

Newsletter



EU AML / CFT
GLOBAL FACILITY

Edition 1
July 2021

IN THIS ISSUE

- ▶ Welcoming words (p.2-3)
- ▶ The EU Global Facility on AML/CFT: an introduction (p.4-5)
- ▶ Meet the Team (p.6-7)
- ▶ Facts and Figures (p. 8-9)
- ▶ Where we worked (p.10-11)
- ▶ **Tunisia:** Microfinance, financial inclusion and the fight against money laundering (p. 12)
- ▶ **Mongolia:** EU/UN partner against money laundering in NPO sector (p.13)
- ▶ **The UAE:** Training on Parallel Investigations (p.14)
- ▶ **In Focus:** Blood Antiquities, Antiquities Trafficking and Conflict Looting (p. 15-16)

IMPLEMENTED BY



Funded by
the European Union



**EXPERTISE
FRANCE**



WELCOME

... And thank you!

I am pleased to see you subscribe to the very first newsletter of the EU Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism.

Our project, which brings together some of the world's leading experts in the field of AML/CFT, is of crucial importance to the global fight against ML and TF, two of the most pervasive threats to our societies.

Systemic change is needed from within. Not only from EU institutions and policymakers but from actors on the ground themselves. All of them.

From the local judge in Lusaka, Zambia, to the intelligence officer in Port Louis, Mauritius, and the NGO representative in New Delhi, India, every actor of the financial investigation and penal chain -and beyond- needs to be involved.

From the public too. By being better informed about their rights, their possible infringements in everyday life but also their duties as citizens of the world, individuals have the power to disrupt the money laundering and terrorist financing flows.

This is when communicating about what we do becomes paramount.

More than ever, we need to work in an interconnected manner, bringing together all actors in the field. As criminal and terrorist organisations constantly adapt and morph into new, diffuse networks, our global response must, too.

Our response cannot simply be that: a reaction to dramatic new incidents and terrorist attacks. Instead, we need to be at the forefront of potential new threats, by helping local actors prevent, detect and strengthen their frameworks and capacities.

Our end goal cannot be short sighted. Neither can it be restricted to a single jurisdiction. While we act on behalf of the European Union, our scope -and our goal- is global. We work with partners countries identified as 'high risk' based on EU and FATF standards all over the world.

In this regard, we are providing flexible, sustainable support tailored to each country's needs, while developing some of the most innovative and under-researched responses to emerging threats.

The Global Facility on AML/CFT has great ambitions. Not just for these coming months. Or year. But on the long run. I hope this introductory issue, which outlines the concrete actions we have taken over the last year, despite the world shattering COVID-19 pandemic, gives you a glimpse of this ambition and something to ponder, learn from, and build on.



David Hotte
Team Leader

David Hotte has over 25 years of experience as an international expert on money laundering and terrorist financing, advising bodies such as the EU, the UN, the IMF and the Office of the High Representative in Bosnia.

In the private sector, David Hotte was a senior compliance manager for a French banking group and a consultant for a law firm on financial crime. He has served in the Gendarmerie Nationale. His work has covered Palestine, Sri Lanka, Turkey, China, Laos and Syria, among many others.

He is the author of several books on financial crime.



WHY?

Throughout the years, the European Union has been **at the forefront of anti-money laundering and counter terrorist financing efforts**, publishing numerous Directives, action plans and legislation aimed at mitigating potential risks relating to ML/FT.

The EU legislation mandates the European Commission to identify high-risk third countries with strategic deficiencies in their AML/CFT regimes that pose **significant threats to the integrity of the EU financial system** hence to the proper functioning of the EU internal market.

WHAT?

In this context, the **Global Facility on AML/CFT was set up in 2017**, as the Commission's instrument to support countries with strategic AML/CFT deficiencies.

Based in Brussels, the EU GF-AML/CFT delivers technical assistance to **countries across the globe**, in a way that is tailored to their needs and local contexts.

We support the adoption by third countries of enhanced measures to prevent ML and cut off access to funding for individual terrorists and terrorist organisations, through **increased compliance with the global AML/CFT standards**.

HOW?

Technical assistance is provided on a **demand-driven basis** and in response to existing and emerging threats.

Our work is centered around **3 separate yet intertwined pillars**, covering all stages and actors of the **financial investigation and penal chain**.

Types of intervention include: scoping missions; policy advice and drafting support; legislative and regulatory drafting support; support to institutional capacity building; bespoke online & onsite training; mentorship; regional & international networking; provision of AML/CFT related procurement.

OUR OBJECTIVES

- **Increase awareness** of AML/CFT issues and best practices
- Provide assistance to improve **AML/CFT legislative, regulatory and policy frameworks**
- Strengthen **AML/CFT analytical and institutional capacity**
- Help improve the **effectiveness and efficiency of AML/CFT systems** so financial flows from the informal economy and organised crime towards terrorist organisations are reduced, the use of serious organised crime proceeds is hindered and asset recovery mechanisms are improved.
- Encourage AML/CFT **national, regional and international cooperation and networks**
- **Facilitate AML/CFT dialogue** between public authorities, civil society and private sector actors.

“A chain is as strong as its weakest component



3 CO-IMPLEMENTERS

Implemented by Expertise France, in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ and Northern Ireland Cooperation Oversea - NI-CO.



69 MONTHS
(2017 - 2023)



€20 MILLION

Managed by the European Commission's Service for Foreign Policy Instruments (FPi) and financed by the EU's Instrument contributing to Stability and Peace (IcSP)

The backbone of a comprehensive AML/CFT regime is recognised as being made up of five key stages: **detection, assessment, investigation, decision and recovery**, representing the main components of the financial investigation and penal chain.

Different actors and institutions are responsible at every stage of the chain, each playing a key role in upholding the integrity and efficiency of AML/CFT regimes.

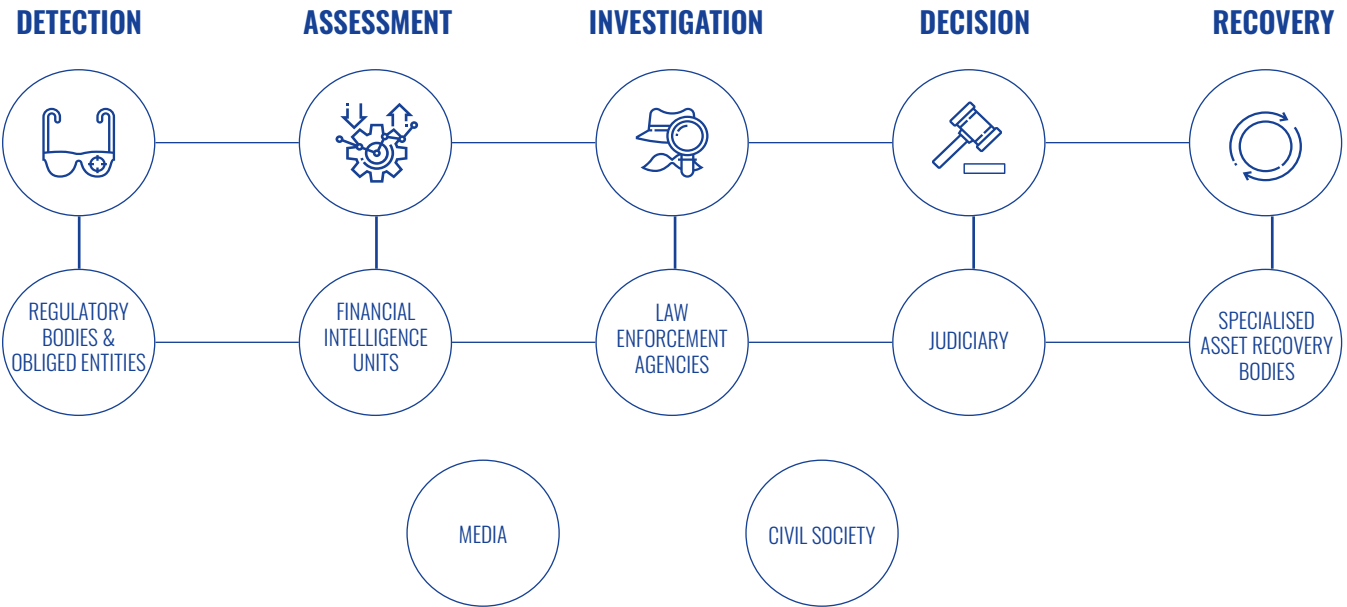
Given the complex and multi-dimensional nature of ML, serious organised crime and TF, a **strong, timely and sustainable communication between all components** of the financial investigation and penal chain is paramount.

To this end, the EU Global Facility on AML/CFT works with all of these actors and institutions, aiming to help them cooperate more efficiently, and speak a common language.

We do that through the AML/CFT risk analysis methodology, which informs the work of our separate but intertwined action pillars:

- **Pillar 1: Strengthen AML/CFT legislative, regulatory and policy frameworks.**
- **Pillar 2: Build AML/CFT analytical and institutional capacity.**
- **Pillar 3: Increase national, regional & international cooperation and networks on AML/CFT issues.**

THE FINANCIAL INVESTIGATION AND PENAL CHAIN



MEET THE TEAM



EU AML / CFT
GLOBAL FACILITY



Tim Hanley

Key Expert on Law Enforcement

Tim Hanley is a highly commended former police officer with extensive international experience in law enforcement.

A former Detective Chief Superintendent and the head of serious crime branch in the Police Service of Northern Ireland (PSNI), he had lead responsibility for investigations into homicide, terrorism, kidnapping and cybercrime.

Mr Hanley established the PSNI's 1st-ever Terrorism Investigation Unit, using financial intelligence and financial investigation techniques as an integrated aspect of its investigatory function. He ensured the strategic goal was the identification and seizure of financial assets linked to terrorist entities and their organised crime partnerships. He received the 'Outstanding Achievement in the Prevention of Terrorism Award' in Washington, USA, a first for the PSNI in recognition for the efforts of the Unit in proactively investigating terrorist groups.

Mr Hanley has worked in Africa, the Western Balkans and South America on matters relating to serious crime, terrorism and AML/CFT.



Mamuka Jgenti

Key Expert on Judiciary & Civil Society

In addition to extensive theoretical and practical experience in the fields of AML, anti-corruption and the fight against terrorism financing, Mamuka Jgenti has profound knowledge of EU values and principles, the work of European institutions and EU support activities.

Mr Jgenti was involved in the approximation of national legislations with the international criminal law standards, and with his country's accession to various multilateral treaties and conventions in the criminal field.

As a staff member of the Council of Europe, he was responsible for monitoring the implementation of commitments, but also planning, negotiating, implementing, reporting and evaluating the joint EU/CoE programmes of assistance. As an elected official in the CoE intergovernmental structures with the strong participation of EU member states and institutions, he acquired profound experience in EU legislation in the criminal field.



Arnaud Stien

Key Expert on Regulatory Framework

Arnaud Stien is responsible for the technical assistance on financial/non-financial supervision, beneficial ownership, Financial Intelligence Units, and strategic approach.

A lawyer with a Master Degree in Compliance/Financial crime and a MA in International Relations, Mr Stien has more than 15 years of experience in AML/CFT, both on the operational and supervisory side.

Previously, as the Deputy Head of AMLCFT (Operational Division) at the Banque de France, he was responsible for monitoring and analysing suspicious transactions to generate the Suspicious Activity Report. He was the key intermediary for collaboration with the French FIU (Tracfin) and law enforcement authorities.

Arnaud Stien was a legal expert in AML/CFT and in the supervision of credit and insurance institutions within the French Prudential and Resolution Authority (ACPR) for seven years. He also has legal expertise in payment systems and market infrastructures oversight.



Alexandre Taymans

Key Expert on Beneficial Ownership

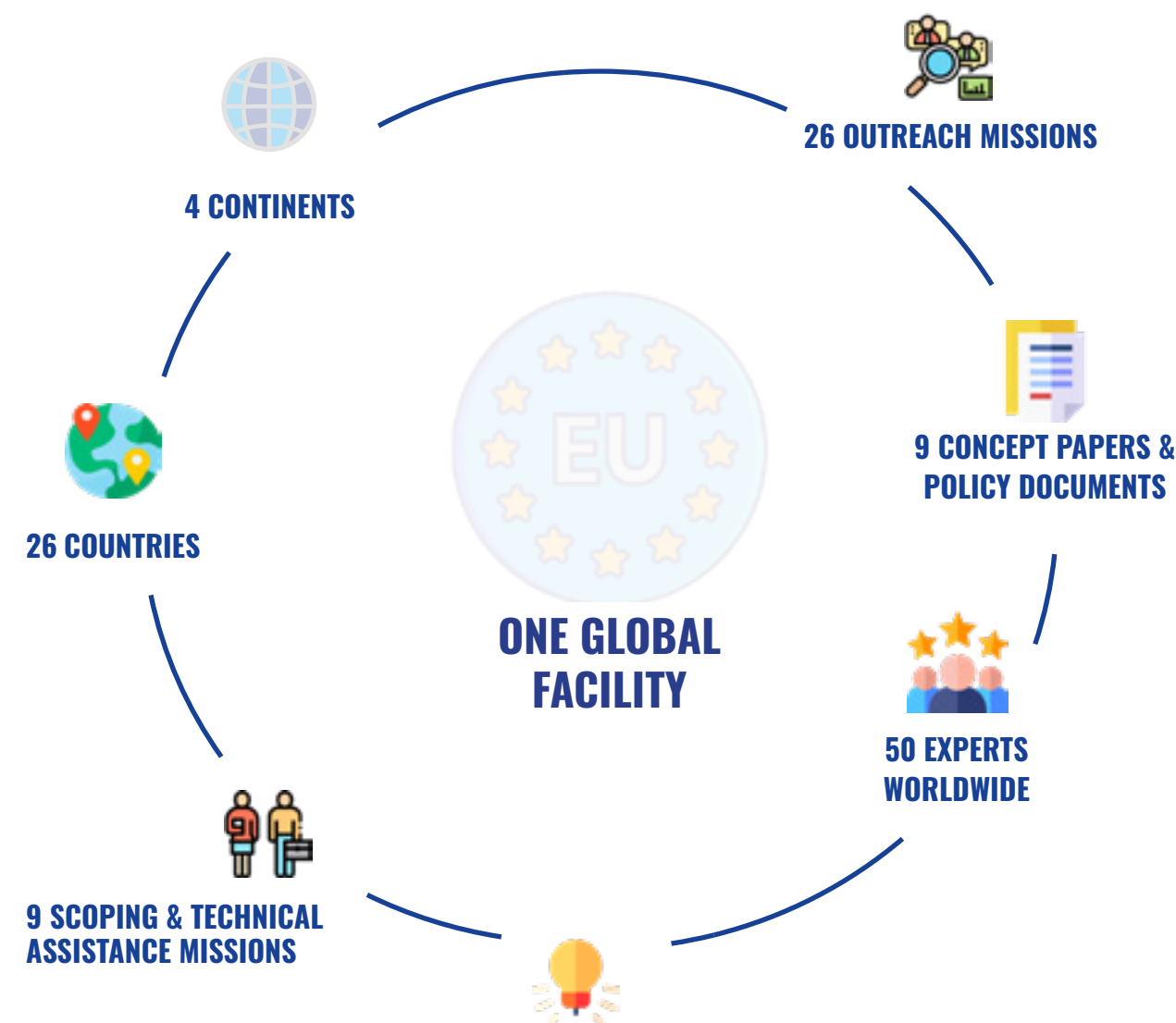
Alexandre Taymans is responsible for the project's Beneficial Ownership activities.

Between 2016 and 2021 Alexandre Taymans was in charge, at the Belgian Treasury, of the implementation of the central Beneficial Ownership Register. In this capacity, he developed prime knowledge of the underlying legal, business and IT aspects such projects entail.

Since 2018, Mr Taymans has been working as an International AML/CFT Expert for various international organisations. As such, he has been providing technical assistance to multiple jurisdictions on the implementation of various international AML/CFT standards (e.g. national BO disclosure frameworks, virtual assets, real estate).

In the past, Mr Taymans was also an assessor for the Organisation for Economic Co-operation and Development (OECD) Global Forum for Transparency and Exchange of Information for Tax Purposes.

FACTS AND FIGURES



ONE UNIQUE COVID-19 RESPONSE

In February 2020, amidst the COVID-19 pandemic, the EU GF-AML/CFT developed a **swift, flexible and sustainable response** to the crisis, by completely re-engineering its work approach.

Over the course of the first lockdown, the team developed a **robust e-training catalogue** composed of more than 110 modules.

E-training started shortly afterwards, with the GF becoming **one of the first online training platform active during the pandemic**.

120 +
MODULES

As of May 2021

1,200+
PARTICIPANTS

57 WEEKLY
E-TRAINING

OUR BILATERAL TRAINING (BY COUNTRY)

AFGHANISTAN	<ul style="list-style-type: none">• Law Enforcement• Trade Based Money Laundering• FATF Recommendation 2• Financial Evidence into Intelligence• Prison intelligence cells
BOTSWANA	<ul style="list-style-type: none">• AML/CFT Investigations• FATF Recommendation 8• Prison Intelligence• Financial Supervision• Terrorist Financing• Ultimate Beneficial Ownership• Trade Based Money Laundering• Financial Intelligence and Evidence
JAMAICA	<ul style="list-style-type: none">• FATF Recommendation 8• Ultimate Beneficial Ownership• Not for Profit Organisations
JORDAN	<ul style="list-style-type: none">• AML/CFT Investigations• Prison Intelligence• Terrorist Financing• Financial Intelligence• Virtual Assets• Ultimate Beneficial Ownership• Judiciary
MAURITIUS	<ul style="list-style-type: none">• FATF Recommendation 8• Financial Investigations• Covert Investigations Techniques• Capacity Building for Gambling Regulatory Authority• Response to AML/CFT• FATF International Co-Operation Review Group• Prison Intelligence• K9 cash detection
MONGOLIA	<ul style="list-style-type: none">• Financial Intelligence and Investigations• Judiciary• FATF Recommendation 8
MOROCCO	<ul style="list-style-type: none">• Ultimate Beneficial Ownership• Crypto-currency
PANAMA	<ul style="list-style-type: none">• Ultimate Beneficial Ownership• Parallel Investigations
THE UAE	<ul style="list-style-type: none">• Financial Investigations• Use of Informants• Intelligence into Evidence
ZAMBIA	<ul style="list-style-type: none">• FATF Recommendation 8• Financial Investigations• Covert Investigations Techniques• Capacity Building for Gambling Regulatory Authority• Response to AML/CFT• FATF International Co-Operation Review Group• Ultimate Beneficial Ownership• Judiciary

WHERE WE WORKED

February 2020 - May 2021

The EU GF-AML/CFT is one of the most unique technical assistance entities in the field, both in its **thematic scope and geographic range**. We implement activities all over the world, supporting jurisdictions regardless of their world region.

Between February 2020 and May 2021, amidst the COVID-19 pandemic, we have intervened in **25 countries** spread across **four continents** reaching more than **1,200 participants**.



OUR REGIONAL TRAINING

MONEYVAL

5 days | 21 participants | 6 countries: Georgia, Lithuania, Moldova, Poland, Romania, Ukraine

SOUTH/SOUTH EAST ASIA

5 days | 25 participants | 8 countries: Bangladesh, Cambodia, India, Myanmar, Mongolia, Philippines, Sri Lanka, Thailand

As of May 2021

- 25 COUNTRIES REACHED
- 11 ONE-ON-ONE BILATERAL TRAINING
- 2 REGIONAL TRAINING IN EUROPE AND ASIA



Microfinance, financial inclusion and the fight against money laundering - January 2021

In January 2021, thanks to the support of the EU GF-AML/CFT, the largest Tunisian microfinance institution (MFI), Enda Tamweel, became the first MFI in Africa and the Arab world to become AML 30000 certified.

Established in 2015 to **enhance the financial inclusion of vulnerable populations**, Enda Tamweel is spearheading the country's economic and social development through its active support to micro-entrepreneurship and self-employment, with a special focus on women and young people.

With a network of 102 branches and five mobile counters, the MFI targets the entire Tunisian territory, including isolated areas prone to terrorist risks.

In January 25th, 2021, Enda Tamweel became the **very first microfinance institution in Tunisia -and hereby the Arab world- to be awarded the AML 30,000 certificate**, dedicated to the fight against money laundering and terrorist financing.

This came after a six-month long Due Diligence process, which entailed a vast plan of action and organisation of the MFI's procedures to meet the AML/CFT requirements.

Throughout this process, Enda Tamweel received the technical assistance of the Global Facility's experts, who provided an in-depth assessment of



© Enda Tamweel

the institution, guidance and solutions to close regulatory gaps and build compliance.

Certification was carried out by industry experts and awarded against the international AML 30000 standard, which allowed risks within the MFI's operations to be properly assessed -mitigated- and ultimately reduced.

For the Global Facility, the promising results of this pilot initiative **pave the way for further certifications in at-risk jurisdictions**, in Africa, the Middle East, but also Asia, Latin America and Eastern Europe.

Why is supporting micro-finance institutions important in the fight against ML/FT?

"When one single terrorist acts is facilitated by money laundering operated through a micro-finance institution, the entire sector is affected. Microfinance institutions like ours are key actors in the fight against terrorism, as we mitigate the risks of terrorist financing.

In Tunisia, for example, it is essential to empower vulnerable populations such as women, youth, and rural areas -notably at the borders with Libya and Algeria- as they are primary targets for terrorist groups."

[Read more...](#)



EU/UN partner to fight money laundering in not for profit sector February 2021

In February 2021, the EU Global Facility on AML/CFT kicked off a first-of-its-kind collaboration with the United Nations Counter-Terrorism Office/UN Counter-Terrorism Centre with a workshop on AML/CFT for Mongolian authorities and Not for Profit Organisations (NPOs).

Conducted online, the training targeted **280 participants** from state authorities, members of National Counterterrorism Centre Branches, banks, Financial Reporting Councils and NPOs.

Over the course of two days, they exchanged on AML/CFT in the NPO sector, risk assessment, outreach, supervision and information gathering stemming from the Financial Action Task Force (FATF) Recommendation 8.

"Synergies and common efforts by the UN and the EU that are shown through this very activity is intrinsic for achieving better results when it comes the implementation of the FATF Recommendation 8," stressed Mamuka Jgenti, Key Expert on Judiciary/Civil Society at the EU GF-AML/CFT, noting that "Rec 8 remains one of the FATF recommendations with the lowest number of complying jurisdiction across the world".

The non-profit sector has become **a growing target for money laundering and terrorist financing**, following the implementation of more comprehensive regulation in the financial and banking sectors. As money launderers and organised criminal groups become more sophisticated, NPOs require additional assistance to ensure they have an increased knowledge and understanding of Rec 8.

"This event is vital for us due to the important nature of capacity-building to protect the non-profit sector from terrorist abuse," noted Zeeshan Amin, Head of the Global Capacity-Building Programme on CFT at UNOCT-UNCCT. "We have to remember that protecting non-profits and civil society is a must to ensure thriving humanitarian space where funds reach their intended beneficiaries."

"We all recognise the critical importance of a

vibrant NPO sector to a healthy society. Therefore, our common aim is to help NPOs flourish whilst reducing the risks of serious financial crimes like terrorist financing and money laundering," explains Ben Evans, e-trainer with the Global Facility.

The highly successful first partnership is part of the **Global Facility's commitment to work closely with other international institutions operating in the field of AML/CFT.**

FATF Recommendation 8 for NPOs 'Measures to prevent the misuse of non profit organisations'

The EU GF-AML/CFT cooperates with the Global NPO coalition on FATF, a semi-formal group of NPOs working to disseminate best practices on combatting the financing of terrorism in the NPO sector, and providing a forum for NPOs to inform and influence the global policy debate.

We work specifically on ways to address the issue of money laundering and other serious financial abuse of the NPO sector.

To this end, the GF provides technical assistance in assessing whether national legislation is compatible with the FATF requirements regarding NPOs, as well as with international human rights and humanitarian legal standard.

Our experts subsequently support efforts by third countries to draft amendments to their legislation.

For the full text of the FATF Recommendation 8, [click here](#)



Training on Parallel Investigations - April 2021



“ I would like to thank the European Union for partnering with us to host this important session.

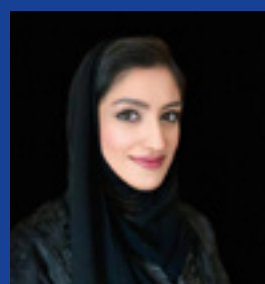
Financial investigations are data intensive. Parallel investigations enable us to bring together cross-sectorial and cross-jurisdictional expertise. This means that information is better shared and effectively used to avoid duplication and sharpen the pursuit of financial crime by accelerating the identification of links between where the money comes from, who receives it, when it is received, and where it is deposited.

The more information available in understanding criminal activity, the better we can become at spotting patterns and areas of interest. Key UAE agencies benefited from

these informative sessions, especially the in-depth discussion on the framework for inter-agency collaboration, which is the cornerstone of an effective supervisory and enforcement architecture. [Read more...](#)

Amna Fikri

Director of the Economic and Trade Affairs Department at the UAE Ministry of Foreign Affairs and International Cooperation



© MoFAIC

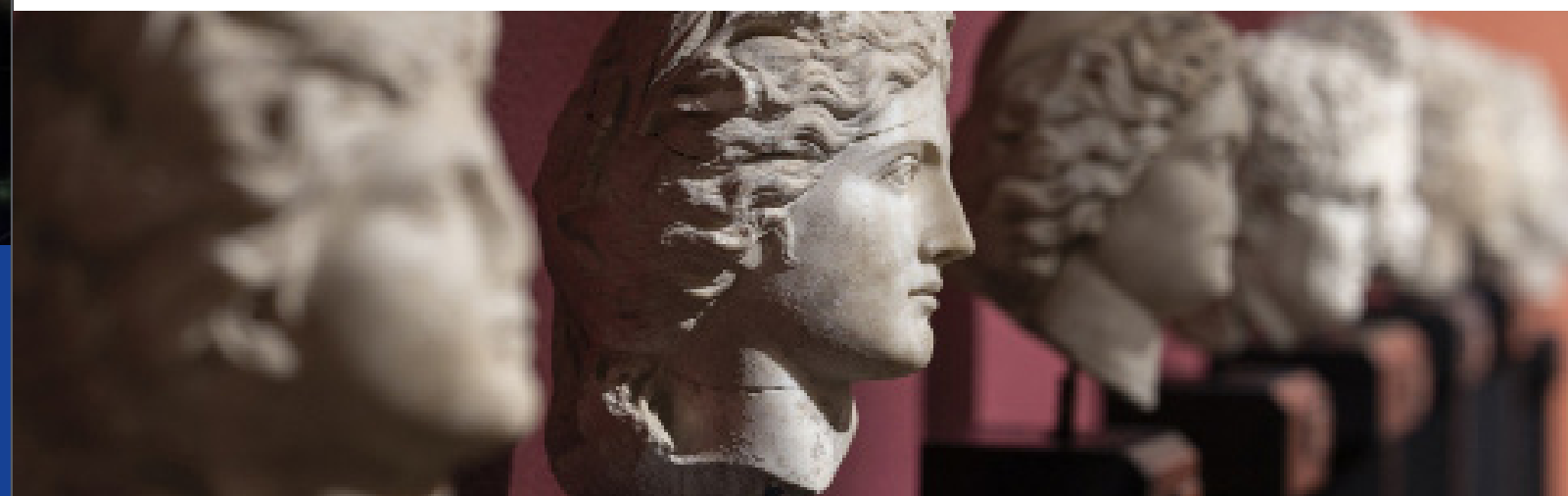


Blood Antiquities: the devil is in the demand

After the collapse of ISIS in Iraq and Syria it would be a mistake to think that the trade in artefacts looted from areas of conflict – often called blood antiquities – has suffered the same fate.

Reports indicate it to be the third largest illicit trade in Europe though conclusive estimates are difficult. How much that particular terrorist group profited is unclear but in the scale of destruction and looting – amounting to what some call “cultural genocide” – it was used as a weapon of war.

the Persian Gulf States and their neighbours. Money launderers and terrorists go to antiquities for several reasons. First, demand outstrips legal supply so that the trade offers high rewards. It is a market where private collectors can peak prices to eye-watering levels, as in the controversial sale of the quartzite bust of king Tutankhamun at auction in 2019 for almost €5 million. In contrast to illicit drugs, antiquities straddle the bounds of legality, with only the expert – and rarely the customs official or well-intentioned purchaser – able to distinguish the loot from the legitimate.



Crime, cash and conflict

Tackling the illicit trade in antiquities is therefore as much about preventing war and terrorism as it is about fighting international money laundering and organised crime. This mixing of hazards – crime, cash and conflict – is what the EU-funded Global Facility on AML/CFT hopes to address as it draws together knowledge and expertise to curtail the illicit trade in antiquities and the dirty cash it attracts and generates.

Terrorist looting from what was ancient Mesopotamia represents the latest episode in a story of cultural theft that stretches back centuries and spans the world. Often it is assumed that demand is driven by European and North American buyers but research shows that markets are emerging in Iran, Turkey,

“ Reports indicate blood antiquities to be the 3rd largest illicit trade in Europe

Second, it is especially easy to turn a blind-eye in an industry notorious for anonymous buyers, private sales and cash payments – the latter vulnerability was one of several the European Union sought to tackle with its 2018 Anti-Money Laundering Directive.

On the other side of the Atlantic, the US art market has woken up to the scale of the problem too. Last year, a non-partisan think-tank released a report recommending an array of actions be taken by the art industry, financial sector and government.

Organised crime groups “wash” looted antiquities by putting both evidentiary and geographical distance between source and sale, often using circuitous transit routes, says Tim Hanley, a former police officer and law enforcement adviser to the EU’s Global Facility on AML/CFT.

“Initial looting is often facilitated by terrorists or armed groups, he says, and then organised crime groups take over as experts in exploiting vulnerabilities in cross-border trade routes, including bribing customs inspectors.”

But it may also be a problem for clean yet unaware officials and dealers too. In the case of trade-based money laundering, where only the world’s experts know the value of specific coins, paintings, vases and other archaeological treasures, misinvoicing and tax evasion is all too easy. Experts at major auction houses try to play their part in instituting due diligence. Nevertheless, archaeologist Michael Danti, in testimony to the U.S. Congress, described the global art market to be “highly opaque, fragmented, and relatively unregulated at all levels.”

Online art sales: the new loophole

Most unregulated of all are online art sales, which have showed signs of growing. Research into almost a hundred Facebook groups established to traffic antiquities found an interconnected network of group administrators managing almost 2 million members around the world.



Among Syrian-based Facebook groups a third of users offering artefacts were identified to be based in conflict zones. Social media, and other more discreet online platforms, enable the seller and buyer to transact without the middlemen usually associated with international smuggling.

Online or offline, transnational criminal networks are heavily involved in trafficking antiquities alongside the illicit trades in people, drugs and arms. Law enforcement continues to disrupt the trade. Last year, an operation led by Interpol and

the World Customs Organisation, together with law enforcement from seven countries, resulted in the seizure of almost 9000 cultural objects and over a hundred arrests. Tracking online sales in cultural artefacts spawned investigations that covered 103 countries. This level of international cooperation also opened up 300 new investigations that have the potential to disrupt a maze of criminal networks and illicit money flows in the coming years.

Cultural theft: what we can do about it

Tim Hanley sees a twin approach for the Global Facility in helping to break-up organised crime networks and discouraging the illegal market in antiquities, building on existing efforts by law enforcement agencies and from within the sector.

In recent years as awareness has grown, rules have been tightened. European Union legislation has increased pressure on sellers to carry out due diligence to verify provenance before sale. Although prestigious auction houses, who trade on their reputation, have a strong incentive to clean out their catalogue, even they struggle to consistently identify stolen artefacts.

And despite their headline-grabbing sales it is in the middle segment of the market, made up of smaller auction houses and private dealers, where the majority of sales takes place.

For a long time it has been recognised that detection and due diligence only goes so far to counteract the systemic risks in the flow of illicit cash and goods. In UNESCO’s 1970 Convention and UNIDROIT’s Convention twenty-five years later international will was transformed into legal measures to protect the cultural heritage of states that had recently gained independence in Asia and Africa.

[Read the full article here](#)

On April 27th, 2021, the EU Global Facility on AML/CFT hosted the [first of a series of events](#) focused on the **disruption of ML/TF networks involved in the trafficking of blood antiquities, conflict looting and art theft.**

It is part of our pilot project aimed at enhancing dialogue between industry actors and discussion about how AML/CFT regulation can be improved to counter criminal infiltration of the trade.



THE EUROPEAN UNION’S GLOBAL FACILITY ON ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM

www.global-amlcft.eu

 [@globalamlcft](https://twitter.com/globalamlcft)



This project is funded by
the European Union

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the EU GF-AML/CFT and do not necessarily reflect the views of the European Union.