

COLUMN OF THE EAG CHAIRMAN



Dear Colleagues!

First of all, I would like to express my gratitude to the Eurasian Group member states for the fact that during the 35th EAG Plenary meeting held in November 2021 the Russian Federation was highly trusted to chair the EAG for the next two-year term. In his welcome speech at the Eurasian Group Plenary meeting, the FATF President Dr. Markus Pleyer noted the achievements of the EAG member states at the legislative and operational level thanks to our common work on technical assistance and typologies. And in the future we will strive to effectively and fully implement the FATF Standards, moving forward to achieve the objectives of the global AML/CFT/CPF system.

The second half of 2021 was rich in events, despite the ongoing difficult situation with regard to the COVID-19 pandemic. October was marked by the final stage of the first-ever International Financial Security Olympiad, in which the EAG member states took a very active part. The unique experience that we gained during the organization and conduct of the Olympiad will be in demand in the future, as at the 15th meeting of the Council of the International Network AML/CFT Institute it was decided to hold this event on an annual basis.

Issues related to threats and risks facing financial security in the context of digital transformation became the topic of the annual conference of the International Network AML/CFT Institute, which we held in November 2021 with the direct participation of the financial intelligence units of the EAG member states and EAG Secretariat. I would like to emphasize that studying the risks of illegal use of virtual assets and developing recommendations on mitigating them are one of the main priorities of the Russian EAG Presidency in 2022-2023.

I would like to thank everyone for their hard work in the outgoing year of 2021. Happy New Year!

**EAG Chairman
Yury Chikhanchin**

Outcomes of the 35th EAG Plenary Meeting

On November 11-12 and 18, 2021, representatives of the EAG member states, the FATF Secretariat, observer states and organizations of the Group took part in the 35th Plenary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), as well as in working group meetings, which were held remotely



The Plenary was headed by the EAG Chairman Mr. Yu. Chikhanchin (Russian Federation) and the EAG Deputy Chairman Ms. T. Salimova (Republic of Tajikistan).

Mr. A. Overchuk, Deputy Chairman of the Government of the Russian Federation, Dr. Markus Pleyer, President of the FATF, and Mr. Jerome Beaumont, Executive Secretary of the Egmont Group addressed the Plenary with welcome speech.

The Plenary elected Mr. Yu. Chikhanchin EAG Chairman for 2022-2023 and Mr. D. Khalbaev (Turkmenistan) EAG Deputy Chairman, and approved the 2022-2023 Chairmanship Priorities.

The Plenary heard the 3rd follow-up report of the Kyrgyz Republic without revising the technical compliance ratings under the second round of the EAG mutual evaluations and noted the progress made by the country in improvement of its national AML/CFT system. The Plenary approved the decision to send a high-level mission to the Kyrgyz Republic for the purpose of confirming the political will to follow the specified FATF principles on implementing voluntary tax compliance programmes.

The participants agreed to hold the next forum of the Eurasian AML/CFT Group at the beginning of 2022 in the Republic of Kazakhstan.

The Plenary approved the continuation of work on the first round of ML/TF risk assessment in the Eurasian region and decided to make amendments to the Eurasian Region ML/TF Risk Assessment Methodology, which will be available on the public part of the EAG website.

The information provided by the Republic of Kazakhstan on the implementation by financial monitoring bodies of projects aimed at combating embezzlement of budgetary funds was taken into consideration.

Proposals for harmonization of documents related to TA issues were approved, as well as the Rules for Coordination of TA Provision to the EAG Member States.

The outcomes of the 7th International Supervisors' Forum entitled "Tools and Mechanisms for Application of Risk-Based Approach to AML/CFT Supervision", as well as of the workshop on exchange of experience in terms of compliance with the FATF standards on virtual assets were summarized.

The Plenary welcomed the outcomes of the first International Financial Security Olympiad, which was held on the initiative of the Russian Federation from May to November 2021. It was emphasized that such competitions contribute to improvement of general information, financial and legal literacy of young people of the EAG member states and provide the most talented pupils and students with an opportunity to determine their future life path through familiarization with the top priorities of the development of science and technology in this area.

The 35th Plenary meeting of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), which took place on November 18, 2021, in virtual mode, finalized the text of the Protocol on amendments to the EAG statutory documents – Agreement on the EAG and Regulations on Formation and Execution of the EAG Budget. The member states agreed to sign the Protocol.

The FATF Plenary Session Took Place page 2

On the Outcomes of the FATF Standards Training Course page 2

Rosfinmonitoring's Activities Have Gained Well-Deserved Recognition in the International Professional Community page 3

The 15th Meeting of the Council of the International Network AML/CFT Institute Took Place page 3

On October 8, 2021, the First International Financial Security Olympiad Held at the "Sirius" Federal Territory in the City of Sochi (Russia) Ended page 4

Conference Entitled "Threats and Risks Facing Financial Security in the Context of Digital Transformation" page 5

Harmonization of Documents Related to Technical Assistance Issues page 6

The Contest for the Best Example of AML/CFT Cooperation Among the Government Agencies of the EAG Member States page 6

The EAG Workshop on the Exchange of Experience in the Implementation of the FATF Requirements Related to Virtual Asset Service Providers Took Place page 7

Measures Aimed at Combating Pyramid Schemes in the Republic of Kazakhstan are Coordinated by the General Prosecutor's Office page 7

Kazakhstan Hosted an International Workshop on the Use of Information Technologies in the Investigation of Financial Crimes page 8

Financial Intelligence Unit and Law Enforcement Agencies of the Republic of Kyrgyzstan Discussed the Advantages of Conducting Parallel Financial Investigation page 8

The Plenary noted the important role of the International Network AML/CFT Institute and the International Training and Methodology Centre for Financial Monitoring (ITMCFM) as the basic training organization of the CIS in preparing and holding the first International Financial Security Olympiad.

The Plenary expressed its gratitude to the ITMCFM for the high level of organization of the 35th EAG Plenary and working group meetings via videoconferencing.

The 36th EAG Plenary meeting will be held in May 2022 in the Republic of Uzbekistan.

The FATF Plenary Session Took Place

The EAG Secretariat staff and the representatives of the member states of the Eurasian Group took part in the FATF Plenary session held on October 11-21, 2021

After the working group meetings which were held in the first week, for the first time in the history of the organization the Plenary meeting took place in a hybrid format, in Paris on October 19-21, 2021 under the German presidency (Dr. M. Pleyer, Ministry of Finance of the Federal Republic of Germany).

During the event, the research project was completed on the issues related to virtual assets, cross-border payments, smuggling of migrants, use of art objects for money laundering, as well as on the issues related to digitalization of activities of agencies involved in anti-money laundering and counter-terrorist financing (AML/CFT).

Revisions to the international AML/CFT standards were prepared for publication in order to better identify risks associated with the lack of transparency of beneficial ownership of legal entities.

Work continued on the project launched in 2016 at the initiative of Russia and aimed at collecting and analyzing information on the sources and channels of financing of ISIS, Al-Qaida and their affiliates. Upon the suggestion of the Russian delegation, two public statements on this issue have been prepared, including one specifically on Afghanistan.

In the context of discussion of the issue related to organizing assessment team's on-site visit to Damascus as a mandatory condition for removing Syria from the FATF "grey list", it was decided to prepare another review of the security situation in the country, requesting information from all delegations.

The reports on the progress in eliminating the deficiencies of the national AML/CFT systems of Canada, China, Finland, Iceland and Korea were adopted. In general, their work was evaluated positively.

The current FATF sanctions lists were updated. Following the results of the discussion, the FATF added Jordan, Mali, and Turkey, while removing Botswana and Mauritius.

Support for the weakest FATF-Style Regional Bodies has been agreed as one of the top priorities. Assistance will be provided by the FATF Secretariat in the form of supervisory control, as well as through the direct participation in evaluation activities.

The work related to strategic review of the FATF activities is still ongoing.

The next Plenary session is scheduled for February 2022.



On the Outcomes of the FATF Standards Training Course

In 2021, another FATF Standards Training Course was held in the online format. This course was organized by the FATF Training Institute (FATF TRAIN) together with the EAG Secretariat mainly for the Russian-speaking member states of the Eurasian Group. The training was conducted by trainers from the FATF and EAG Secretariat



The course brought together practitioners working in a wide variety of AML/CFT areas from the EAG member states, ranging from employees of FIUs and supervisory authorities to representatives of the law enforcement agencies. During the course, the trainers shared their experience and best practices of the Global Network on the issues related to implementation of the FATF standards.

Despite the fact that the course was held remotely, it was highly appreciated by both participants and trainers. The course also demonstrated that the virtual format of training courses can serve as an effective tool and involve participants in the learning process. The participants expressed their interest in taking this type of course in the future.

Rosfinmonitoring's Activities Have Gained Well-Deserved Recognition in the International Professional Community

The Secretariat of the Eurasian Group on Combating Money Laundering and Financing of Terrorism congratulates the leadership and staff of the Federal Financial Monitoring Service of the Russian Federation on the 20th anniversary of the establishment of the agency!

Over the past period, Rosfinmonitoring has become an integral part of the country's financial security system, having done considerable work on the formation of the national anti-money laundering mechanism, identification of ML/TF risks and development of mitigating measures. All this time the activity of the Service was aimed at effective solution of priority tasks related to combating legalization of criminal proceeds and disruption of terrorist financing channels. The high professionalism, competence and commitment of Russian financial intelligence officers make it possible to do this efficiently and in a timely manner.

It is noteworthy that Rosfinmonitoring's activities have gained well-deserved recognition in the international professional community. Russia makes a great contribution to the work of such specialized international organizations as the FATF, EAG, MONEYVAL and

the Egmont Group, and has earned a reputation of a reliable member of the FATF Global Network. An important result of the joint efforts of Rosfinmonitoring, other involved agencies and the private sector was the successful adoption of the Russian report within the framework of the fourth round of the FATF mutual evaluations, which placed Russia among the top five countries in the world in terms of the national anti-money laundering system efficiency.

One of the results of Rosfinmonitoring's systematic efforts in providing technical assistance to partner countries by transferring knowledge and experience in order to strengthen personnel capacity, build technological infrastructure, organize workshops, trainings and advanced training programs was the creation of necessary conditions for the development of the national anti-money laundering systems

of the EAG member states and improvement of their efficiency. In this regard, the mission of the International Training and Methodology Centre for Financial Monitoring and the International Network AML/CFT Institute should not be overlooked and the results of their activities deserve the highest appreciation.

The EAG Secretariat sincerely congratulates the Rosfinmonitoring team on its anniversary and expresses its gratitude to the Russian colleagues for their significant contribution to our common cause!

We sincerely wish the leadership and employees of the Federal Financial Monitoring Service strong health, new professional successes, family happiness, goodness and peace.

EAG Secretariat

The 15th Meeting of the Council of the International Network AML/CFT Institute Took Place

On October 3, 2021, the 15th meeting of the Council of the International Network AML/CFT Institute was held at the "Sirius" educational center. Taking part in the event were representatives of the Presidential Executive Office of the Russian Federation, Russia's ministries and agencies, educational and research institutions – members of the International Network AML/CFT Institute (INI), as well as heads of financial intelligence units of the Eurasian Group and CIS member states

In view of the fact that the "Sirius" educational center hosted, in parallel, the final stage of the first International Financial Security Olympiad organized for pupils and students from the Eurasian Region countries, the meeting participants devoted considerable attention to this event. In his opening speech, **INI's Council Chairman, Director of Rosfinmonitoring Yuri Chikhanchin** highlighted that the main goal of the INI's members for the coming Olympiad week was to identify the best approaches and methods planned to be applied during the Olympiad events in order to use them in future work.

The First Deputy Director of the International Training and Methodology Centre for Financial Monitoring, INI's Director Vladimir Ovchinnikov reported on the work completed in the reporting period, as well as on the nearest plans of the International Network AML/CFT Institute. Presentations were also delivered by the heads of the educational and research institutions – members of the International Network AML/CFT Institute from Russia, Kazakhstan, Kyrgyzstan and Uzbekistan.



The Council participants accepted for further consideration the applications for INI's membership submitted by new universities from Kyrgyzstan, Tajikistan and Russia, and under the Protocol

approved assignment of the INI's educational and research institutions management and coordination function to the International Training and Methodology Centre for Financial Monitoring.

On October 8, 2021, the First International Financial Security Olympiad Held at the "Sirius" Federal Territory in the City of Sochi (Russia) Ended

The main objectives of the forum were to popularize financial security as a norm of life and to form a new type of thinking among young people – from the safety of the individual to the safety of the State

The Olympiad was opened by Yury Chikhanchin, Chairman of the EAG and Head of the Financial Intelligence Unit of Russia. The participants of the Olympiad received words of support from representatives of legislative and executive authorities of the Russian Federation, as well as – in the form of video messages – from such international organizations as the Financial Action Task Force (FATF), the Council of the Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL), and the UNSC Counter-Terrorism Committee.

During the week, pupils and students from the EAG countries – Belarus, India, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan – participated in debates, discussions, role games, sports competitions, solved Olympiad tasks, conducted financial investigations, went on excursion, visited a musical concert and a hockey match. Experts from Rosfinmonitoring, ministries and agencies of the Russian Federation, the banking sector, as well as employees of financial intelligence units of the Eurasian Group countries, forty universities from member states of the International Network AML/CFT Institute, representatives of state corporations and the private sector took part together with pupils and students in the work of numerous Olympiad platforms.

The use of the "Graphus" educational platform for conducting financial investigations by the Olympiad participants deserves special attention. "Graphus" was developed by specialists of the Lebedev Physical Institute of the Russian Academy of Sciences (FIAN), Rosfinmonitoring and the International Training and Methodology Centre for Financial Monitoring (ITMCFM). The site supervisors and all those interested had the opportunity to monitor the competition of school and student teams in real time mode using an online scoreboard and to participate in the discussion and evaluation of the ongoing



investigations. The most important part of using the "Graphus" functionality during the Olympiad was the opportunity for young people to feel like financial intelligence officers, while learning and testing themselves in practical work.

The last day of the Olympiad week was dedicated to summarizing the results of the event.

The EAG Secretariat and participants of the International Compliance Council took part in panel discussions within the framework of the International Financial Security Olympiad

"Money laundering is a crime. Don't become part of it! Stop it!"

This was the message of the panel discussions on the theme "Financial security through the banking

sector – how the main financial institutions fight for the safety of their depositors' funds" organized by the Secretariat of the Eurasian Group on Combating Money Laundering and Financing of Terrorism as part of the International Financial Security Olympiad, which was held on the initiative and under the auspices of the Federal Financial Monitoring Service.

The EAG Secretariat, managers and employees of the compliance services of the EAG International Compliance Council member banks – Belgazprombank, Priorbank (The Republic of Belarus), Alfa Bank (The Republic of Kazakhstan), and Citibank (Russia) – participated in these panel discussions as speakers and experts.

In the course of discussions the Olympiad participants got acquainted with how the system of financial monitoring in banks is arranged, what schemes of money laundering and terrorist financing the young generation can be involved in, sometimes without realizing it, and how to counter them.



Conference Entitled "Threats and Risks Facing Financial Security in the Context of Digital Transformation"

The 7th Annual Scientific and Practical Conference of the International Network AML/CFT Institute (INI) entitled "Threats and Risks Facing Financial Security in the Context of Digital Transformation" was held in Moscow on November 24-26, 2021



The conference was opened with a plenary meeting held at the National Research Nuclear University "MEPhI" with the organizational and technical assistance of the International Training and Methodology Centre for Financial Monitoring (ITMCFM). The event was held with face-to-face and virtual participation: over 500 participants were registered via ZOOM. The meeting was chaired by Acting Rector of NRNU "MEPhI" V. Shevchenko.

The meeting was attended in-person by Deputy Chairman of the Government of the Russian Federation Dmitry Chernyshenko, Director of Rosfinmonitoring Yury Chikhanchin, Deputy Chairman of the Federation Council of the Federal Assembly of the Russian Federation Nikolay Zhuravlev, Deputy Minister of Finance of the Russian Federation Mikhail Kotyukov, Deputy Minister of Science and Higher Education of the Russian Federation Elena Druzhinina, Executive Secretary of the Eurasian Group on Combating Money Laundering and Terrorism Financing (EAG) Sergey Teterukov, heads of universities that are participants of the International Network AML/CFT Institute (INI) and scientific organizations of the RAS, as well as ITMCFM employees. A. Lavrenko, Deputy Head of the Personnel Department of the Presidential Executive Office, representatives of financial intelligence units and educational organizations of the EAG member states, and international anti-money laundering experts participated in the meeting via videoconferencing.

Yury Chikhanchin, Chairman of the EAG and head of financial intelligence unit of Russia, suggested creating a special digital platform to improve the financial literacy of young people:

"In the era of digitalization, it is impossible to do without the use of innovative technologies and services, including in education. Therefore, an important task is to unite the potential of government agencies, educational and scientific communities, as well as industrial partners to launch digital

multifunctional tools for working with youth and teaching financial literacy. To this end, we propose to create a "Sodruzhestvo" digital platform, which will become a unified educational space. It will expand access to knowledge for young people and provide an opportunity for self-training and personal fulfilment."



The EAG Executive Secretary S. Teterukov noted the uniqueness of the International Network AML/CFT Institute platform, which allows scientific and educational organizations of the EAG member states to jointly improve staff development work in the interests of national anti-money laundering systems:

"One of the key tasks of the Eurasian Group continues to be the provision of technical assistance to member states in the implementation of the FATF Standards. A risk-based approach carried out on the basis of two-way dialogue between the public and private sectors is central to the effective implementation of these Standards. In this regard, the EAG regularly analyzes the risks associated

with new technologies ... It is clear that today's digital reality, revisions to the FATF Standards on virtual assets, and new risks and threats, including those posed by the coronavirus pandemic, require a workforce with the relevant skills to deal with a rapidly changing world."

557 participants from 15 countries – Belarus, Bulgaria, Venezuela, India, Kazakhstan, Kenya, China, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Finland, and South Africa – registered for the thematic sections of the forum. The conference platforms were universities and scientific organizations that are participants of the INI: the Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation, National Research Nuclear University "MEPhI", International Training and Methodology Centre for Financial Monitoring, Peoples' Friendship University of Russia, Rostov State University of Economics, Peter the Great St. Petersburg Polytechnic University, Siberian Federal University, Financial University under the Government of the Russian Federation, and P. Lebedev Physical Institute.

Among the key topics of the forum were the digitalization of the economy, scientific and educational platforms and services for AML/CFT purposes, the socio-economic nature of risks and threats to the global economy and mechanisms to counter them, anti-money laundering trends, artificial intelligence – modern applications in the context of AML/CFT, regulatory technologies in the AML/CFT sphere, financial fraud and the growing risk of financial crimes.

The main objective of the conference was to promote the implementation of innovative proposals related to improving the international AML/CFT system and increasing the level of compliance with the FATF standards. There was a comprehensive discussion of current anti-money laundering trends within the framework of the forum. The latest initiatives and projects on the development of law, economy and IT in the AML/CFT sphere were presented.

Harmonization of Documents Related to Technical Assistance Issues

Since the formation of the EAG, the coordination of technical assistance (hereinafter – TA) in the area of AML/CFT has been a statutory task of the Group. In recent years, due to a number of factors, its relevance has increased significantly. In these circumstances the search for optimal forms of implementation of such coordination has become a priority for the Eurasian Group, which is reflected in the EAG Strategy for 2019-2023 and confirmed by approval at the 34th EAG Plenary meeting of a set of decisions aimed at improvement of TA provision through centralizing the information collection, systematization and subsequent analysis by the Secretariat, as well as through changing the formats for collecting data on such assistance.

For the purpose of improving efficiency and creating an open and transparent mechanism of cooperation between the participants of the TA coordination system, the Secretariat analyzed and harmonized the existing documents regulating the TA provision mechanisms.

In order to determine medium-term objectives of the EAG development, as well as to improve the efficiency in achieving the goals and objectives of the Group, the EAG Strategy for 2019-2023 was approved in 2019 and updated approaches to the TA coordination mechanisms were presented based on the results of the second round of mutual evaluations.

At the moment the work on TA coordination in the EAG is built through analysis of needs of member states, both those that have undergone mutual evaluation and those that are being prepared for it. The experience of interaction between the Secretariat, member states and the community of donors and providers on the basis of the Project Plan for the provision of TA to the Republic of Tajikistan allows speaking about the success of such an approach.

For the EAG member states that have not undergone mutual evaluation, coordination of TA provision is carried out with a focus on preparation for evaluation. Besides, TA is also provided in other areas, in accordance with the objective needs of member states.

In order to harmonize the documents regulating TA coordination, the 35th Plenary meeting adopted a new concept document entitled "Rules for Coordination of TA Provision to the EAG Member States".

The purpose of this document is to provide transparent and convenient rules of TA coordination in the EAG, describing the main stages of work and designating the role of each participant. Besides, a number of general principles of work, as well as terms and definitions have been formulated. The proposals take into consideration the already

established practice of member states in working with donors and providers and do not intend to disrupt or significantly change the current methods of work. Making decisions on the need for TA, its priorities, as well as on the choice of development partners, as before, remain within the competence of delegations and their constituent agencies.

The main innovation can be considered the identification of the Secretariat's role and the "added value" of its participation in TA coordination. In this case the Secretariat acts as a source of expertise in terms of practical implementation of the FATF requirements and development priorities for the region, i.e. as a factor of increasing the TA efficiency.

The document provides definitions of all participants in the TA provision process and their roles at various stages of TA provision, classification of TA types and principles of its provision, as well as criteria for assessing the success of the provided TA.

The "TA Coordination Rules" will be applied immediately after their approval, since the preparatory work for this has already been done. An additional factor that will increase the effect of their use will be the introduction of a unified system of TA coordination. The Secretariat will keep the Plenary informed on the progress of implementing the TA Project Plans on a regular basis.

The Contest for the Best Example of AML/CFT Cooperation Among the Government Agencies of the EAG Member States

The contest for the best example of AML/CFT cooperation among the government agencies of the EAG member states was held during the 35th Plenary Meeting

A total of 9 case studies were presented for the contest.

The contest included two stages. At the first stage held on November 16, 2021, the contest committee selected three finalists:

- The Republic of India with the presentation: *Identification of criminal proceeds of international smugglers;*
- The Russian Federation with the presentation: *Transit transactions involving electronic means of payment and cryptocurrencies carried out for money laundering purposes;*
- The Republic of Uzbekistan with the presentation: *Money laundering in securities market.*

Following the results of the 35th Plenary Meeting voting held on November 18, 2021, the Republic of Uzbekistan was announced the winner of the contest.

The EAG Secretariat congratulates the winner and the finalists, and expresses gratitude to the members of the contest committee for their impartial judgment, as well as to the participants for their interest and presented case studies.



The EAG Workshop on the Exchange of Experience in the Implementation of the FATF Requirements Related to Virtual Asset Service Providers Took Place

On October 25-26, 2021, the EAG workshop on the exchange of experience in the implementation of the FATF requirements related to virtual asset service providers (VASP) was held in Almaty city (the Republic of Kazakhstan)

The workshop was arranged in a hybrid format by the EAG Secretariat and the Financial Monitoring Agency of the Republic of Kazakhstan with the support of the International Training and Methodology Centre for Financial Monitoring and the People's Bank of China.

“Virtual assets, including cryptocurrencies, have been increasingly used for money laundering and terrorist financing purposes. This workshop aims to improve our measures against money laundering and terrorist financing by sharing experience,” said the EAG Executive Secretary Sergey Teterukov.

This event is also relevant due to the fact that the EAG member states (except for China) have not yet been assessed for compliance with the new FATF requirements related to VASPs adopted in 2019.

In the introductory presentations, the EAG and FATF Secretariats informed the workshop participants about the requirements of the FATF standards related to VASP, as well as about the results of the FATF 12-month Review and the main changes introduced into the FATF Guidance on the Risk-Based Approach to Virtual Assets and VASPs.

China (that prohibited virtual assets) and Japan (that regulates virtual assets) shared their experience in undergoing mutual evaluation for compliance with the new FATF Standards.

The Russian Federation, the Republic of Uzbekistan, Switzerland and the United States of America presented to the participants their experience in assessing the money laundering and terrorist financing risks associated with virtual assets and VASP activities.



On the second day of the workshop, the representatives of the supervisory authorities of the Republic of Belarus, Australia and Sweden spoke about the specificities of the organization of supervision of VASP, including international cooperation in the supervision process and administrative, criminal, or civil legal actions against VASPs for failure to comply with AML/CFT requirements and obligations.

Besides that, the workshop participants considered issues related to detection of criminal schemes involving misuse of virtual assets, as well as regulation of cryptocurrencies at the “Astana” International

Financial Center and measures taken by the Agency of the Republic of Kazakhstan for regulation and development of the financial market.

Over 60 representatives of the government agencies of the EAG member states participated in the workshop in-person, and about 100 representatives of the EAG member countries and observers took part in virtual format. All presentations attracted great interest of the participants and were accompanied by a large number of questions from the participants both verbally and in writing.

Measures Aimed at Combating Pyramid Schemes in the Republic of Kazakhstan are Coordinated by the General Prosecutor's Office

Pursuant to the instruction of the Head of the State, measures taken to combat pyramid schemes in the Republic of Kazakhstan are coordinated by the General Prosecutor's Office

On November 10, 2021, the Financial Monitoring Agency of the Republic of Kazakhstan held the interagency operational meeting with participation of the senior officers of the General Prosecutor's Office and structural subdivisions of the Ministry of Internal Affairs.

The meeting agenda included discussion of issues related to cooperation in the area of combating pyramid schemes and introduction of parallel financial investigations.

A parallel financial investigation involves detection and documentation by a criminal prosecution agency of financial aspects of criminal activity.

The goal of parallel financial investigations is to identify the movement of criminal proceeds in the course of criminal activity, establish links between the origins and beneficiaries of funds and (or) other assets obtained by criminal means, determine when and how assets evidencing criminal activity have been obtained and where they are stored or deposited, identify other information sources and recover and confiscate criminal assets for the benefit of the state.

The Ministry of Information and Social Development is also involved in these efforts by monitoring the media space and closing the identified websites of pyramid schemes.

These joint efforts have resulted in disruption of over 75 pyramid schemes operated in the Republic of Kazakhstan, and the work is currently underway to identify their criminal assets abroad.

The information provided by the financial regulator has helped to identify another 31 potential pyramid schemes, operations of which will be suspended until the end of this year.

Following the results of the meeting, a range of additional measures has been developed for further improvement of cooperation in the fight against pyramid and money laundering schemes.

Kazakhstan Hosted an International Workshop on the Use of Information Technologies in the Investigation of Financial Crimes

On November 23-25, 2021, an international workshop entitled "The Use of Information Technologies in the Investigation of Financial Crimes. International Cooperation" was held in the city of Nur-Sultan, the capital of Kazakhstan, in a hybrid format (offline/online) with the participation of representatives of financial intelligence agencies, UN, OSCE Program Office in Nur-Sultan, General Prosecutor's Offices of CIS member countries, tax (financial) investigation bodies of CIS member states, Financial Monitoring Agency of the Republic of Kazakhstan and Law Enforcement Academy under the General Prosecutor's Office of the Republic of Kazakhstan.

The workshop included lectures on the methods of legalization of criminal proceeds and on ways to combat them, as well as on the development

of international legal cooperation and the use of information technologies to combat financial crimes.

The workshop participants shared their experience and best practices in identifying pyramid schemes, transit accounts and transactions, as well as examples of ML criminal cases.

A number of cases on identifying pyramid schemes, transit accounts and transactions were presented.

Much attention was paid to the activities of financial intelligence units in terms of conducting parallel financial investigations together with law enforcement and special government authorities, as well as financial intelligence units of foreign countries.



In conclusion, the parties expressed confidence that the acquired knowledge and experience of international experts will strengthen the national AML/CFT system.

Financial Intelligence Unit and Law Enforcement Agencies of the Republic of Kyrgyzstan Discussed the Advantages of Conducting Parallel Financial Investigation

The State Financial Intelligence Service under the Cabinet of Ministers of the Kyrgyz Republic (SFIS), with the technical support of the OSCE Program Office in Bishkek, from October 25-27, 2021, held a training workshop in the city of Osh entitled "Parallel financial investigations: best practices related to investigation of terrorist financing and money laundering"

This event, as part of joint projects with development partners, provided professional development training for representatives of investigative units involved in pre-trial terrorist financing proceedings. The workshop was attended by the representatives of Prosecutor's Office and SCNS in the Southern region (Osh, Jalal-Abad, Batken regions and the city of Osh).

The main trainers of this workshop were the SFIS officers with experience in conducting research on financial aspects of terrorist financing (identification and documentation of facts related to cash flows in the course of criminal activity based on reports and information) in accordance with the basic AML/CFT legislation.

The main purpose of the event was to show the possibilities of financial investigation as an integral part of all inspections carried out by law enforcement agencies in respect of crimes related to obtaining financial benefits.

The event participants were demonstrated the financial intelligence capabilities in providing assistance in

investigation of this category of cases in the following areas:

- Identification of the connection between the source of the funds and the recipients of the funds, when they were received and where they are kept, what can serve as an evidence and a source of information about criminal activity;
- Identification of criminal connections and groups, search for criminal assets, sources of terrorist financing and other assets subject to confiscation;
- Identification of other previously unknown crimes, as well as assets that were acquired with criminal proceeds;
- Identification and study of the financial component of the crime, etc.

In its turn, the workshop participants noted that financial investigation can serve as a tool to identify previously unknown predicate crimes and other individuals and groups involved, as well as the importance of using financial intelligence capabilities throughout the pre-trial process.



The training workshop format included various exercises and tasks for the participants, aimed at the most complete and comprehensive investigation of crimes, taking into account the capabilities and resources of financial intelligence units.

The participants expressed their hope for further enhancement of communication and cooperation with the SFIS, and noted the necessity and importance of strengthening the institution of parallel financial investigations in the Kyrgyz Republic.