the distribution of illegal resources prohibited by national laws, and foster cooperation in identifying and combating crimes committed using ICT. Such crimes are categorized by the national laws of the CSTO member states as offenses:

- Against peace and international security,
- Against the state, society, and the individual,

- Against public security and public order.

Technical and advisory support ensures that all CSTO member states maintain adequate levels of ICT capabilities, and plays a critical role in empowering them to prevent crime effectively and improve information security.

**THE CSTO'S
MULTIFACETED
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MOREOVER, THE NATIONAL
LEGAL FRAMEWORKS OF
THE CSTO MEMBER STATES
IN THIS AREA CONTINUE TO
IMPROVE.**



THE OBJECTIVES OF THE ANNUAL EVENTS ARE TO:

- Establish and improve modern mechanisms within the CSTO for practical cooperation between specialized units at both the national (interagency) and regional (interstate) levels, with the goal of securing the information space of the CSTO member states,
- Collect and analyze information on the misuse of Internet that affects the collective security of the CSTO member states, and identify individuals, groups, or entities involved in such activities,
- Strengthen international partnerships with non-CSTO states, regional bodies, and international organizations interested in jointly countering crimes committed with the use of IT,
- Rectify the criminal situation in the information spaces of the CSTO member states through joint efforts,
- Draft proposals to improve the national legislative frameworks and organizational arrangements for cooperation within the CSTO, and facilitate their implementation.

The PROXY operation at the national level is managed by dedicated bodies — national headquarters — in accordance with the national legislation of the CSTO member states and the decisions of the CSTO statutory bodies.

The overall coordination of PROXY is overseen by the Chiefs of National Headquarters or their designated representatives.

The CSTO's multifaceted and comprehensive efforts to counter modern challenges and threats have been highly successful. Moreover, the national legal frameworks of the CSTO member states in this area continue to improve.



SHORT OVERVIEW OF DEVELOPMENT AND CURRENT SITUATION IN THE SERBIAN AML/CFT SYSTEM

Now the wide-spread awareness of the AML/CFT system's potentials and ongoing identification and mitigation of the risks that are dynamically, and sometimes dramatically, evolving, constitutes the main element of a more proactive approach in the AML/CFT system development



ŽELJKO RADOVANOVIĆ
Director of Serbian FIU

Ever since the money laundering was first criminalized in Serbia in 2002, Serbian AML/CFT system has developed at a variable pace, its development and reforms being mainly motivated by the need to align with FATF recommendations and the European Union legislation of the time. The main driver of reforms have mostly been the findings of the mutual evaluations, and Serbia has undergone three Moneyval evaluation rounds to date, in 2003, 2009 and 2015.

This seemingly more or less typical development trajectory has reached its peak at the time when Serbia was grey-listed by the FATF in February 2018. This landmark event signaled that the country's approach for

the future AML/CFT development should be substantially different.

The reforms that ensued in 2018, required a high level of AML/CFT awareness of all stakeholders, unprecedented until then. Indeed, this awareness was not only one of the prerequisites, but also a catalyst that solidified the high-level commitment to improving the AML/CFT system.

Previously reserved but for the FIU and the selected few), this elevated awareness of AML/CFT issues has now reached wider public and private sector audiences, which started to comprehend not only the AML/CFT obligations but also full potentials of the AML/CFT controls. The stakeholders also began to look

at AML/CFT risk management more thoroughly internalizing the risk-based approach, and focusing on effectiveness.

Obviously, Serbia addressed all the ICRG Action Plan issues in less than a year, and delisted in a record-short time¹. The authorities have not registered any major adverse consequences on the economy or the financial system. Some Serbian companies operating abroad did report at the time having experienced some difficulties with foreign financial institutions in some foreign countries when trying to perform their transactions, but the incidence of such cases can be said to have been negligible. In terms of impact, therefore, Serbia does seem to have been on the list short enough to avoid adverse consequences, but yet long enough to generate the much needed internal awareness, commitment and energy for further AML/CFT development.

This commitment helped achieve a high level of technical compliance with the FATF recommendations, as another precondition for boosting the effectiveness of the system.

More specifically, in its 2018 Second Enhanced Follow-Up Report for Serbia (FUR), following the 2016 evaluation cycle², Moneyval upgraded 10 out of 17 FATF recommendations originally rated as non-compliant or partially

 **SERBIA ADDRESSED ALL THE ICRG ACTION PLAN ISSUES IN LESS THAN A YEAR, AND DELISTED IN A RECORD-SHORT TIME**

compliant, in December 2019 three more, and in 2021³ four outstanding 2016 MER recommendations.

While the 2016 MER called for major improvements of the targeted financial sanctions regime for terrorism and proliferation of weapons of mass destruction (WMDP), Serbia's strategic deficiencies – as identified by the ICRG in 2018 – were also rather DNFBP-rooted, which made the authorities' efforts all the more difficult given the DNFBP variety and numbers.

Even though effectiveness was supposed to be reviewed by Moneyval five years following the 2016 MER, Moneyval decided not to do the review. This would indeed have been an unfortunate situation [because the authorities would have been deprived of an objective assessment of progress on effectiveness] had it not been for the 2018-2019 ICRG's assessment, which covered at least the most important, i.e. strategic deficiencies. This ICRG assessment allowed the authorities to have an objective source of verification and measurable indicators of success at least for the most important (strategic) deficiencies, and this informed further strategic planning⁴.

Now the wide-spread awareness of the AML/CFT system's potentials and ongoing identification and mitigation of the risks that are dynamically, and sometimes dramatically, evolving, constitutes the main element of a more proactive approach in the AML/CFT system development.

A variety of national interagency coordination and cooperation mechanisms have emerged as a result of this approach, in addition to the National AML/CFT Coordination Body⁵.

In addition to the NRA and mutual evaluation processes, which are key mechanisms to test the success of the AML/CFT system, comparative international practice, presented mainly through the work of the FATF and FSRBs in their analyses, technical papers or tools and discussions, are an inevitable source of inspiration for reforms at the national level. FATF and it has naturally been abundantly used in our own deliberations on the way forward for the Serbian system.

As a MONEYVAL member, Serbia is subject to its evaluation and it invests efforts to be a valuable member of this Council of Europe

¹ The FATF made the decision to send the onsite assessment mission already in February 2019.

² The rules mandate that a country, upon expiry of the 3rd year of adoption of the MER, should have achieved at least a largely compliant rating with most if not with all FATF recommendations.

³ Due to the Covid-19 pandemic, the progress made by the authorities was formally rerated by Moneyval in 2021, as decided by the Moneyval December 2019 Plenary.

⁴ The FATF/Moneyval Europe-Eurasia Joint ICRG Group looked at progress on national risk assessment (IO 1), supervision (IO 3), CDD (IO 4), transparency of legal persons (IO 5), investigations, prosecutions for ML (IO 7), as well as targeted financial sanctions for terrorism and proliferation of WMD and monitoring of the NPO sector for potential abuse for TF (IO 10 and IO 11). As part of the ICRG AP, Serbia in a very short period of time (2018-2019) conducted the national risk assessment (IO1), strengthened supervision of lawyers, casinos and public notaries and capacities of supervisors (IO3), introduced Centralised Records of Beneficial Owners (IO5), increased the number of investigations, prosecutions and convictions for third party and stand-alone money laundering (IO7), extended the application of targeted financial sanctions (TFS) to proliferation of WMD, and introduced supervision of the NPO sector to protect it from being abused for terrorist financing purposes (IOs 10 and 11).

⁵ Mechanisms for coordinating risk assessment exercises (including specific areas of concern), coordination mechanisms for inspection oversight of NPOs, coordination and cooperation in countering WMD proliferation (financing), etc.

committee. Serbia is also privileged to be an observer to the EAG, since 2009, and this membership has also helped the AML/CFT authorities in Serbia, both through knowledge and information sharing and bilateral communication and cooperation with EAG members.

In addition to being represented at EAG plenaries, Serbia has also benefited from and shared its experience at the EAG Forums on AML/CFT; it also provided technical assistance (e.g. to the Kyrgyz Republic), and entered into MOUs with certain EAG members as a result of valuable interaction at EAG events (e.g. with Turkmenistan).

Bringing perspectives from FSRBs, other than the jurisdiction's regional FSRB, is a good path towards



designing timely and creative responses to the new and emerging risks in the global AML/CFT community.

This is why the Republic of Serbia, and the Administration for the Prevention of Money Laundering in particular, highly values the opportunity to be an observer to the EAG, in order to both benefit from the vast experience of its members, the creative events addressing topical AML/CFT issues, as well as to offer our own experience or technical knowledge in return.

We remain committed to further working with our EAG colleagues and support, as much as possible, the valuable EAG efforts in its region and beyond.

« NOW THE WIDE-SPREAD AWARENESS OF THE AML/CFT SYSTEM'S POTENTIALS AND ONGOING IDENTIFICATION AND MITIGATION OF THE RISKS THAT ARE DYNAMICALLY, AND SOMETIMES DRAMATICALLY, EVOLVING, CONSTITUTES THE MAIN ELEMENT OF A MORE PROACTIVE APPROACH IN THE AML/CFT SYSTEM DEVELOPMENT



ANTI-MONEY LAUNDERING NEWS

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SIRIUS: THE FINALS OF THE IV INTERNATIONAL OLYMPIAD ON FINANCIAL SECURITY BROUGHT TOGETHER SCHOOL AND UNIVERSITY STUDENTS FROM 36 COUNTRIES



Over 550 professional talented goal-oriented finalists from all continents gathered at Sirius to participate in the final week of the Olympiad. Over the five-day event, participants engaged in a wide range of activities, including lectures, interactive workshops, masterclasses, panel discussions, “Conversations about Important Matters”, quizzes, competitions, a festival of Russian traditional games, an opening of the “Culture and Traditions of the Peoples of Siberia” exhibition, and sports tournaments.

An International Dictation on Financial Security was held in person for the first time, providing a unique learning experience for the Olympiad's guests.



BRICS: YOUTH ENGAGEMENT IN FINANCIAL SECURITY DISCUSSED BY GROUP REPRESENTATIVES

BRICS 2024
RUSSIA



Representatives from financial intelligence units and other competent authorities, foreign-policy offices, and universities of BRICS countries met on the sidelines of the IV International Olympiad on Financial Security at Sirius. The platform brought together delegates from Brazil, China, Egypt, Ethiopia, India, Iran, Russia, Saudi Arabia, South Africa (RSA), and UAE.

The meeting discussed the importance of involving youth in financial security and their participation in the International Movement on Financial Security.

SIRIUS: LEADERS OF PARTICIPATING COUNTRIES' FIUS MEET AT THE IV INTERNATIONAL OLYMPIAD ON FINANCIAL SECURITY



The meeting brought together delegation heads from countries participating in the Council of Heads of Financial Intelligence Units of

the CIS Member States as well as representatives from the Republic of Cuba, the Sultanate of Oman, UAE, Turkmenistan, and other countries.

In addition, Anatoly Seryshev, Presidential Plenipotentiary Envoy to the Siberian Federal District and representatives from the Secretariat of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), the CIS Executive Committee, and the Coordination Council of the Heads of Fiscal (Financial) Investigation Agencies of the CIS countries also participated in the event.

The discussion centered on critical issues such as the involvement of young people in illegal activities, specific aspects of public-private partnership, and participation in the International Movement on Financial Security.

TASHKENT: SEMINAR FOR EAG MEMBER STATES' ASSESSORS



A seminar aimed at training qualified assessors for evaluating national systems for combating money laundering and terrorist financing took place in Tashkent, Uzbekistan.

Attendees included representatives from the EAG member states:

Belarus, India, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan, as well as experts from financial intelligence units, law enforcement agencies, regulatory, and other competent authorities.

INTERNATIONAL WEBINAR

on the Issues of Securing Beneficiary Ownership in Member States of the Eurasian Group on Combating Money Laundering and Financing of Terrorism

The webinar was attended by representatives of public authorities and the private sector from member states of the EAG, FATF, MONEYVAL, as well as the Secretariats of FATF and EAG.

The parties discussed various ways of identifying beneficiary owners of legal entities and arrangements, matters relating to verification, storage, and updating of data, as well as providing access to reliable, accurate, and relevant information of competent authorities.

DUSHANBE: VIII INTERPARLIAMENTARY FORUM “RUSSIA-TAJIKISTAN: A POTENTIAL FOR INTERREGIONAL COOPERATION”



The forum's plenary meeting was opened by Valentina Matvienko, Chairwoman of the Federation Council of the Federal Assembly of the Russian Federation, and Rustami Emomali, Chairman of the Majlisi Milli Majlisi Oli (the National Assembly of Tajikistan).

In the framework of the forum's program, representatives of relevant ministries and agencies, parliamentarians, and experts discussed various aspects of enhancing cooperation in the field of financial markets, as well as industry, transport infrastructure,

logistics, and agriculture between the two countries. Delegates from Russia and Tajikistan acknowledged the importance of developing interregional cooperation in a wide scope of issues of bilateral and regional agenda, including financial security.

SIRIUS: THE FINALS OF THE 3RD ANNUAL EAG CONTEST AMONG COMPLIANCE OFFICERS OF FINANCIAL INSTITUTIONS FOR BEST AML/CFT FINANCIAL ANALYSIS

The finals of the 3rd Annual EAG Contest for Best AML/CFT Financial Analysis was held during the IV International Olympiad on Financial Security at Sirius (Russia).

A representative from Kazakhstan won first place, with contestants from Turkmenistan and Tajikistan receiving laureate honors. The audience choice award went to a case study presented by a Russian bank.





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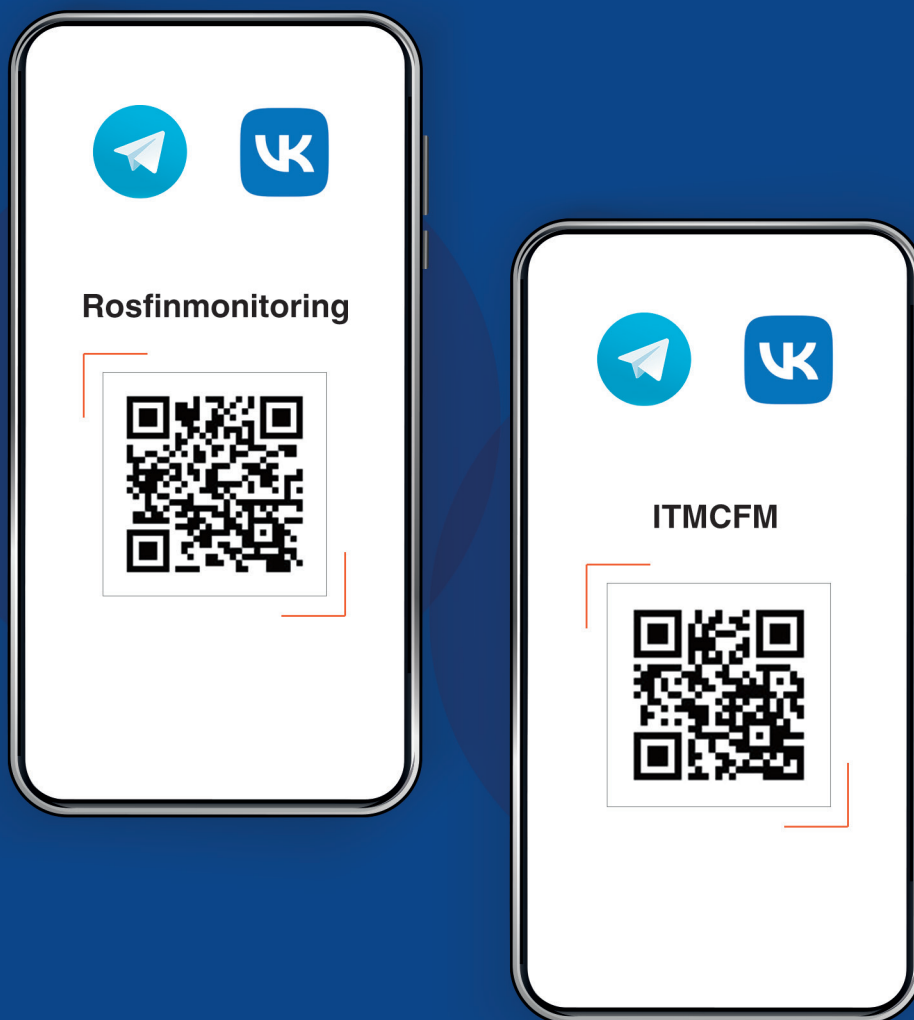


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