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Republic of India

Republic of Kazakhstan

People’s Republic of China

Kyrgyz Republic

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Dear Colleagues!

Let me briefly summarize the results of 2019. This year marks the end of China’s two years term Chairmanship, and I would like to sincerely thank Ms. Hao personally and the Chinese delegation for their contribution to the development of the organization. Among the key events we should mention the successful adoption of the mutual evaluation reports of the People’s Republic of China, the Russian Federation and the Republic of Belarus, as well as the adoption of the new EAG Strategy for 2019-2023.

The last mutual evaluations have become an important stage in the activities of our Group, we have learned a lot, and the approved reports have set a certain quality standard. In this regard, I would like to congratulate China, Russia and Belarus on the successful completion of the mutual evaluations and encourage other delegations to study the experience gained.

It should also be noted that in 2019 the Kyrgyz Republic and the Republic of Tajikistan reported on progress made in addressing the deficiencies identified by their mutual evaluations. At the same time, Kyrgyzstan was the first EAG Member State to successfully justified the upgrade of technical compliance ratings for a significant number of FATF Recommendations.
In 2019, preparations began for mutual evaluations of Republic of Kazakhstan, Turkmenistan and Republic of Uzbekistan. To this end, assessors’ trainings were held to educate experts (in Kazan and Tashkent), as well as a seminar in Ashgabat to prepare the competent authorities of Turkmenistan for the forthcoming evaluation.

Last year was a landmark year for the EAG not only for the successful work on improving national AML/CFT systems, but also for the adoption and start of implementation of the new EAG Strategy 2019-2023, which is a high-level policy document for Member States, Observers and the EAG Secretariat.

As part of a new approach to coordinating technical assistance, a pilot TC project was launched in Republic of Tajikistan aimed at achieving high performance of the national AML/CFT system and compliance with the FATF Standards.

The Regional Risk Assessment project was conceptually approved, which is aimed at identifying and analyzing supranational ML/TF risks in the Eurasian region, and developing joint measures to minimize them.

In order to ensure effective coordination and cooperation at the regional level, a data collection format has been developed and approved to analyze the contribution of Member States and Observers to the EAS activities and development.

In 2019, the Eurasian Group on Combating Money Laundering and Financing of Terrorism celebrated its 15th anniversary, in this connection the congratulatory addresses on behalf of the EAG Chairman were sent to the heads of States and Governments.

Our organization also has a lot to do in 2020. Together with the Secretariat, we are ready to work actively with all delegations in order to effectively implement the strategic goals and objectives of the EAG, as well as the key priorities of Russia’s chairmanship of the Eurasian Group.

S.Teterukov,
EAG Executive Secretary
I. ABOUT THE EURASIAN GROUP ON COMBATING MONEY LAUNDERING AND FINANCING OF TERRORISM (EAG)

According to the EAG Agreement, the main goal of the Eurasian Group is to ensure effective communication and cooperation at the regional level, as well as the integration of the EAG Member States into the international anti-money laundering and combating the financing of terrorism (AML/CFT) framework, in line with the FATF Recommendations and AML/CFT standards of other international organizations whose membership the EAG Member States hold.

In 2019 S.A. Teterukov was appointed as EAG Executive Secretary, and the composition of the Secretariat was significantly renewed. The team consists of representatives of the Republic of Belarus, Republic of Kazakhstan, Kyrgyz Republic, Russian Federation and Republic of Tajikistan.
The EAG Founding Conference was held in Moscow on October 6, 2004. Six founding States took part in it: Belarus, Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan. In 2005 and 2010, the Group was expanded to include Uzbekistan (2005), Turkmenistan (2010) and India (2010), which previously had observer status.

The agreement on the Eurasian Group on Combating Money-Laundering and Financing of Terrorism was signed in Moscow in June 2011, giving the EAG the status of a regional intergovernmental organization.
Dear colleagues,

The past year for the AML/CFT system of the Republic of Belarus was, primarily, related to the completion of the mutual evaluation process. This complex and complicated process has contributed to an even greater consolidation of the representatives of state bodies and the private sector to demonstrate the best practices of the Belarusian AML/CFT regime.

The Republic of Belarus was one of the first neighboring countries to establish a trustworthy inter-bank customer identification system. The mandatory identification of electronic wallet holders in the country is perceived by the expert community as an effective tool in the fight against drug trafficking.

Particular attention should be paid to constructive inter-agency cooperation, which contributes to the effective implementation of numerous concepts, government programs and strategies in the fight against crime and corruption. It has largely determined the success of the national assessment of money laundering and terrorist financing risks in the country and contributes significantly to the
implementation of the Action Plan to minimize identified risks.

These best practices were reflected in the final Mutual Evaluation Report of the Republic of Belarus on an equal footing with the identified deficiencies and recommended actions for further improvement of the Belarusian AML/CFT regime.

The mutual evaluation process was very demanding and time consuming from both experts of our country’s state agencies and employees of the EAG Secretariat and the assessment team. I would like to thank all participants of this process for the titanic efforts, which were spent on the preparation of the final report.

During the evaluation, the experts of the Belarusian AML/CFT system have gained invaluable experience both in terms of preparation for it and its implementation. This, in turn, made it possible to significantly increase the number of highly qualified expert appraisers in our country. Now the Republic of Belarus is fully ready to assist other countries in preparing their specialists for such assessments and to take part in them as part of the evaluation teams.

I would like to note that the key to the successful functioning of the AML/CFT regime is the training of highly qualified personnel. Annually, representatives of the Republic of Belarus take part in more than 40 training events, about 30 of which are held in videoconferencing mode of the EAG Single Information Space. I express my gratitude to the EAG Secretariat and the International Training and Methodological Center for Financial Monitoring for this work, as well as for the special events organized for our country to prepare for mutual evaluation.

Also, I would like to express my gratitude for the work of the AML/CFT Network Institute and the educational staff of the universities involved. Today they are laying a solid foundation for combating financing of terrorism and money laundering in our region.

I would especially like to note the EAG activity. The organization has passed a long way of development and celebrated its 15th anniversary last year. Nowadays, our group is a reputable international organization with significant weight in the world.
arena. Its activity remains relevant due to timely and rapid adaptation to new international challenges and threats.

In conclusion, I would like to reaffirm the readiness of the Republic of Belarus to further improve its AML/CFT regime and make a contribution to the activities of the EAG in order to strengthen the international system to counter these threats.

With regards,

**V.Reut,**
Director of the Financial Monitoring Department of the State Control Committee of the Republic of Belarus
On the historical occasion of the 15th anniversary of the Eurasian Group on combating money laundering and financing of terrorism, I would like to congratulate the EAG Member countries and the Observers.

1. India is committed to combating Money Laundering, Financing of Terrorism, and Proliferation Financing in all forms and manifestations, and continues to implement the FATF standards on improving the AML/CFT/CPF regime. India is a member of the FATF, and its associated regional bodies – EAG and APG, and has ratified the United Nations Convention Against Transnational Organized Crime and the United Nations Convention Against Corruption.

2. India in its endeavour to analyse and understand the existing and emerging ML/TF risks being faced by its financial system, recently concluded the exercise of the National Risk Assessment (NRA) in 2019. The NRA was an extensive exercise involving working groups from all sectors of the financial system. The Sectoral Risk Assessment reports prepared by these working groups provide insights on existing ML/TF risks emanating from the parameters such as products, channels and geography, in their respective sectors (including private sector inputs). An exercise to assess the risk posed by NPO sector and new technologies such as Virtual Assets is
currently underway, and we believe the results will help in more efficient management of our ML/TF risks.

3. India continues to strengthen its AML and CFT system as per its commitment to FATF and in this regard, we have recently amended our flagship AML legislation – the Prevention of Money Laundering Act of 2002 – by aligning the definition of proceeds of crime and Money Laundering offence with Vienna Convention in letter and in spirit. The other major amendments came in the form of inclusion of various offences under scheduled offences thus enhancing the scope of the Act and ensuring that the multidimensional nature of ML crimes is covered under the provisions. The law has also been amended to impose obligations on Reporting Entities to perform enhanced due diligence under specified circumstances and gives them powers to prevent the occurrence of high-risk transactions. The powers of LEAs have been enhanced to conduct ML investigations, and the conviction of ML offence in a Special Court under PMLA has been made independent of conviction of the predicate offence in a trial court. This has resulted in increase in number of investigations, prosecutions and convictions by the Enforcement Directorate, which is the premier ML investigation agency in the country.

4. The Enforcement Directorate has also recently been entrusted with the implementation of the Fugitive Economic Offenders Act, 2018 (FEOA). Action under the said Act can be initiated against economic offenders who have left India so as to avoid criminal prosecution or who, being abroad, refuse to return to India to face criminal prosecution. The Act provides for the non-conviction-based asset confiscation for corruption-related cases and expeditious confiscation of proceeds of crime and properties or benami (anonymous/pseudonymous) property owned by a fugitive economic offender in India or abroad with a view to make him submit to the jurisdiction of Courts in India. Various offenders have been declared fugitive under the Act, and action has been initiated to confiscate their assets by the Directorate.

5. India, having been a victim of cross-border terrorism for decades, has been at the forefront in the world’s fight against terrorism and is committed to tackle all sources, techniques, and channels of terrorism financing. India condemns terrorism in all its forms and manifestations and believes strongly that no cause whatsoever or griev-
ance can justify terrorism, including State-sponsored cross-border terrorism, and the world needs to adopt and implement a policy of zero-tolerance towards terrorism.

6. India’s commitment to counter terrorism and terrorism financing is evident by a strong law enforcement response which also includes exchanging information, building capacities for effective border controls, preventing misuse of modern technologies, monitoring illicit financial flows, cooperating in investigation and judicial procedures, and updating our national legislations to reflect our commitments.

7. As part of this fight, the Unlawful Activities (Prevention) Act, 1967 has been amended in 2019 to facilitate speedy investigation and prosecution of terror offences and designating an individual as terrorist in line with the international practices. The National Investigation Agency Act has also been amended empowering the head of National Investigation Agency to grant approval of seizure or attachment of property, thus reducing the delays in preventing terrorists and their organizations from accessing proceeds of crime. The Agency is also now empowered to conduct investigation in any part of the world if any terror attack targeting Indian citizens takes place.

8. India’s financial institutions have braved the twin challenges of reaching every nook and corner of this diverse country and serving the divergent financial needs of the people of India. Government of India has also given a big push to the policy of financial inclusion and digital banking in the recent years. Government of India launched the scheme of Pradhan Mantri Jan Dhan Yojna (PMJDY) to open accounts of millions of Indians with limited means, while mitigating the risks associated with financial inclusion by effective use of technology and strong supervision backed by effective regulation.

9. At the very core of a country’s AML/CFT system is the quality of reports filed by the Reporting Entities (REs). FIU-India (FIU-IND) understands this and has therefore taken a series of measures to evaluate the quality, completeness and correctness of the information; identify the gaps and take necessary corrective action. During the past two years, FIU-IND has done extensive operational analysis on information collected or obtained from REs. This analysis was from the point of view of identifying the gaps in reporting by REs to ensure complete
and correct reporting of CBWTRs lending them to more useful strategic analysis as the next step. Compliance actions coupled with ‘review & refile’ actions have also been taken.

10. FIU-IND has initiated the collaborative exercise in highly important “live cases”, by building a collaborative team by allocating a member from FIU-IND to the lead investigator of these cases so that they work as a team on a day to day basis, thereby speeding up the sharing of specific financial intelligence. This has yielded positive results in TF cases. On the other hand, based on the inputs from LEAs and analysis of STRs, FIU-IND contributes to the identification of AML/CFT risks of certain financial products and works with financial sector regulators to mitigate them through regulations. It has collaborated with the private sector, to conduct some targeted strategic analysis of relevant data with active support of REs. FIU-IND has produced these strategic / tactical analysis reports and shared the same with relevant LEAs dealing with CFT.

11. Cooperation & coordination amongst all stakeholders has also helped in fine tuning Red Flag Indicators, identifying the needs of different LEAs, evolving mechanisms for faster coordination between LEAs, FIU-IND and the REs, the deficiencies in reporting by REs, and also inculcating the culture of compliance among REs by way of guidance, reviews, outreach & compliance actions, as the case may be.

12. India, being a Union of States and owing to its rich diversity and size, believes that domestic co-operation and co-ordination is paramount in tackling the menace of Money Laundering and Terror Financing. This co-operation has been taking place through a high level Inter-Ministerial Co-ordination Committee since 2002 which includes all competent authorities fighting ML/TF/PF in the country. In 2019, this committee has been elevated to be a statutory body by amending the PMLA and is now chaired by the Revenue Secretary and constitutes as its members the heads of ML/TF Investigation and Law Enforcement Agencies, Financial Supervisory Institutions, and relevant legislative departments.

13. For the operational and day-to-day co-ordination related to combating ML/TF, a Joint Working Group has been constituted comprising Nodal Officers nominated by each IMCC member. This working group meets frequently to review the strengths and weaknesses of
the existing AML/CFT infrastructure, and suggests ways to improve upon it, by trying to stay ahead of the new and emerging challenges posed by criminals and terrorists.

14. India has been playing a pro-active role in the comity of nations in dealing with ML, TF, and PF. We believe that our responses to these challenges could be in the form of raising awareness about the phenomenon, especially its socio-economic impact; creating the necessary legal and institutional frameworks; and effective law enforcement and international cooperation. In this context, the need for mutual legal assistance, especially in extradition, and exchange of information and intelligence among enforcement agencies becomes imperative.

15. We believe that international cooperation must be strengthened in a robust manner to engage ourselves on these issues, to enhance our capabilities and add to our tool box of new methodologies to deal with the complexities of money laundering, terror financing, and proliferation financing. We hope to continue our efforts and succeed in making the country and the world at large, a better and safer global village.

P. Mishra,
Director of FIU India
Dear colleagues,

I congratulate you on the 15th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism.

Over the past years, the EAG has achieved significant progress in the global fight against illicit transactions underpinning organized crime and international terrorism.

2019 saw Kazakhstan’s Financial Intelligence Unit merge with the law enforcement agency tasked with detecting and investigating economic and financial crimes.

Much was done in 2019 to prepare Kazakhstan’s ML/TF Risk Assessments Report, with the country’s government agencies, law enforcement and reporting entities all contributing to these efforts.

The RK Government, by its decree, adopted measures to mitigate the ML/TF risks.

The Government also adopted the Roadmap to strengthen the country’s AML/CFT efforts and prepare it for the second round of the EAG mutual evaluations in 2021.
Kazakhstan continues work to improve its AML/CFT legal framework and bring it into line with the FATF standards.

Kazakhstan participates in the EAG-led research into money laundering, terrorist financing, organized crime, corruption and cross-border drug trafficking typologies.

The country’s representatives take an active part in all EAG-sponsored initiatives and international events.

The solution to emerging threats lies, among others, in a timely and consolidated response by Eurasian countries to operational and strategic ML/TF challenges.

I would like, on behalf of all Financial Monitoring Committee employees and my own, to thank the EAG Secretariat staff – who are a great pleasure to work with – for their professionalism.

I would also like to thank my colleagues within the EAG for their hard work, professionalism and valuable contribution to the EAG’s success.

I sincerely wish my colleagues and the EAG team success in finding solutions to challenges facing us, as well as new achievements for the benefit of our countries.

Zh. Elimanov,
Chairman of the Committee
on Financial Monitoring of the Ministry of Finance
of the Republic of Kazakhstan
On such a historical occasion, I would like to take this opportunity to warmly congratulate the 15th Anniversary of the Eurasian Group on combating money laundering and terrorist financing.

In 2019, the mutual evaluation report of China was adopted by FATF, EAG and APG. Based on the outcomes of the mutual evaluation, China has made substantive progress in improving the national AML/CFT system and mechanisms. First, we have enhanced the inter-ministerial coordination and cooperation mechanism, known as AMLJMC, in a bid to consolidate cooperation in areas of national risk assessment, policy making and information sharing. Second, we have continuously improved the legal and regulatory system. AML/CFT regulations on Internet finance institutions, the risk management of financial institutions, as well as the identification of beneficial ownership were formulated. Third, the second-generation AML/CFT monitoring and analysis system has been launched and put into smooth operation, representing a milestone in the construction of the AML/CFT monitoring infrastructure and national AML/CFT database. Fourth, we have proactively conducted AML/CFT investigations and the number of cases under investigation reached a high record. We have also further improved TF transaction monitoring.
model and played a significant role in the national campaign against terrorism. The joint special actions against underground banks achieved substantial outcomes. Fifth, bilateral AML/CFT cooperation has deepened with the signing of MOUs with more jurisdictions. Last by not the least, proactive steps have been taken in fulfilling the duties as the FATF and EAG presidencies. We have actively participated in the discussion and decision-making concerning major issues such as the setting of international AML/CFT standards, and have sent more assessors to mutual evaluations of other jurisdictions.

At present, we are engaged in a few endeavors to improve risk identification and mitigation. Firstly, we prioritize the amendment to The Anti-Money Laundering Law of the People’s Republic of China to improve the AML/CFT system. Based on a risk-based approach, we will research into the revision of some AML/CFT regulations.

Secondly, we are studying into the establishment of a statistics system encompassing data of AML/CFT supervision, law enforcement, financial intelligence and international cooperation. Efforts will also be made to leverage the big data technology to improve the effectiveness of risk assessments. Thirdly, AML/CFT monitoring, analysis and investigation will be conducted more vigorously. Specifically, we will work to advance full-scale application of the second-generation AML/CFT monitoring and analysis system. More emphasis will be attached to ML/TF typology study, and timely warning will be released regarding the emerging ML/TF risks. Fifthly, a platform will be constructed for researches into key and complex AML/CFT issues, as well as the tracking and study of important international issues and global supervisory policies.

We have also accumulated valuable experiences during the mutual evaluation process. We feel it useful to maintain well organization for sound cooperation internally and smooth coordination externally. All deadlines must be met stringently and questions must be answered based on fact and context. In addition, better communication with the assessors carries lots of weight. Only by fully understanding assessors’ concerns can divergences and misunderstandings be lowered to the largest extent as much as possible. The on-site visits and face-to-face meeting are good opportunities for the pursuit of objective and fair mutual evaluation results.
We sincerely hope that all EAG members could sail smoothly through the mutual evaluations. China is ready to share experience and lessons. Once again, I send my best wishes for the EAG in the many days to come and expect more fruitful cooperation of all its members and observers.

Mingyou Bao,
Deputy Director General
of AML Bureau, People’s Bank of China
Dear Colleagues,

Among the 2019 highlights that make this year truly memorable for me are the adoption of 2 follow-up reports on compliance of Kyrgyzstan’s AML/CFT framework with the FATF Recommendations; the 1st Eurasian AML/CFT Forum in 2019, whose numerous attendees we had the pleasure of meeting; and participation in the most interesting studies conducted by the EAG.

I particularly like to recall, and congratulate everyone on, the 15th anniversary of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). It will be observed that Kyrgyzstan is one of the six founding countries of the EAG. On 6 October 2004, in Moscow, Belarus, Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan expressed their political will and signed the Declaration on the Establishment of the EAG. Subsequently, in 2005 and 2010, the EAG was expanded to include Uzbekistan (2005), Turkmenistan (2010) and India (2010).

Under the Agreement on the Eurasian Group on Combating Money Laundering and Financing of Terrorism, signed in Moscow, Russia, in June 2011, the EAG is a regional intergovernmental
organization that plays a key role in promoting the integration of its members in the international AML/CFT framework, thereby helping our countries combat the ML/TF risks and threats. In addition, since the EAG’s inception as an independent organization, it has earned the recognition of the United Nations through its close engagement with the UN main organs and obtaining observer status in the UN General Assembly, thereby contributing to the global AML/CFT efforts.

Talking of the EAG’s current activities, its members are currently undergoing the EAG 2nd round of mutual evaluations, which focus on assessing the effectiveness of their AML/CFT systems. Kyrgyzstan is one of the first countries to have not only completed the mutual evaluation procedures, but also achieved good progress in strengthening its AML/CFT regime and improving compliance with the FATF Recommendations.

To eliminate the identified shortcomings, Kyrgyzstan, from June 2018 to October 2019, worked to address the shortcomings in its technical compliance with the 16 FATF Recommendations, as well as taking steps to implement the recommendations for improving the effectiveness of its AML/CFT system.

As a result, following the presentation by Kyrgyzstan of its follow-up report at the EAG 31st Plenary meeting on 25-29 November 2019 in Ashgabat (Turkmenistan), Kyrgyzstan’s rating for the EAG 2nd round of mutual evaluations was upgraded.

The progress achieved by Kyrgyzstan allowed it to improve the ratings for the 13 FATF Recommendations with respect to which the country’s AML/CFT regime was found to be lacking in compliance.

By doing this, we set an example for other countries in how to bring the national AML/CFT system into compliance with international AML/CFT standards, providing a possible blueprint for improving other national AML/CFT systems.

Kyrgyzstan has made its own sizable contribution to the development and operation of the EAG as an independent institution within the international AML/CFT framework, with Kyrgyz representatives serving as EAG Chairman as well as co-chairing and
actively participating in the activities of the EAG working bodies.

Other forms of Kyrgyzstan’s contributions include the training of AML/CFT assessors and their participation in the EAG mutual evaluations. The country’s representatives actively participated in the mutual evaluations of Uzbekistan, Tajikistan and Belarus.

Kyrgyzstan twice hosted EAG Plenary meetings (8th and 26th) as well as initiated the Eurasian AML/CFT Forum, attended by more than 15 countries, which serves as evidence of its active participation in the EAG activities.

In summary, I would also like to emphasize that the State Financial Intelligence Service, while being committed to compliance with international AML/CFT standards, focuses on improvements to its AML/CFT system and intends to continue its hard work to eliminate the outstanding deficiencies.

I am convinced that our collaboration and mutually beneficial cooperation with the EAG will also continue in the future.

Yours sincerely,

G. Anarbaev,
Chairman of the State Financial Intelligence Service under the Government of the Kyrgyz Republic
Dear Delegates of EAG Member States!

For 15 years the Russian Federation has been taking the most active part in the EAG work, providing all-round support for its development as one of the key platforms for establishing joint measures aimed at ensuring financial and economic security in the region. Achieving this goal is possible only within the framework of international cooperation and development of joint, comprehensive and consistent solutions that meet modern threats related to money laundering and terrorism financing.

Issues of combatting money laundering and financing of terrorism have traditionally been given priority in the Russian Federation, which resulted in successful adoption of Mutual Evaluation Report of Russia at the FATF Plenary in 2019. The tremendous work on preparation for the fourth round of FATF mutual evaluation required the adoption of a number of amendments to legislation, involvement of 24 Russian agencies and about 1.5 thousand financial organizations. For its part, in order to increase efficiency of the national AML/CFT system, we are ready to continue to share with EAG partners the experience accumulated by the Russian Federation in this sphere.
However, the exchange of experience should not be limited to the preparation and completion of evaluation procedures only. The ever-changing operational environment and the new methods and tools used by criminals require a systematic approach in terms of joint typological research, the results of which make it possible to contribute in practice to reducing the risks of money laundering and terrorist financing, as well as to identify and suppress illegal activities in a timely manner.

In this regard, in 2019 the Russian Federation presented the results of several typologies reports at the EAG site:

Identification of Individuals Assisting Terrorist Organizations in Purchasing Tickets for Terrorist Fighters;

“To exchange lists of persons involved in terrorist activities on the basis of Methodological recommendations on terrorist and extremist listing and delisting mechanism and assets freezing (blocking) mechanism of specified entities”;

“Features of cross-border drug trafficking schemes and legalization of proceeds of drugs with the use of electronic payment tools and cryptocurrency”;

“Terrorist financing using proceeds of crime including organized crime”;

“Money laundering through insurance companies.”

Since the establishment of the EAG, invaluable experience has been accumulated both in terms of typological studies and in the ongoing work on risk assessment of individual Member States. In order to ensure regional security, it is necessary to realize the possibility of system accounting and access to such information, through the creation of an appropriate modern infrastructure. In this connection, we have initiated the creation of the International Center on Risk Assessment, which will allow ensuring the obtaining of balanced, complete and reliable information, which is a fundamental condition for the effective detection of regional security threats in the sphere of combating the laundering of incomes and terrorism financing.

Special attention should be given to engagement with the private sector. Based on the existing positive experience of the Russian Federation, including that noted by FATF assessors, we share with EAG Member States practices to work
of “Personal Account”, which provides electronic interaction of its users with Rosfinmonitoring.

In order to improve the efficiency of decision-making and feedback, we initiated the establishment of an international “Compliance Council” of the Eurasian region countries at the EAG site. One of the Council’s priorities will be the development of criteria and models of financial behavior of criminals, which will make it possible to identify relevant risks and respond to them in a targeted manner, contributing to a more comfortable business climate for honest clients.

I am convinced that only balanced joint work of the EAG Member States and Observers will allow effectively and efficiently defending common interests aimed at ensuring regional security for the sustainable and stable development of our States.

Y. Chikhanchin,
Director of Federal Financial Monitoring Service
Dear colleagues,

The celebration of the EAG’s 15th anniversary will be remembered as a period during which its member states achieved major progress in improving their AML/CFT systems, as evidenced by the results of the past rounds of mutual evaluations.

Tajikistan’s membership in the EAG has contributed to the creation of a sustainable national AML/CFT/PF framework, as manifested by its compliance with international standards. In particular, the country has improved its regulatory framework, increased awareness of government agencies and public sector staff, strengthened international cooperation, and a range of other initiatives.

Tajikistan’s AML/CFT/PF framework has undergone significant changes over the years of the country’s cooperation and collaboration with the EAG. Mutually beneficial cooperation made it possible to put in place effective national cooperation mechanisms for tackling both high level and operational issues.

The establishment of a permanent AML/CFT/PF Interagency Commission, chaired by the Assistant to the President of the Republic of Tajikistan on Legal Issues, has once again
underscored the Tajik Government’s high-level commitment to the strengthening of the country’s AML/CFT/PF framework.

Of particular note is the country’s AML/CFT/PF Strategy, adopted in 2015, which is being implemented by the Financial Monitoring Department under the National bank of Tajikistan, Tajikistan’s designated AML/CFT/PF authority. In compliance with the main provisions of the Strategy, Tajikistan has been able to achieve, among others, the following results:

- To ensure compliance with the FATF recommendations;
- To develop and adopt the National AML/CFT/PF Concept for 2018-2025 and its Action Plan;
- To create an expanded database for analysis and suppression of ML/TF/PF;
- To conduct the EAG 2nd round of AML/CFT/PF mutual evaluation;
- To establish a Training and Methodology Center within the Financial Monitoring Department, with the purpose of organizing a multi-level system of AML/CFT/PF training and advanced training for public and private sector employees;
- To adopt a professional standard in the AML/CFT/PF field.

I would like to note that the EAG, as an FSRB, has established a formidable reputation and appeal on the international stage since its inception. Among the achievements underscoring this success are the expansion of the geography of its presence; the creation of conditions for the accession of new member states, as well as regional and international organizations as observers; the conduct of two rounds of mutual evaluations; and the organization of a series of international and regional trainings.

The progress achieved by its member states in AML/CFT/PF proves that the creation of the EAG was a timely decision taken by the Heads of its member states.

I feel confident that the EAG, through the joint efforts of its member states
and other stakeholders, will further strengthen its position and FSRB status on the international stage in the coming years, laying the foundation for its further expansion and prosperity.

Kind regards,
F. Bilolov,
The Director of the Financial Monitoring Department under the National bank of Tajikistan
Dear Ladies and Gentlemen,

Financial security, including the fight against money laundering and terrorist financing (AML/CFT), is listed among Turkmenistan’s priorities. The success of these efforts, both at the country and regional levels, contribute to the strengthening of peace and stability in the region. Speaking from the standpoint of positive neutrality, Turkmenistan has steadily intensified cooperation in this area.

2019 was an important milestone for both the country’s AML/CFT system and the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). During this year, Turkmenistan marked the 10th anniversary of its AML/CFT law and the establishment of the National Financial Intelligence Unit, as well as the 9th anniversary of Turkmenistan’s accession to the EAG. In July 2019, Turkmenistan became a full member of the Egmont Group.

For the EAG, whose members and observers alike cooperate with each other to achieve close integration into the international AML/CFT framework in accordance with the FATF recommendations, international agreements and conventions, relevant UN Security Council resolutions and agreements of EAG Member States.
As part of its membership commitments to the EAG, Turkmenistan hosted the EAG 31st Plenary meeting in Ashgabat in November 2019, whose participants discussed the key aspects of the efforts to mitigate the threat of international terrorism, ensure transparency, reliability and security of the financial systems of the EAG Member States and their contribution to the international security framework, including through the use of the best country practices in improving national AML/CFT systems.

Turkmenistan continues its work to bolster the performance of its financial, law enforcement and supervisory authorities, including by improving the regulatory framework and introducing new financial and other instruments to prevent and identify possible ML/TF risks.

Among other 2019 highlights were the completion of the National Risk Assessment (NRA) and the development of effective measures to eliminate the identified risks and bottlenecks. The purpose of the Turkmenistan’s Action Plan 2020-2021 to improve the national AML/CFT system is to monitor, mitigate and eliminate the ML/TF risks facing Turkmenistan. As part of these efforts, and with the involvement of international assessors, the country has also begun the preparation of its reporting entities, as well as law enforcement, supervisory, financial and other agencies, for the EAG 2nd round of mutual evaluations.

Among the priorities of Turkmenistan’s AML/CFT efforts are the training of personnel for all AML/CFT system stakeholders; the strengthening of efforts to combat and prevent the crimes linked to ML and TF, including predicate corruption and economic offences; and the implementation of programs and new mechanisms to prevent and combat corruption, terrorism and extremism.

I would like to assure all EAG Member States and the international community that the National AML/CFT System of Turkmenistan views security from the standpoint of its integrity and indivisibility. From a geopolitical standpoint, indivisibility implies a direct link between national, regional and global security. From a substantive standpoint, all participants in AML/CFT efforts are working, and will continue to work, towards achieving financial and
other security, in strict compliance with international standards, forms and models of partnership based on the compatibility of the interests of our states in the fight against terrorism and organized crime that threaten global security.

All our efforts are aimed at achieving success and security in the region and the world!

With regards,
D.Khalbaev,
Chairman of the Financial Monitoring Service under the Ministry of Finance and Economy of Turkmenistan
Dear colleagues and friends,

Since its inception, the Eurasian Group, which marks its 15th anniversary in October 2019, has gone through multiple stages of formation and earned international recognition.

All EAG Member States make a worthy contribution to the financial stability and prosperity of Eurasia. Our solidarity and robust efforts have opened up great opportunities for strengthening regional and international cooperation in this area.

The EAG has succeeded in consolidating national capacities to mitigate the threats of terrorism; ensure transparency, reliability and security of financial systems; and enable integration into the international AML/CFT/PF framework.

I particularly like to highlight the robust measures taken to consolidate the efforts of international organizations, government agencies, the private sector and academia to develop common approaches to understanding and identifying the ML/TF risks, as well as measures to mitigate them.

The current trend towards the progressive development of the Global AML/CFT/PF
Framework once again underscores the vital importance of the efforts to steadily improve national AML/CFT systems and strengthen international cooperation as a way of ensuring not only countries’ economic security but also the stability of the international financial system as a whole.

It its efforts to build an AML/CFT framework capable of promptly and adequately responding to modern challenges and threats, Uzbekistan, alongside other countries, has carried out major reforms aimed at improving and strengthening its AML/CFT regime.

To this end, under the leadership of the President of Uzbekistan, Shavkat Mirziyoyev, the Uzbek Government has taken in recent years decisive measures to transform the national economy and coordinate efforts to improve the effectiveness of the fight against ML/TF/PF.

In particular, Uzbekistan has adopted the laws «On Combating Extremism» and «On Combating Corruption», the responsibility for the enforcement of which has been assigned, among others, to the Department for Combating Economic Crimes under the General Prosecutor’s Office of the Republic of Uzbekistan (Uzbekistan’s FIU).

In addition, the current version of the AML/CFT law has been amended to allow the application of preventive and other measures to combat proliferation financing.

One notable example is the Presidential Decree «On Measures to Drastically Improve the Use of Budgetary Resources and Strengthen Anti-corruption Efforts», which, among others, has beefed up the staff capacity of the FIU’s analytical and operational units, improved their ability to coordinate the activities of the relevant national departments, and expanded their authority to allow access to all available national databases.

In order to further strengthen the country’s financial system and ensure compliance of its AML/CFT/PF regime with international standards, the President of the Republic of Uzbekistan, by his decree, has established an Interagency AML/CFT/PF Commission.

In 2019, among other things, the Interagency AML/CFT/PF Commission
worked to improve the effectiveness and efficiency of ML/TF risk mitigation measures, by focusing the efforts of the relevant ministries and departments on identifying high-risk areas and promptly responding to emerging challenges and threats.

Uzbekistan’s FIU has leveraged the findings of the National ML/TF Risk Assessment to formulate proposals for future efforts – categorized as priority and supplemental – to mitigate the identified risks, crystallized in the national strategy and risk mitigation action plan.

As part of the efforts to raise the awareness of risks and effectiveness of the country’s AML/CFT/PF system, the FIU has intensified its engagement with the private sector.

The availability of highly skilled personnel capable of not only rapidly responding to new challenges and threats, but also preventing them is, meanwhile, a necessary precondition for the effective functioning of this system.

To strengthen the staff capacity of the relevant agencies, Uzbekistan undertakes ongoing comprehensive measures, including at the domestic and international levels, to train and improve the qualifications of assessors, analysts and other personnel required for its AML/CFT system.

In particular, the Interagency AML/CFT/PF Commission has designated the Academy of the General Prosecutor’s Office of the Republic of Uzbekistan to act as the backbone training and advanced training institution for the relevant government agencies and the private sector.

Uzbekistan’s FIU and all AML/CFT system stakeholders see their priority for 2020 in successfully undergoing the EAG 2nd round mutual evaluation procedures, which will allow Uzbekistan to, once again, demonstrate to our partners and the entire international community a high level of compliance and effectiveness of its AML/CFT system.

I would like to take this opportunity to wish all my colleagues and friends success and tireless energy in such a multifaceted field as AML/CFT/CPF.

D.Rakhimov,
Head of the Department for Combatting Economic Crimes under the Prosecutor’s General Office of the Republic of Uzbekistan
The EAG is composed of 15 States (Afghanistan, Armenia, France, Iran, Italy, Korea, Lithuania, Moldova, Mongolia, Montenegro, Poland, Serbia, Turkey, Ukraine and USA) and 22 international and regional organizations (Asian Development Bank (ADB), Asia-Pacific Group on Money Laundering (APG), Bureau for the Coordination of the Fight against Organized Crime, Central Asian Regional Information and Coordination Centre for Combating Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Their Precursors (CARIICC), CIS Anti-Terrorism Centre (CIS ATC), Commonwealth of Independent States (CIS) Executive Committee, Council of Europe Committee of Experts (MONEYVAL), Collective Security Treaty Organization (CSTO), Egmont Group, Eurasian Development Bank (EDB), European Bank for Reconstruction and Development (EBRD), Eurasian Economic Commission (EEC), Financial Action Task Force on Money Laundering (FATF), Interpol, International Monetary Fund (IMF), Middle East & North Africa Financial Action Task Force (MENAFATF), New Development Bank, Organization for Security and Cooperation in Europe (OSCE), Shanghai Cooperation Organization (SCO), UN Counter-Terrorism Committee (UNCTC), United Nations Analytical Support and Sanctions Monitoring Team (1267), United Nations Office on Drugs and Crime (UNODC) and World Bank (WB))
The 30th Plenary and working group meetings of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) was held in Moscow (Russia) from 27 to 31 May 2019.

The meeting was attended by delegations from EAG Member States (Belarus, India, Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, Turkmenistan and Uzbekistan) and observers, as well as representatives of the Islamic Development Bank and the New Development Bank, who were invited by the EAG Chair.

The meeting was chaired by EAG Chair Ms. Hao Jinghua (China), Aide to the President of the Russian Federation A. Seryshev sent his greetings to the Plenary participants.


The Plenary adopted the EAG Strategy 2019-2023, which defines strategic directions for the EAG, its Member States and the Secretariat for the coming years.

The relevance of conducting Regional Risk Assessment of ML/TF was noted. It was instructed to start implementation of a pilot project with one of the Member States, which has undergone mutual evaluation, on the basis of a new approach to coordination of technical assistance in the EAG.

The Plenary addressed issues related to the practical steps being taken by the EAG Member States to combat TF, reaffirming the urgent imperative of the fight against terrorism and its financing. The EAG Member States are encouraged to continue their efforts to prevent and disrupt terrorist financing, as well as to continue the sharing of terrorist listings.
The Plenary adopted the typologies report and guidance from the study on the Use of Electronic Payment Instruments and Cryptocurrencies in Cross-Border Drug-Related Payment and Money Laundering Schemes.

The delegations voted to grant EAG observer status to the New Development Bank, with which the EAG held a joint workshop during the Plenary week on the Use of New Technologies to Improve AML/CFT, highlighting the importance of building cooperation with this institution.

The initiative on regular update of the results of the CIS FIU work was approved taking into account the special significance of the operational component of the interaction of the FIU Heads in the Eurasian region.
The EAG 31st Plenary and working group meetings were held in Ashgabat (Turkmenistan) from 25 to 29 November 2019.

The meeting was attended by delegations from EAG Member States (Belarus, India, Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, Turkmenistan and Uzbekistan) and observers, as well as representatives of the Bureau for Coordinating the Fight against Organized Crime (BCFOC), who were invited by the EAG Chair. At this meeting, BCFOC was granted observer status in the EAG.

The meeting was chaired by EAG Chair Ms. Hao Jinghua (China). The Minister of Finance and Economy of Turkmenistan, Mr. Batyr Bazarov, delivered a welcome speech to the Plenary participants.

The Plenary adopted the Report and Executive Summary of the Mutual Evaluation of the Republic of Belarus within the 2nd Round of EAG Mutual Evaluations, as well as the Report and Executive Summary of the Mutual Evaluation of the Russian Federation, which took place within the 4th Round of FATF Mutual Evaluations and is a joint evaluation of FATF, EAG and MONEYVAL.

In addition, the Plenary meeting approved the 2nd Progress Report of the Kyrgyz Republic with the revision of the technical compliance ratings in the 2nd round of EAG mutual evaluations and noted the significant progress of the country in improving the AML/CFT system. The 1st Progress Report of the Republic of Tajikistan under the 2nd Round of EAG Mutual Evaluations was noted.

The Plenary approved the joint EAG/APG typologies report on the Use of Criminal Proceeds, Including from Organized Crime, to Finance Terrorism.

The Plenary supported the Project Plan to provide technical assistance to Tajikistan, proposed by the EAG Secretariat, and recommended the potential donors to use the document as they plan their activities in this country. In February 2020, the EAG Secretariat will conduct a donor conference to identify donors responsible for specific Project Plan activities.
The EAG Chair sent congratulatory letters to the EAG Heads of State and Heads of Government, congratulating them on the 15th anniversary of the EAG.

The Plenary supported the EAG Secretariat’s initiative to launch a regional ML/TF risk assessment exercise.

The Plenary supported Kyrgyzstan’s initiative to hold the Eurasian AML/CFT forum annually.

The Plenary adopted the EAG Work Plan 2020.
The EAG embarked on a new round of mutual evaluations in 2016, assessing each EAG Member State. Evaluations are conducted on the basis of the FATF Standards and the Methodology for assessing technical compliance with the FATF Recommendations and the effectiveness of AML/CFT systems. The technical compliance assessment measures the extent to which the country’s laws, regulations and other legal instruments meet the specific requirements of the Standards. The effectiveness assessment focuses on the country’s practical implementation of the Standards and determines the extent to which each of the eleven Immediate Outcomes is achieved.

Therefore, the mutual evaluation reports prepared by experts represent a comprehensive review of the effectiveness and technical compliance of national legislation with the FATF standards, as well as containing recommendations for further improvements to the national AML/CFT system. Member States report to the Plenary in accordance with the approved follow-up procedure, namely, once a year in case of enhanced and once in three years in case of standard follow-up, on progress in eliminating the identified shortcomings and further steps to improve the AML/CFT system.

In 2019, the EAG discussed and approved three mutual evaluation reports, of China, Russia and Belarus, as well as adopting the follow-up reports of Kyrgyzstan and Tajikistan.
The mutual evaluation of China was carried out jointly by the IMF, FATF and EAG. Following the discussion of the report by the FATF Plenary this February, China was placed in enhanced follow-up.

China has undertaken a number of initiatives since 2002 to identify various threats and vulnerabilities that subsequently formed the basis of its AML/CFT policies and strategies. China’s framework for domestic AML/CFT co-operation and co-ordination is well established.

The Chinese FIU has the necessary tools to conduct financial analysis to support the operational needs of law enforcement agencies. As the FIU of China has a decentralized structure, a recommendation was made to improve the availability of financial information to all parts of the FIU at both central and regional levels, ensuring the integrity of the data disseminated.

LEAs have access to and use a wide range of financial intelligence throughout the lifetime of an investigation, but financial intelligence is not driving ML investigations. When using financial intelligence, LEAs identify predicate criminal behaviours and actively investigate these. Predicate crime investigation outcomes reflect that China has capable LEAs that are skilled in the investigation of complex financial crime and associated predicate crime. Effec-
tive, proportionate, and dissuasive sanctions are available and are applied for ML.

China has an institutional framework in place to investigate and prosecute TF activities, in line with its risk profile. In general, three fundamental shortcomings affect the effective implementation of freezing obligations, namely, the freezing requirements do not apply to all entities; not all types of assets can be frozen; and the lack of implementation without delay for non-domestic designations.

While FIs have a satisfactory understanding of their AML/CFT obligations, the level of their understanding of risks and application of mitigation measures is not sufficient. FIs tend to be well aware of their record-keeping, correspondent relations, new technologies and wire transfer requirements. In general, the level of implementation of preventive measures by banks is higher than among other FIs.

China’s AML/CFT supervisory framework is almost exclusively focused on the financial sector, as there are no effective preventive or supervisory measures in respect of the DNFBP sector.

As regards international cooperation, China handles MLA requests and provides different types of assistance, including though informal communication channels. Still, in some cases, the procedures for executing international requests are too complex.
The mutual evaluation of the Russian Federation was carried out jointly by the FATF, EAG and MONEYVAL. Following the discussion of the report by the FATF Plenary in October 2019, Russia was placed in regular follow-up.

The Plenary concluded that Russia has a very developed understanding of the country’s ML/TF risks. Identification and assessment of ML/TF risks is done as a systemic exercise, which benefits from the high-level political commitment and the participation of all major stakeholders from both the public and the private sectors. The national AML/CFT legal framework and policies appropriately address identified ML/TF risks.

Rosfinmonitoring is core to the functioning of Russia’s AML/CFT regime.

Rosfinmonitoring has a wealth of available data as well as the necessary human and technological capacity.

To a large extent, Rosfinmonitoring’s financial analysis and dissemination support the operational needs of the relevant LEAs, which regularly conduct parallel financial investigations.

In general, LEAs take effective measures to identify ML/TF. Still, the competent authorities should prioritize the investigation and prosecution of complex money laundering.
Confiscation of the proceeds from crime is listed among the state priorities. The overall statistical picture on many of the facets of confiscation, broadly defined, is solid.

Russia has a robust legal framework for combatting TF, which is largely in line with international standards. Russia demonstrates that it deprives terrorists, terrorist organizations and terrorist financiers of assets and instrumentalities through various approaches, such as through terrorist designations and administrative freezes. For this, the country has the necessary arsenal of targeted financial sanctions, but their implementation is not without its flaws.

Financial institutions implement appropriate measures to reduce the risks of ML/TF by defining the customer profile, applying appropriate CDD measures, record keeping and implementing current risk management. Among DNFBPs, the understanding of risks is generally satisfactory, although not uniform across sectors.

The Bank of Russia conducts the enhanced monitoring of the banking sector based on the identified ML/TF risks. The past few years have seen improvements in the overall level of compliance of financial institutions with the relevant requirements.

Russia has put in place a number of mechanisms that significantly mitigate the misuse of legal persons for ML/TF purposes. In particular, there are stringent rules at registration.

Russia provides mutual legal assistance (MLA) in a constructive and timely manner and swiftly executes extradition requests. The Russian authorities engage in robust cooperation with their foreign counterparts, including through unofficial communication channels.
The 31st EAG Plenary Meeting adopted the Mutual Evaluation Report of the Republic of Belarus, which, in accordance with the achieved results of effectiveness and technical compliance with international standards, was put on standard monitoring. The Report was approved by the FATF as being in line with international quality standards. The Republic of Belarus has an adequate legal and regulatory framework and other mechanisms aimed at preventing ML/TF, as well as measures to improve transparency of financial flows in general.

The competent authorities have an in-depth understanding of the ML/TF risks and engage in effective interagency cooperation. In particular, the country has effective mechanisms in place for gaining comprehensive access to financial and operational data needed to identify, investigate and combat ML/TF.

With respect to TF, the country’s efforts are primarily focused on terrorism and extremism prevention, which is in line with its National Strategy.

Supervisors are well aware of the sectoral ML/TF risks faced by the supervised sectors. In general, the Belarusian supervisory and prevention framework seems quite effective.
To further improve the national AML/CFT system, the country is recommended to continue its efforts to mitigate the identified risks in line with the adopted Action Plan, as well as begin the elimination of deficiencies identified in the mutual assessment, namely in the risk-based supervision of non-profit organizations (public associations, foundations, religious organizations) to combat TF, improve the transparency of legal persons and arrangements in the country, and improve data collection by AML/CFT system stakeholders.
The EAG 28th Plenary adopted the Mutual Evaluation Report of Kyrgyzstan, placing the country in enhanced follow-up. In 2019, Kyrgyzstan submitted two follow-up reports. In May 2019, the EAG 30th Plenary reviewed Kyrgyzstan’s summary report without re-rating of compliance with the FATF Recommendations. However, already at the EAG 31st Plenary meeting in November of the same year, Kyrgyzstan requested re-rating of its technical compliance with 16 FATF Recommendations with negative ratings in the Mutual Evaluation Report.

Since the MER adoption in May 2018, Kyrgyzstan has enacted several regulations that allowed the Plenary to conclude that there has been sufficient progress in addressing the shortcomings in compliance with 13 FATF Recommendations.

Thus, for AML/CFT entities, an obligation to develop a risk mitigation plan and apply a risk-oriented approach was introduced, including the possibility to apply enhanced or simplified CDD measures depending on the risk level.

The country addressed the deficiencies related to the application of financial sanctions, which can now be used against, among others, funds of persons affiliated with designated persons; and the timely notification of the private sector about any changes in the Sanctions List, which should be made under 3 hours (for two parts of the Sanctions List). The country also established mechanisms for protecting the rights of bona fide third parties acting in good faith.

Kyrgyzstan began the assessment of the risks faced by the NPO sector and eliminated some shortcomings in transparency.

FIs were placed under the obligation to engage PEPs, whose definition covers foreign PEPs, domestic PEPs and PEPs of international organizations. FIs and DNFBPs apply additional CDD measures to PEP family members and associates (close rela-
The CDD Regulations permit financial institutions and non-financial businesses to rely on third-party financial institutions registered in Kyrgyzstan. At the same time, FIs are required to obtain from third parties information on the clients and their beneficial owners.

FIs are required to develop and implement group-wide programmes for exercising internal controls, managing risks, conducting an independent audit and sharing information among the branches and representative offices of financial institutions and non-financial businesses.

In addition, Kyrgyzstan established a list of mandatory CDD measures, which should be applied, among others, by all DNFBPs. DNFBPs were placed under the obligation to report suspicious transactions, implement internal control programs, including group-wide, to ensure effective compliance with AML/CFT requirements, apply enhanced CDD measures and other sanctions commensurate with the risks identified when establishing business relationships and (or) performing transactions with any natural or legal persons from high-risk countries.

Kyrgyzstan eliminated serious deficiencies regarding the transparency of legal persons and identification of beneficial owners. In addition, the country strengthened its mechanisms for international cooperation on asset freezing and confiscation.

With regard to the recommendations that have been revised since the on-site visit, Kyrgyzstan has fully implemented the new CPF requirements, as well as largely implemented the new requirements concerning domestic cooperation and coordination, internal controls and non-disclosure.
In 2018, following the consideration of the Mutual Evaluation Report, Tajikistan was placed in enhanced follow-up. Tajikistan presented its Follow-up Report to the EAG 31st Plenary in accordance with the 2nd Round Mutual Evaluation Procedures without re-rating. The country amended its Criminal Code to criminalize the financing of individuals who travel for the purpose of the perpetration, planning, or preparation of, or participation in, terrorist acts or the providing or receiving of terrorist training.

Tajikistan designated the authority responsible for submitting proposals for designations to the relevant UN Security Council Committees, as well as established mechanisms for the identification of designated persons and entities in accordance with UN Security Council criteria. The new freezing procedure also applies to persons and entities linked to proliferation financing. Tajikistan established liability for failure to comply with the requirements to apply targeted financial sanctions (TFS) for proliferation financing. In addition, the Freezing Procedure was amended to include requirements applicable to contracts and obligations that arose prior to the imposition of TFS.

In addition, Tajikistan took steps to ensure the transparency of NPOs, including establishing an Interagency Working Group to Combat the Misuse of NPOs for TF Purposes.

Tajikistan introduced a requirement to carry out CDD on the beneficiaries of insurance policies related to investment, as well as special requirements for PEPs. Legal persons are now required to retain information on the founders, director and beneficial owners.

In addition, the new requirements also apply to the procedure for maintaining statistics on investigations, prosecutions and sentences under the following articles of the Criminal Code: “Terrorist financing”, “Money laundering”, etc.
The EAG undertakes studies of ML/TF schemes typical for Eurasia (typologies), whose findings help identify the most high-risk areas and sectors and formulate effective risk management guidelines.

The topics of typological research are determined by the EAG Plenary participants based on the regional priorities.

The Eurasian Group shares the research findings with law enforcement and supervisory authorities as well as private sector institutions.

Besides research, the EAG, in collaboration with the FATF and FSRBs, organizes typologies workshops, regional forums and trainings.

The EAG 30th Plenary approved the research paper on the Use of Electronic Payment Instruments and Cryptocurrencies in Cross-Border Drug-Related Payment and Money Laundering Schemes. Russia, which led the study, prepared guidelines separately for law enforcement and the private sector for practical application in their work.

The EAG 31st Plenary meeting included a presentation of a specialized reference system containing information of interest to the FIU and law enforcement operations agen-
cies conducting joint (international) investigations. This system includes the following types of identification data of the EAG Member States: personal identification data, credit institutions, bank account structures, phone numbers, postal codes and vehicles. The commissioning of the system is due in March 2020.

November 2019 saw the completion of the EAG/APG typological study on the Use of Criminal Proceeds, Including from Organized Crime, for Terrorist Financing Purposes. A total of 19 jurisdictions took part in the study, co-led by Bangladesh, India and Russia, including two EAG/APG members, ten APG members and nine EAG members/observers. Researches began collecting and analyzing data for the study in 2018 using questionnaires and the joint EAG/APG typologies workshop, held in Novosibirsk, Russia, in December 2018. The report sets out a number of recommendations for jurisdictions combating TF and the proceeds from crime and organized crime.

In 2019, after considering several prospective topics for future EAG research, delegations initiated a new study on the Use of FIs’ Transaction Refusal Statistics to Identify and Combat ML/TF. The research efforts are led by Russia.

Pursuant to Section II, paragraph 2, of the EAG Strategy 2019-2023, the EAG launched in November 2019 a regional ML/TF risk assessment in Eurasia.

The purpose of the assessment is to identify and assess the key ML/TF risks facing EAG countries, as well as to develop measures to mitigate them and assess the need for technical assistance and follow-up.

The EAG 31st Plenary adopted the assessment roadmap, according to which the completion of the 1st round of the regional risk assessment and adoption of the final report is scheduled for 2021.
The 31st Plenary meeting included a contest for the best investigation entitled “Cooperation between State Bodies in Combating the Financing of Terrorism”. The contest was won by Kyrgyzstan, with Belarus, China and Russia finishing as runners-up.

An ad hoc joint meeting of the UN Counter-Terrorism Committee and the UN 1988 and 1267/1989/2253 ISIS and Al-Qaida Sanctions Committees, attended by the EAG Secretariat and SFIS Chairman G. Anarbaev, was held in April 2019.

Participants, in examining the link between international terrorism and organized crime, discussed regional specifics, strategies, counter measures and lessons learned.

Kyrgyzstan presented its own experience in combating a terrorist organization operating in partnership with organized crime. The case study underscores the importance of interagency and international cooperation to identify all links of the chain, its funding sources and channels.
The EAG Secretariat presented the preliminary results of the joint EAG/APG typologies study on the Use of Criminal Proceeds, Including from Organized Crime, for Terrorist Financing Purposes. The presentation focused on partnerships and fusion between organized crime and terrorists.

Representatives from Latin America, West Africa, Europe and Asia (Central, South and Southeast) presented best practices from their regions.

In addition, participants discussed existing initiatives in this area, as well as possible elements of comprehensive and operational response measures, law enforcement action and ways to enhance the exchange of information between the authorities responsible for combating terrorism and organized crime.

In summing up the debate, participants underscored the need to strengthen domestic, regional and international cooperation in order to successfully counter the threats stemming from the link between international terrorism and organized crime.

In September 2019, Kyrgyzstan hosted the first Eurasian AML/CFT Forum, sponsored by the State Financial Intelligence Service under the Government of the Kyrgyz Republic, the OSCE Program Office in Kyrgyzstan, the UN Counter-Terrorism Directorate, the CIS ATC and ITMCFM.
The forum was attended by representatives of the EAG Member States and observers from among employees of FIU and law enforcement agencies, as well as international and regional organizations and invited international experts.

Participants discussed issues related to risk assessment approaches and methodology, virtual assets and the use of financial intelligence provided by FIUs in ML/TF investigations. Following a 2-day discussion, participants resolved to hold the Eurasian Forum at EAG venues on an annual basis. This decision followed by EAG Plenary approval later.

In December 2019, Moscow hosted the EAG/FATF TRAIN/ITMCFM training on combating proliferation financing (CPF).

The training was attended by 30 representatives of various competent authorities tasked with CPF in the EAG Member States.

Participants became immersed in various interactive situation scenarios related to CPF. The training helped delegations to gain valuable insights into international standards and requirements of UNSC resolutions, TFS implementation, as well as measures and approaches to supervision. In addition, participants studied CPF case studies and typologies, and emphasized the importance of inter-agency coordination and public sector outreach.
The EAG Strategy 2019-2023, developed in 2019 sets out a new approach to coordinating the provision of technical assistance (TA) for countries that underwent the EAG new round mutual evaluation procedures. It is assumed that the Secretariat will brief the Plenary on progress in improving the donor engagement. The proposed approach involves the use of objective and reliable data to assess TA needs, simultaneous monitoring of progress in eliminating deficiencies, and a review of the effectiveness of TA provided.

Accordingly, the process itself is divided by the Secretariat into three stages: identifying the countries’ needs for and preparing an individual project plan for the provision of TA; implementation of the project plan for the provision of TA; and a review of the effectiveness of TA provided.

Among the EAG countries that have undergone the new round evaluation procedures, Tajikistan expressed its readiness to participate in the pilot project. In collaboration with the country and expert evaluators who participated in the mutual assessment, the EAG Secretariat developed a Project Plan for the provision of technical assistance, which was adopted by the EAG 31st Plenary. By the end of 2019, the EAG Secretariat had drawn up a list of donors willing to participate in the implementation of the EAG Project Plan, and reached an agreement to hold a Donor Meeting in Dushanbe.
To achieve progress in implementing the Project Plan, the Secretariat will hold a meeting with interested donors. A donor meeting, which is an integral part of the TA coordination process, allows its participants, in a face-to-face format, to verify the progress being made by donors and the country; prioritize the tasks; agree on the timing and parameters of specific TA activities; identify deficiencies in the use of TA outcomes; designate persons responsible for the use of TA outcomes; coordinate progress with representatives of the private sector, etc.

Such activities, carried out periodically during the project, should promote cooperation among all parties concerned and contribute to the achievement of the set objectives.

From 24 to 25 September 2019, Moscow (Russian Federation) hosted an EAG training for assessors of the financial block, which was attended by about 30 specialists with experience in supervising bodies responsible for financial institutions and DNFBPS, as well as representatives of FIUs of EAG Member States, who were involved in both on-site and distant inspections.

As a result of the training, the experts, who proved to be the best in the pool, were selected with the prospect of their further involvement in the assessment work.

The training workshop on Effectiveness Assessment, Experiences and Best Practices in Investigating ML in Eurasia was held in Tashkent, Uzbekistan from 11 to 15 November 2019. Besides the EAG and Uzbekistan’s Prosecutor General’s Office, the workshop
The purpose of the workshop is to promote cooperation between prosecutors/investigators and other AML/CFT system stakeholders, identify effective investigation mechanisms, and recruit assessors for the upcoming assessments. The workshop was attended by practicing prosecutors and personnel of EAG investigative units and FIUs. International experts wishing to participate in the upcoming mutual evaluations were given the opportunity to undergo appropriate training and earn assessor certificates.

The workshop was praised by the participants, who see it as a forum for sharing best practices and information between law enforcement agencies and financial intelligence units in combating money laundering.

The EAG workshop for the assessed country was held in Ashgabat, Turkmenistan, from 2 to 4 December 2019. The purpose of the workshop was to promote understanding of the evaluation process and the country’s role in it, as well as to boost performance of the assessed country’s team.

The workshop was attended by representatives of Turkmenistan’s government agencies and the private sector. The Secretariat staff and experts of the EAG countries that have undergone the EAG new round mutual evaluation procedures shared their insights and best practices with the workshop participants.

Preparation of the EAG countries for the 2nd round of mutual evaluations is one of the EAG’s top priorities. In this regard, the EAG Secretariat will continue the practice of holding such workshops with the involvement of EAG experts.
ITMCFM ACTIVITIES

In compliance with the terms of the Memorandum of Understanding and Cooperation, ITMCFM issues regular reports on TA provided to the EAG member countries. In 2019, for example, ITMCFM organized more than 50 video-conferencing activities covering different topics; updated the EAG Guidelines on Joint Videoconferencing Activities; and resolved to create and upload to the ITMCFM website an e-library of training materials from previous videoconferencing sessions, as well as a questionnaire to identify relevant topics.

ITMCFM developed an e-course for Kazakhstan entitled “Organizations’ Role in AML/CFT”. The purpose of the courses is to organize online trainings for countries’ AML/CFT personnel, test their skills, and to provide them with basic knowledge and skills necessary to carry out their work effectively.

ITMCFM helped Kyrgyzstan to create and integrate a personal account function into the FIU’s website.

The EAG 30th Plenary meeting included a joint ITMCFM/New BRICS Development Bank workshop on new technologies, attended by representatives from 18 countries and 22 international organizations. Participants discussed financial investigations into crypto assets and the use of AI-powered IT solutions.

In addition, videoconferencing training workshops on the following topics were held in 2019:

- Topical issues of legal regulation of digital assets in Russia and within the EAEU in the context of the efforts to improve the effectiveness of national AML/CFT systems;
- Money laundering and terrorist financing through cryptocurrencies and effective measures to combat this phenomenon;
- Money laundering and terrorist financing through cryptocurrencies and effective measures to combat this phenomenon;
- Improving the effectiveness of law enforcement efforts to implement FATF Recommendations 4 (Confis-
cation and provisional measures), 30 (Responsibilities of law enforcement and investigative authorities), 31 (Powers of law enforcement and investigative authorities), 38 (Mutual legal assistance: freezing and confiscation), 40 (Other forms of cooperation) and related Immediate Outcomes (IO 7 and IO 8);

- Conceptual and methodological foundations of AML/CFT personnel training in Eurasia;

- Tactics and methods of identifying and investigating terrorist financing. TF investigation specifics;

- Improving the effectiveness of FIU and law enforcement (including border and customs) and other competent authorities efforts to implement FATF Recommendation 32 (Cash couriers) and IO 6 (FIU’s cooperation with customs authorities), IO 7 (investigating the link between cash smuggling and money laundering) and IO 8 (cash seizure and confiscation);

- New approaches to typological research. Planning and macro analysis of the FIU’s efforts;

- Legal regulation of digital assets in Russia and within the EAEU in the context of the efforts to improve the effectiveness of national AML/CFT systems.

ITMCFM also organized round tables with participation of experts on the topical issues of AML/CFT as well as sectoral meetings.
VI. COOPERATION WITH INTERNATIONAL PARTNERS

A number of important activities aimed at strengthening cooperation between the EAG and its international partners were held in 2019.

The 5th international workshop on Public-Private Partnership to Strengthen AML/CFT Efforts, sponsored by the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), was held on 26-27 September 2019 in Kazan (Russia).

Participants discussed the effectiveness of preventive measures, the quality of suspicious transaction reporting, application of targeted financial sanctions, best AML/CFT cooperation practice involving the private sector, innovative approaches and solutions to the issues of automation and the use of digital technologies for AML/CFT supervision, and international AML/CFT trends.

The importance of the event was underscored by the attendance of VIP guests. Welcoming remarks to the participants came from President of the Republic of Tatarstan Rustam Minnikhanov, EAG Chair Hao Jinghua, Deputy Plenipotentiary Representative of the Russian President in the Volga Federal District Igor Panshin, and Rosfinmonitoring Deputy Director Galina Bobrysheva.

Among the invited experts were representatives of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL), South Korea’s FIU, and the European Bank for Reconstruction and Development (EBRD).

The workshop was attended by more than 130 representatives of FIUs and supervisors, leading experts of the compliance departments of financial and non-financial institutions of the EAG member and observer countries, and representatives of the EAG Secretariat and ITMCFM.
COOPERATION WITH FATF

The EAG is an associate member of the FATF. In 2019, in addition to participating in EAG Plenary meetings, the EAG Secretariat also took part in the strategic review of the FATF key procedures and focus areas to improve their effectiveness, as well as contributing to the revision of the FATF standards on CPF and virtual currencies.

In May 2019, representatives of the Secretariat took part in the FATF TRAIN pilot training on combating terrorist financing, attended by leading CFT experts of the FATF Global Network. Among other forum participants were, besides the FATF and FSRB Secretariats, representatives of the UN and European Commission organs as well as European countries with most experience in combating TF (France, Belgium and the UK).

The purpose of the pilot training was to gather relevant data to complement the course materials; discuss and edit the presented modules; and provide feedback on the finalization of the course materials for their further use.

SUPERVISOR’S FORUM

The EAG Secretariat took part in the first meeting of the FATF Supervisors’ Forum, held in November 2019 in Sanya (China) on the initiative of the FATF President, Liu Xiangmin. The low effectiveness ratings awarded to the FATF member countries in the 25 assessments of their AML/CFT regimes conducted so far added relevance to the Forum. More than 100 supervisors from almost 50 countries gathered in Sanya. Discussions focused on three main areas of AML/CFT efforts: risk-based approach, new technologies and international cooperation. Participants leveraged FATF country reports as well as insights and best practices of the most accomplished supervisors and international institutions specializing in this
subject matter to trigger discussions. Among the prevention challenges faced by countries are the lack of proper oversight over reporting entities representing the non-financial sector vis-à-vis financial institutions, a disproportionate sanctions regime, gaps in the understanding of the risk-based approach, the imbalance between on- and off-site inspections that fails to address contemporary risk, the lack of human and material resources, and the reluctance to use modern IT technologies.
The EAG Secretariat took part in the UNCTC Executive Directorate delegation’s assessment visit to Kyrgyzstan on 2-5 December 2019. The purpose of the visit was to assess the country’s progress in implementing the recommendations of previous visits (2012, 2016) and the UNSCRs related to the fight against terrorism.

Representatives of government agencies tasked with combating terrorism and violent extremism took part in thematic discussions that underscored the country’s integrated approach to tackling these challenges.

In particular, assessors highlighted Kyrgyzstan’s considerable progress in the fight against terrorist financing, including in improving its legal framework, and advised on ways to boost the effectiveness of these efforts.

In August 2019 in Samarkand (Republic of Uzbekistan) was held a meeting of the UN Counterterrorism Office on the way to comprehensive implementation of the UN Global Counter-Terrorism Strategy in Central Asia. This event contributed to strengthening interaction between EAG member States and the UN CTU on issues related to countering the financing of terrorism.
In October 2019, the International Conference of the Collective Security Treaty Organization “On the role and nature of interaction between international and regional organizations in combating international terrorism” was held in Moscow (Russian Federation), the main purpose of which was to develop proposals for the convergence of approaches and synergies between the capacities of international and regional organizations to address the most pressing challenges in the fight against international terrorism. The EAG Secretariat made a presentation, highlighting the results of the Eurasian region’s work on CFT, including specialized typological studies conducted within the Group.

The EAG Executive Secretary took part in the International Conference of the Collective Security Treaty Organization on the Role and Character of the Interaction of International and Regional Organizations in the Fight against International Terrorism, giving an overview of the EAG Secretariat’s CFT efforts undertaken in the past few years and highlighting the following projects: “Terrorist Designation Guidance” (2016), “Common Financial Profile of Foreign Terrorist Fighters in Eurasia” (2017) and “Identification of Persons Assisting Terrorist Organizations in Purchasing Tickets for Militants” (2018).

The EAG and ITMCFM Secretariats took part in the IMF’s visit to Tajikistan in November 2019 to assess the country’s need for technical assistance. The information gathered, including on on-going and past TA projects, will be used to prepare for the Donors Conference, scheduled for 2020.
VII. EURASIAN GROUP 15TH ANNIVERSARY IN PHOTOS

1st EAG Plenary. Russia, 2005

2nd EAG Plenary. China, 2005
VII. EURASIAN GROUP 15TH ANNIVERSARY IN PHOTOS

5th EAG Plenary. Russia, 2006

8th EAG Plenary. Kyrgyzstan, 2008
21st EAG Plenary. Tajikistan, 2014

22nd EAG Plenary. Uzbekistan, 2015

24th EAG Plenary. Kazakhstan, 2016

23rd EAG Plenary. Russia, 2015
VII. EURASIAN GROUP 15TH ANNIVERSARY IN PHOTOS

30th EAG Plenary. Russia, 2019

31st EAG Plenary. Turkmenistan, 2019