

# EAG

A word cloud graphic centered on the page, featuring various terms related to the organization's mission. The most prominent words are 'AML/CFT', 'ASSISTANCE', 'COUNTERING', 'COOPERATION', 'OЦEHKA', 'EURASIA', and 'MONITORING'. Other visible words include 'RISK', 'SYSTEM', 'RESEARCH', 'ASSESSMENT', 'TERRORISM', 'EFFECTIVENESS', and 'MONITORING SYSTEM'. The words are arranged in a circular pattern, with some appearing in larger, bolder fonts than others.

## Annual Report

EURASIAN GROUP ON COMBATTING MONEY LAUNDERING  
AND FINANCING OF TERRORISM

# '21



**EAG**

Annual Report on the Activities  
of the Eurasian Group on  
Combatting Money Laundering  
and Financing of Terrorism

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# Opening Remarks of the EAG Executive Secretary



Secretariat continued to actively participate in the Global Network. The final versions of updated Methodology and Procedures for the next round of assessments of the effectiveness of national anti-money laundering systems were agreed upon

Dear Colleagues!

In 2021, the Eurasian Group continued its activities in accordance with its goals, objectives, Strategy and Chairmanship Priorities. Collective efforts managed to minimize the negative consequences of the restrictions related to the pandemic of the COVID-19 coronavirus. Among the main results, the following are worth noting:

- The resumption of Uzbekistan's Mutual Evaluation, with an on-site mission to Tashkent in June 2021 and a face-to-face meeting in December 2021.
- Continued monitoring of EAG Member States' progress. In 2021, three countries reported on their progress in improving national AML/CFT systems.
- Completion of the first stage of the EAG project to identify and analyze ML/TF risks in the Eurasian region. It was approved to continue work in this area, namely the assessment of unobservable ML/TF methods and schemes.
- The typology project called "Typologies of the Use of Preventive Measures of Financial Institutions for Crime Detection and Risk Assessment" was approved. A long-term project to optimize and consolidate previous EAG typological studies was launched.
- The documents affecting the coordination of technical assistance were harmonized, uniform approaches to the provision and coordination of TC to the Member States were developed, the role of the EAG Secretariat in this work was defined, as well as criteria for the effectiveness of technical assistance.
- The number of Member States that entrusted the EAG Secretariat with coordination of interaction with donors and providers was expanded.

- Work was started to develop a unified risk-based approach to supervisory activities in the Eurasian Group.
- A Memorandum of Understanding was signed between the EAG and the Eurasian Economic Commission to strengthen further cooperation in identifying and analyzing ML/TF risks and measures to minimize them, as well as to provide mutual expert support.
- Seminars, forums and other events aimed at providing technical assistance, enhance knowledge on topical issues of the global agenda, and interaction with the private sector were held by the Secretariat and with the support of Member States.

In addition to providing continuous support to Member States in improving national AML/CFT systems, the Secretariat continued to actively participate in the Global Network. The final versions of updated Methodology and Procedures for the next round of assessments of the effectiveness of national anti-money laundering systems were agreed upon.

The 35<sup>th</sup> Plenary meeting re-elected Yury Chikhanchin. The elected Deputy Chairman is Dovran Khalbaev. The results of the 2019 - 2021 Chairmanship and the new Priorities for 2021 - 2023 are described in this report.

The Secretariat once again congratulates Mr. Chikhanchin and the entire staff of the Federal Financial Monitoring Service on its 20th anniversary. On behalf of the entire Secretariat, we wish further achievements and fruitful work.

The Secretariat thanks the Member States for their confidence in us and for their contribution to the work of our organization.

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

- EAG Goals and Objectives
- EAG Organizational Chart
- EAG Chairmanship
- EAG Member States
- Welcoming Remarks by Heads  
of the EAG Member States' Delegations
- EAG Observers

01.

## EAG Goals and Objectives

The Eurasian Group on Combating Money Laundering and Financing of Terrorism is a FATF-style Regional Body (FSRB) established in 2004.

The EAG main goal is to improve the conditions for protecting the financial systems and economies of the EAG Member States against the threats of money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (ML/TF/PF) in accordance with international AML/CFT standards.

### The EAG key objectives are to:



Assist the Member States in implementing the FATF Standards;



Coordinate international cooperation and technical assistance programs with the relevant international organizations, bodies and countries concerned;



Develop and implement joint activities and introduce the best practices aimed at enhancement of the AML/CFT/CPF systems;

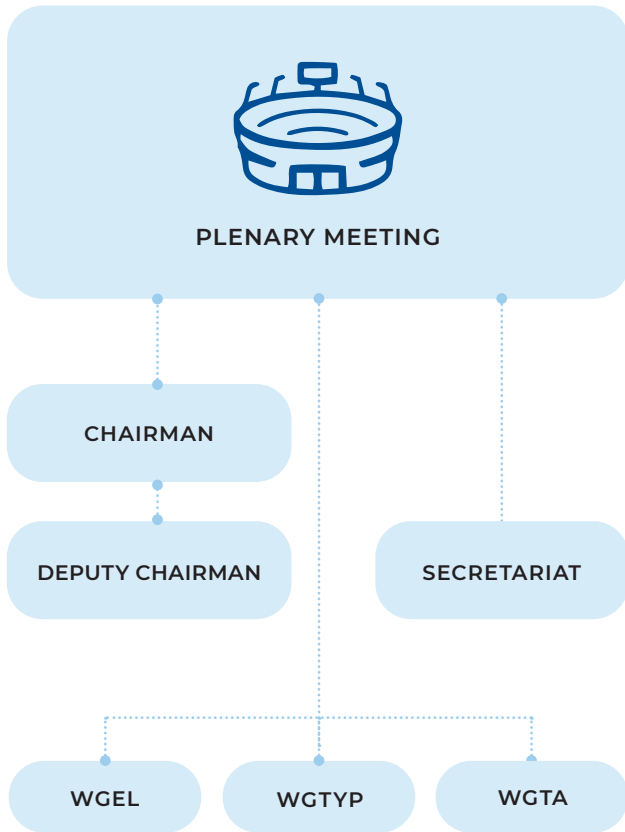


Conduct analysis of ML/TF/PF typologies, risks and trends, share experience and develop measures for combating these crimes with due consideration for the country context and specificities of the Member States.



Conduct mutual evaluations of its members in line with the FATF Standards, including review of the effectiveness of newly adopted AML/CFT/CPF legislative and other measures;

## EAG Organizational Chart



The Plenary meeting is the supreme decision-making body of the Eurasian Group. The Plenary considers the key issues of the EAG Member States' common interest, defines the strategy and focus areas, and adopts non-regulatory decisions aimed at accomplishing the EAG goals and objectives.

The EAG Executive Secretary is Sergey Teterukov (Russian Federation). The Executive Secretary heads the Secretariat, which performs the administrative and technical functions on a continuous basis with a view to implementing decisions of the Plenary Meeting and instructions of the Chairman.

## EAG Chairmanship

In November 2021, the 35<sup>th</sup> Plenary Meeting re-elected Yury Chikhanching (Russian Federation) the EAG Chairman, appointed Dovran Khalbaev (Turkmenistan) to the position of the Deputy Chairman and approved the EAG key priorities for 2022-2023:

**1** Completion of the second round of the EAG mutual evaluations

**2** Development and implementation of measures aimed at mitigation of supranational risks identified in the Eurasian region





The EAG Secretariat is composed of representatives of the EAG Member States and currently includes the representatives of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan.



3

Application of concerted approaches to TA coordination and provision of required technical assistance to the Member States in advance of the third round of the EAG mutual evaluations, *inter alia*, in terms of implementation of risk-based supervision and financial investigation practices

4

Development of a mechanism for improving the effectiveness of the national AML/CFT systems in terms of asset recovery

5

Monitoring of risks related to misuse of virtual currencies for criminal purposes

6

Improvement of financial literacy in the Eurasian region under the implemented educational projects as the key element of general security

The Plenary was informed about the key achievements in implementing the 2019-2021 priorities, which included, among other things, the following:

1

### **Identification and analysis of ML/TF risks in the Eurasian region**

The EAG has conducted the most substantial typology project aimed at deep and comprehensive understanding by the government authorities and business entities of cross-border ML/TF risks, which enables to build the national AML/CFT systems in the most efficient and informed manner with a view to taking timely measures for mitigating the identified risks.

2

### **Improvement of technical assistance coordination**

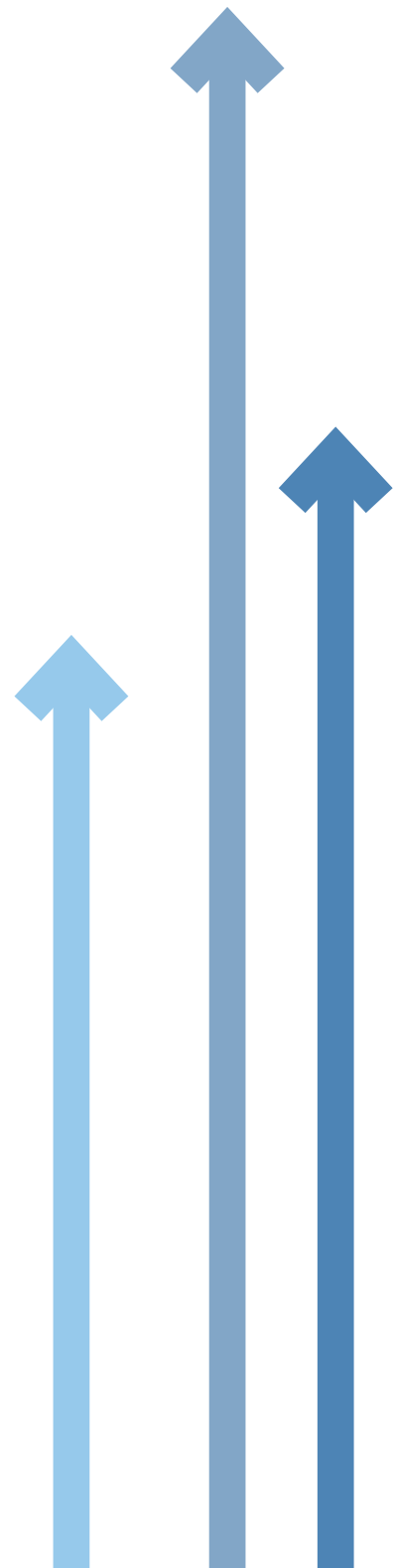
With a view to improving coordination in this area, it was decided to collect information on technical assistance needs of the Member States in a centralized manner. A new approach to TA coordination has been developed, which provides transparent and convenient EAG technical assistance coordination rules for all Members, describes the main stages of the work and determines the role of each party involved.

Following mutual evaluations of Tajikistan and Kyrgyzstan, the TA coordination projects have been launched for these countries with the application of the new approach. The TA coordination process for each of these two countries is divided into three stages, namely: identification of TA needs and development of a country-specific TA plan; implementation of TA project plan; and assessment of effectiveness of the provided TA.

3

### **Engagement of private sector in the EAG activities**

The effective forum for interaction with the private sector in the Eurasian region – the International Compliance Council (ICC) has been established under the EAG auspices. The basic principles of the ICC operation has been developed and approved.



4

**Assessment of contribution of Member States and Observers to the EAG activities**

A new approach has been introduced to collect and keep necessary information for conducting detailed analysis of contributions. Based on the outcomes of this analysis, tailored recommendations are developed for enhancing participation of the Member States and Observers in the EAG activities and development.

5

**Extension of cooperation in the region**

On February 12, 2021, the [Memorandum](#) of Understanding was signed between the Eurasian Group on Combating Money Laundering and Financing of Terrorism and the Eurasian Economic Commission for facilitating more active and intense AML/CFT cooperation. The parties also agreed to develop the cooperation road map.

**EAG Member States**



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 the 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.



In 2021, the Protocol was agreed to introduce amendments and modifications in the Agreement on the EAG.

## Welcoming Remarks by Heads of the EAG Member States' Delegations



### Republic of Belarus

**Vyacheslav Reut,**  
Director of Financial Monitoring  
Department of the State Control  
Committee of the Republic  
of Belarus



Dear colleagues,

In 2021, all stakeholders of the global AML/CFT system faced enormous difficulties caused by the consequences of the COVID-19 pandemic and emerging challenges and threats aggravated by the global economic downturn and intensified terrorist and destructive activities.

In this situation, our country undertakes significant efforts to incorporate the FATF standards into the national legislation and implement them in practice with a view to further improving the global system for countering transnational organized crime, international terrorism, financial fraud and corruption.

In 2021, the work was focused on three key areas: improvement of the regulatory and legal regulation of the institutional framework, strengthening the human and technical capacity of the anti-money laundering and counter-terrorist financing (AML/CFT) system, and further development of international cooperation.

In particular, Belarus extended the list of persons engaged in financial transactions (online lending service operators and mobile communication service providers) that are subject to oversight by the relevant supervisory authorities. The relevant powers were vested in the High-Tech Park authorities that enable them to oversee the activities of its residents carrying out transactions with digital tokens.

With a view to facilitating constructive interagency cooperation, implementing the national anti-crime and anti-corruption concepts, programs and strategies and mitigating/preventing ML/TF risks, the standing Interagency AML/CFT Commission was established in the Republic of Belarus in March 2021. The Commission composed of the representatives of all national AML/CFT system stakeholders held its first meeting in April 2021.

Another evidence of keen interest of the Republic of Belarus in development of international cooperation and active involvement in the EAG activities was the completion of the domestic procedures for introducing amendments into the EAG statutory documents. In August 2021, the Belarusian President issued the Decree authorizing the Head of the Financial Monitoring Department to sign the relevant document.

The key to our success was, *inter alia*, ongoing training and active use of the information and analytical systems and special software in the course of comprehensive ML and TF investigations in the light of new threats and challenges.

The workshops, training events, practical exercises and professional development training programs arranged and implemented by the International Training and Methodology

Centre for Financial Monitoring (Russian Federation) contributed to building human resources capacity, developing technological infrastructure and sharing the best AML/CFT practices and experiences.

The Belarusian representatives took active part in the EAG initiatives: the first meeting of the International Compliance Council, the seventh International Supervisory Forum, the Workshop on Sharing Experience in Implementation of the FATF Standards related to Virtual Assets, and the first International Financial Security Olympiad.

All these results achieved by us would not have been possible without the comprehensive support of the Federal Financial Monitoring Service (Russian Federation), international organizations, and foreign colleagues. I would like to express special gratitude to the EAG Secretariat, the CIS CHFIU Secretariat, International AML/CFT Network Institute and the ITMCFM, *inter alia*, for arranging and holding the important events in virtual format during the pandemic period.

In conclusion, I would like to wish all colleagues good health, further productive work and new achievements in ensuring financial security of our countries and improving the international AML/CFT system.



## Republic of India

**Pankaj Mishra**  
Director, FIU-India



At the outset, India would like to commend EAG Secretariat for working assiduously in the unprecedented situation of the global COVID 19 pandemic. The second year of the pandemic has thrown challenges which have tested all of humanity.

With planning and continuous effort, India has managed to conduct the largest vaccination drive in the world, and has managed to fully inoculate over eighty percent of its population. This, along with coordinated action at the global level has meant that we are closer to the end of the pandemic.

In this period India has continued to make progress in strengthening the legal and institutional mechanisms against money laundering, terrorist financing and proliferation financing in this period.

India has largely completed a National Risk Assessment, under the aegis of The Joint Working Group (JWG), which builds on the national risk assessment carried out in 2019. The process involved identification and assessment of ML/TF risk, in conjunction with various stakeholder agencies/organisations/departments and private sector. Due consideration was given to national statistics, annual reports, reports on public media, reports of international organisations. The process would help us in comprehending the nature, source, frequency of threats and extent of vulnerability faced by the country. Basis these, relative value or importance would be assigned to each of the risks identified.

In its legal framework, the Finance Act, 2020 adopted various measures for rationalisation of provisions relating to trust, institution and funds. As per the amendment introduced in

Income Tax Act through Finance Act, 2020, all existing trusts/charitable institutions registered under sections 12A, 12AA, 80G are required to file applications for the renewal of their registration and revalidate their existing approvals.

In addition, the existing Financial Contribution Regulation Act, 2010 was amended and strengthened. The new law bolsters the existing framework by i. Re-grating Relationship are not permissible; ii. Accounts at any scheduled bank or SBI Accounts at Delhi is Required; iii. Administrative expenses Capped at 20% (instead of 50%); and iv. Non-profits can forfeit FCRA status.

The Directorate of Enforcement (ED) has made efforts to digitize its functions for ML risk profiling and streamlining the ML/TF investigations with the use of AI. An online summons module has been developed for generating summons [issued under the provisions of Section 50(2) of the PMLA, 2002]. The most important feature of the system generated summons is that the print out of summons shall have a QR code at the bottom of the summons. The receiver of the summons shall have the option of verifying the authenticity of the summons by scanning the QR code printed on the summons on our official website.

The Directorate has also signed an MoU with National Forensic Sciences University (NFSU), Gandhinagar to help create its own cyber lab with trained staff, to expedite analysis of digital evidence. Now, ED has 6 cyber labs of its own wherein forensic analysis of these digital evidences is done by using specialized forensic tools

In the banking sector, to strengthen the entire process for assessing and monitoring the KYC/AML risks in the entities supervised by Reserve Bank of India (RBI) namely, Scheduled Commercial Banks (SCBs), Non-Banking Financial Companies (NBFCs),

Urban Cooperative Banks (UCBs), etc., a separate and specialised administrative structure (namely KYCAML Section) has been created in Department of Supervision (DoS), RBI. As part of Risk Based Approach for assessing and monitoring the KYC/AML risks in the scheduled commercial banks, RBI has collected the supervisory data relating to KYC/AML, which has facilitated better risk discovery, risk assessment and Risk Based Supervision (RBS) processes in respect of KYC/AML supervision. The supervisory data template (quarterly in frequency) comprehensively covers KYC/AML policy, risk categorisation, transaction data (offline and online), correspondent banking, beneficial ownership, inward and outward remittances, mode of transactions, type of accounts, etc. The data template collected from the banks led to risk categorisation of banks through KYC/AML risk indicators.

The first round of dedicated and specialised onsite and offsite assessment of the banks for KYC AML risk assessment has been commenced as per the risk ratings and risk profiling of the banks. In the next phase of further strengthening of RBA for KYC AML supervision, major non-banking financial companies and urban cooperative banks will be covered shortly.

In Securities sector, a Circular has been issued by Securities and Exchange Board of India (SEBI) on Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967 – Directions to Stock Exchanges, Depositories and all registered intermediaries to bring to the knowledge of SEBI registered intermediaries regarding modification of Order detailing the procedure for implementation of Section 51 A of UAPA, 1967 for strict compliance.

India faces the long-standing challenge of terrorism, particularly cross-border terrorism. India is particularly vulnerable to

TF and other forms of illicit finance because of funds originating from foreign locations. The geographical position, resources and diversity of India make it a target for terrorist financiers raising funds to support activity in India. India condemns terrorism in all its manifestations.

The law enforcement response has ensured that the situation is effectively contained which has been possible because of the stringent domestic legal regime against terrorism and a strong law enforcement response. India has a federal structure, Effective coordination between the central investigation and intelligence agencies with their State/ UT partners has also made a huge difference. A strong multi-agency

border control mechanism has been put in place to guard the borders.

The targeted measures adopted by these agencies prevent terrorists from anonymously raising, moving, and using funds, through the development and effective implementation of international AML/CFT standards. Through these systemic efforts, India has been able to close off gaps in the Indian financial system that terrorist groups can exploit.

FIU-India's engagement with REs has remained continuous and intensive. The good working relationship FIU-India has with major REs has proven to be helpful in continuing this engagement despite the constraints imposed by pandemic.





## Republic of Kazakhstan

**Zhanat Elimanov,**  
Chairman of Financial Monitoring  
Agency of the Republic of Kazakhstan



Dear colleagues!

The role of international and domestic cooperation is to support and complement the efforts undertaken in certain area.

Each year, the EAG Member States achieve significant results in the fight against money laundering and terrorist financing.

In 2021, the Financial Monitoring Agency of the Republic of Kazakhstan was established. This step removed the financial monitoring system from the jurisdiction of the Finance Ministry by directly subordinating it to the President of the Republic of Kazakhstan.

This helped to strengthen the Agency in the capacity of the national AML/CFT coordination body. Besides that, the Interagency Working Group on Preparation for the EAG Mutual Evaluation has been established and successfully operates under the Presidential Administration.

In order to achieve progress in improving the Kazakh AML/CFT system, measures are taken to bring the national legislation in line with the international standards. For this purpose, the necessary amendments are continuously introduced into the relevant laws and regulations and their practical application is steadily improved.

Kazakhstan, being the active and responsible member of the regional AML/CFT community, which significantly contributes to ensuring regional stability and security, actively cooperates with all EAG Member States.

The joint project aimed at suppressing organized crime related to illegal cashing out of the state budget funds was launched in cooperation with Rosfinmonitoring.

We also actively cooperate with the CIS member countries for identifying persons engaged in financial transactions involving transfer of funds from Kazakhstan to zones of terrorist activities, such as Afghanistan, Iraq, Pakistan, etc.

Last year, Kazakhstan acted as the co-organizer of the first large-scale event held in hybrid format to exchange experiences in complying with the FATF requirements related to regulation of virtual asset service providers. The EAG Secretariat succeeded in bringing together experts and specialists from 16 countries and 12 international organizations.

Kazakhstan was actively engaged in the regional ML/TF risk assessment exercise. Deep and comprehensive understanding by the government authorities and business entities of risks enables to build the national AML/CFT systems in the most efficient and informed manner and take timely measures for mitigating the identified risks.

Today, one of the strategic priorities of the global AML/CFT network is to strengthen the operational capacity in order to more effectively recover criminal proceeds. Kazakhstan did not stand aside: in cooperation with the Government, the Agency develops measures to incentivize and facilitate return of withdrawn assets.

The beginning of 2022 in the Republic of Kazakhstan was marred by the so called "January events". I would like to thank the EAG Secretariat for its extensive support and assistance in extending the mutual evaluation timelines.

In conclusion, I would like to wish all colleagues success in their work aimed at strengthening financial security in the region, and hope that we will be able to successfully undergo the mutual evaluation!



## People's Republic of China

**Mingyou Bao,**  
Deputy Director General of AML  
Bureau, People's Bank of China



As we wave goodbye to 2021, a year full of tremendous challenges and uncertainties, 2022 comes with promising future and hopes. The fresh beginning of a new year is a time to reflect with gratitude on breakthroughs and accomplishments of the last year.

In October 2021, FATF adopted China's 2nd Follow-up report to acknowledge China's progress achieved on improving its AML/CFT regime. Today, China is compliant on 9 of the 40 Recommendations and largely compliant on 22 of them. Major strides were made on the following fronts.

- **Legislation.** *The Amendment (XI) to the Criminal Law* came to effective on 1st March 2021, which endorsed the criminalization of self-laundering. The People's Bank of China revised the *Measures for Supervision and Administration on Anti-Money Laundering and Countering the Financing of Terrorism in Financial Institutions* to further clarify the risk management and internal control requirements for financial institutions. Moreover, China has also been making concerted efforts on the Targeted Financial Sanctions and Beneficial Ownership related regulations.
- **Risk assessments.** China launched the second National Risk Assessment in 2021. Led by the PBC, government agencies in the AMLJMC, private sectors and self-regulatory organizations are all involved in this process. ML risk assessment of legal persons and proliferation financing risk assessment are also under way. Last year also witnessed the release of our first ML/TF risk assessment of DNFBPs.

- **Supervision.** China has been experiencing a smooth and effective transition from rule-based supervision to risk-based supervision of financial institutions. The PBC has stepped up its efforts to reach out to and share experience with financial institutions on the self-assessment of ML/TF risks. Based on the self-assessment results, multiple supervision tools were appropriately employed to ensure financial institutions comply with their obligations. We have also continued to apply dissuasive and proportionate sanctions.
- **Law enforcement.** The number of money laundering cases investigated, prosecuted and convicted in 2021 broke previous records, including self-laundering offence cases. Moreover, we have recently initiated a three-year action plan to crack down on all kinds of money laundering, with the PBC and the Ministry of Public Security leading the campaign.
- **International cooperation.** As a member of FATF, EAG and APG, China actively and constructively involves itself in every major global and regional AML/CFT concern, from FATF strategic review and unintended consequences project, to the regional risk assessment of the EAG and Mutual Evaluations of the APG. I take this opportunity to commend the efforts and coordination of the EAG Secretariat to provide us opportunities to share our experiences on digital currencies and virtual assets.

To borrow a Chinese poetic line, “Out goes the old year with the sound of firecrackers; in comes the new with the warmth of wine and spring breeze.” China has just entered the Year of the Tiger. Tiger is a symbol of vitality, courage, and strength. Let us build on what we have achieved in 2021 and embrace 2022 with solidarity, vitality, and perseverance.

Together for a shared future.



## Kyrgyz Republic

**Kanat Turgunbekov,**  
Chairman of State Financial  
Intelligence Service under the Ministry  
of Finance of the Kyrgyz Republic



Dear colleagues!

Our joint response to new challenges and threats emerging in the Central Asia was undoubtedly one of the key trends observed in 2021. The past year was also featured by continuous fight against new types of criminal offences triggered by the coronavirus pandemic.

In view of recent events in Afghanistan, the risks of increased illicit trafficking of narcotic drugs along the so called “northern rout”, which runs, inter alia, through the territory of the Kyrgyz Republic, were of a particular concern.

Besides that, identification and disruption of channels used to finance terrorist organizations as well as the efforts aimed at undermining and liquidating their financial and economic base was in general one of the fundamental factors contributing to the fight against terrorism in the Central Asian region.

As part of its activities under the EAG auspices, the Kyrgyz Republic has undertaken extensive efforts to fulfill its international anti-money laundering, counter-terrorist financing and counter-proliferation financing obligations.

In view of modern trends and priorities in the fight against new money laundering and terrorist financing threats, the Kyrgyz FIU actively contributed to the joint efforts undertaken by the national competent authorities in this area.

In the course of international cooperation, measures have been taken to designate persons linked to the ISIL terrorist activities and include them in the relevant lists of the partner countries.

I would also like to thank the EAG Secretariat for its work related to provision of technical assistance to the Republic of Kyrgyzstan with a view to strengthening the national AML/CFT system in line with the globally recognized international standards, extending and intensifying the information exchange process and achieving progress in implementation of the recommended actions provided for in the 2018 MER of the Kyrgyz Republic.

To that end, the draft Plan of the provision of technical assistance to the Kyrgyz Republic was approved by the 35<sup>th</sup> EAG Plenary.

Besides that, the 35<sup>th</sup> EAG Plenary heard the third follow-up report (related to technical compliance) of the Kyrgyz Republic, noted progress demonstrated by the country in improving its national AML/CFT system and agreed to send a high-level mission to Kyrgyzstan for providing technical assistance in eliminating drawbacks related

to implementation of the voluntary tax compliance (tax amnesty) program.

The clear evidence of the effectiveness of our membership in the Eurasian Group is the systematic training of the key specialists of the Kyrgyz national AML/CFT system. Unfortunately, most training events were held in virtual format in 2021. Despite the difficulties faced, I express gratitude to the EAG Secretariat that continued its activities and found new ways to further improve and enhance our cooperation.

In conclusion, I would like to note that the Kyrgyz Republic highly value the importance of its membership in the EAG which allows it to strengthen its national anti-money laundering and counter-terrorist financing system in line with its obligations to the EAG.

I am convinced that we will further promote coordination and fruitful cooperation within the EAG.



## Russian Federation

**Yury Chikhanchin,**  
EAG Chairman, Director of Federal  
Financial Monitoring Service



Dear delegates of EAG Member States!

We faced quite difficult situation in 2021 caused by the continuing pandemic. Nevertheless, the FATF highly assessed the efforts undertaken by our Group to meet the identified objective and its contribution to the development of the global AML/CFT network. After withdrawal of the US and allied troops from Afghanistan, which gave rise to new risks for the neighboring countries, the threats related to intensified activities of illegal armed groups, growing migrant flows, increased volume of illicit drug trafficking and escalation of terrorism have increased.

In close cooperation with each other, the EAG Member States continue the work to mitigate new challenges and threats. With a view to suppressing terrorist financing, the Russian financial intelligence unit conducts enhanced monitoring of transactions carried out by individuals and legal entities linked to Afghanistan and has arranged for regular exchange of operational information on such transactions with the law enforcement and competent authorities. In view of lack of adequate supervision in Afghanistan and non-compliance with the FATF standards, and also given that operation of the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) is blocked, assistance in restoring proper operation of the Afghan FIU could be one of areas of our join activities.

In parallel, we actively explore new ways to increase the effectiveness of the mechanisms for recovering criminal assets from abroad, *inter alia*, through the international cooperation channels. The analysis of the

work in this area has revealed significant problems, including: gaps in the national legislation of countries, lack of harmonization of national and international regulations, insufficient international cooperation, and reluctance to some countries to return stolen assets. In the Russian Federation, not only Rosfinmonitoring, but also the Interagency Working Group on Foreign Assets Recovery established in 2020 is seeking ways and methods to resolve this problem. As of October 2021, funds in amount of over RUR 851 million, nearly USD 12 million, Euro 98 million and CHF 54.5 million were seized,

inter alia, based on foreign responses to the legal assistance requests forwarded by the RF General Prosecutor's Office.

I am convinced that enhanced cooperation among the EAG Member States will increase the effectiveness of the fight against financial crime and mitigate risks and threats to the regional security. Timely measures aimed at mitigating these risks and threats will enable the EAG to successfully block and suppress new terrorist financing and drug trafficking sources and channels.





## Republic of Tajikistan

**Khalim Mirzoaliev,**  
Director of the Department  
of Financial Monitoring under  
National Bank of Tajikistan



Dear colleagues and friends!

First of all, I would like to highlight that, despite the difficult situation caused by the pandemic, a number of actions aimed at further development of the AML/CFT system of the Republic of Tajikistan were taken in 2021.

One of the most important milestones was presentation of the second follow-up report of the Republic of Tajikistan with the request to revise technical compliance ratings at the 34<sup>th</sup> Plenary Meeting of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG). The follow-up report demonstrated that Tajikistan made progress in addressing certain technical compliance deficiencies identified in the MER, as a result of which the ratings of technical compliance with some FATF Recommendations were upgraded.

Besides that, with a view to strengthening the AML/CFT system and bringing the national legislation in line with the FATF Recommendations, amendments and modifications were introduced into certain legislative acts of the Republic of Tajikistan, in particular the Law on Public Notaries and the Law on Audit Activities, in 2021.

Furthermore, Decree No.87 issued by the President of the Republic of Tajikistan on 01.06.2021 adopted the Strategy for Countering Extremism and Terrorism in Tajikistan for 2021-2025 and the relevant Action Plan.

It should be noted that the adopted Strategy is consistent with the efforts pursued by Tajikistan for implementing the United Nations Global Counter-Terrorism Strategy

and the relevant United Nations Security Council Resolutions. It defines the goals, objectives and main directions of the national policy of the Republic of Tajikistan for suppressing extremism and terrorism and is aimed at uniting the efforts of government authorities, local self-governing bodies, civil society institutions and international organizations in this area.

With a view to creating a favorable environment for attracting capitals of the citizens into the national economy, ensuring transparency, reducing the share of shadow economy, repatriating assets and funds of the RT citizens back into the national economy of Tajikistan and promoting investment activity for encouraging entrepreneurship, the Law on Amnesty of Citizens of the Republic of Tajikistan in Relation to Legalization of Assets and Funds was adopted in Tajikistan.

It should be noted that this Law was considered by 35<sup>th</sup> EAG Plenary Meeting as per the established procedure and was found consistent with the FATF four principles.

Besides that, the active work with our development partners with the support of the EAG continued in 2021, and a number of the identified objectives were met.

In particular, the draft Instruction on Conducting Property (Parallel Financial) Investigation was developed with the

support of the International Training and Methodology Centre for Financial Monitoring and the UN Office on Drugs and Crime. The developed Instruction was adopted by the Order of the General Prosecutor of the Republic of Tajikistan.

The Instruction establishes the procedure of conducting property (parallel financial) investigations by officers of law enforcement agencies, tax authorities, designated AML/CFT/CPF agency and other government authorities for preventing, suppressing, detecting, solving and investigating ML/TF/PF related crimes and underlying predicate offences as well as for seizing property for initiating civil proceedings under criminal cases and potential confiscation of seized property.

In addition, to coordinate the AML/CFT/CPF activities of the authorized body, state regulatory and supervisory authorities and AML/CFT/CPF reporting entities, as well as to exchange best practices and strengthen cooperation in this area, the Standing Interdepartmental Commission on AML/CFT/CPF established the Compliance Council and approved its Regulation by the decision of 30 December 2021 No 18.

In conclusion, I would like to thank all colleagues for our joint work and wish you further success and future achievements and accomplishments!



## Turkmenistan

### **Dovran Khalbaev,**

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



Ladies and gentlemen!

First of all, let me express gratitude to the EAG Secretariat for fruitful cooperation and support provided for further development of the national anti-money laundering, counter-terrorist financing and counter proliferation financing system of Turkmenistan.

Despite the continuing difficulties and significant adjustment of plans caused by the COVID-19 pandemic, the past 2021 was very intensive and eventful for all Member States of the Eurasian Group on Combating Money Laundering and Financing of Terrorism.

In 2021, Turkmenistan continued active work aimed at strengthening of its financial, law enforcement and supervisory authorities, which included further improvement of the legal and regulatory framework and implementation of new financial and other tools to prevent and identify potential money laundering and terrorist financing risks.

In this context, a new revision of the Turkmen Law on Counteracting Legalization of Criminal Proceeds, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction was drafted. This revised Law No.335-VI aimed at implementation of new financial and other tools for preventing and identifying potential ML, TF and PF risks was adopted on March 13, 2021.

Upon enactment of the aforementioned Law, the following regulations were developed and adopted by the Orders of the Minister of Finance and Economy of Turkmenistan:

- Procedure No.316-O of submitting information on transactions or deals with funds or other assets that are subject to mandatory monitoring dated 20.08.2021;

- Procedure No.304-O of compiling and disseminating the lists of persons known to be linked to terrorism, terrorist financing and proliferation financing and imposing targeted financial sanctions against them, and approval of requirements for public associations to take counter terrorist financing measures dated 12.08.2021;
- Regulation No.464-O on anti-money laundering, counter-terrorist financing and counter-proliferation financing measures in respected of countries with inadequate system dated 21.12.2021.

Despite difficult epidemiological situation in the region, Turkmenistan continued to cooperate with the EAG Secretariat with a view to preparing for the second round of the EAG mutual evaluations.

One of the examples of cooperation related to provision of technical assistance in preparing experts for the upcoming peer assessment under the second round of the EAG mutual evaluations was the training course on "Implementation of the International AML/CFT Standards" arranged and delivered by the International Training and Methodology Centre for Financial Monitoring on June 28 – July 8, 2021.

A total number of the training course participants amounted to 111 people, including the representatives of the relevant ministries, agencies, military and law enforcement authorities and the private sector of Turkmenistan, who will take part in the EAG mutual evaluation.

The greatest and most exciting event for the EAG Member States (Russian Federation, Republic of Belarus, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Turkmenistan and Republic of Uzbekistan) in 2021 was undoubtedly the first International Financial Security Olympiad arranged and held by the RF Federal Financial Monitoring Service in cooperation with the members of

the International AML/CFT Network Institute and with the support of RF President Vladimir Putin for the high-school and university students. The goal of the Olympiad was to improve the general information, financial and legal literacy and culture of young people.

A total 31 000 of high-school and university students from the participating countries took part in the first (qualifying) stage of the Olympiad. In Turkmenistan, the qualifying tests covering the following topics: economy, finance and credit, economic security, law, information security and international relations were arranged and conducted by the Ministry of Education in cooperation with the Financial Monitoring Service under the Ministry of Finance and Economy of Turkmenistan for the students of 10 universities.

The second (final) stage of the Olympiad was held in the Sirius federal territory on October 3-9, 2021. Unfortunately, due to the COVID-19 restrictions, 10 students from different universities of Turkmenistan, who passed the qualifying tests, took part in the final state in virtual format.

It is noteworthy that, despite the virtual format, our students demonstrated high level of AML/CFT knowledge and engagement, and three of them became runners-up of the Olympiad. This is another evidence of the extensive efforts undertaken by Turkmenistan to develop and improve the national anti-money laundering, counter-terrorist financing and counter-proliferation financing system.

The priorities of further development of the national AML/CFT/CPF system of Turkmenistan include: training and retraining of personnel of all system stakeholders; strengthening the efforts aimed at prevention and suppression of criminal offences posing high ML and TF threat, including predicate offences related to corruption and economic crimes; and implementing new programs and mechanisms to prevent and combat corruption, terrorism and extremism.

Throughout 2021, the Turkmen AML/CFT/CPF specialists took part in 67 training workshops and meetings arranged for representative of the relevant national ministries, agencies, military and law enforcement authorities and the private sector.

One of the examples was participation of the Turkmen specialists in the EAG/ITMCFM International Supervisors' Forum "Tools and Mechanisms for Application of Risk-Based Approach to AML/CFT Supervision". The Forum was held on October 14-15, 2021 in virtual format via videoconference. The representatives of the financial intelligence units and supervisory authorities of the EAG Member States and the EAG, FATF and MONEYVAL Secretariats took part in the event. Taking part in the Forum were

9 specialists from Turkmenistan, two of whom made presentations. The main issues of discussion and exchange of experience among the participants were: key aspects of FATF methodology of application of risk-based approach to supervision; sectoral models of ML and TF risk assessment, conducting sectoral risk assessment: methodology and practice; and digitalization of the financial sector: challenges and responses.

In conclusion, I would like to note that Turkmenistan undertakes and will continue to undertake extensive efforts to ensure financial and other security in strict compliance with the international forms and models of combating money laundering and terrorist financing that pose threats to overall security in our region.



## Republic of Uzbekistan

### Dilshod Rakhimov,

Head of Department for Combating Economic Crime under the General Prosecutor's Office of the Republic of Uzbekistan



Dear colleagues,

Like previous year, 2021 was a challenging year for all countries across the globe. The COVID-19 pandemic changed the life of the world population.

It is encouraging to note that the Eurasian Group managed to promptly adapt to new situation, effectively adjusted its activities and continued to operate in hybrid format.

For the Republic of Uzbekistan, 2021 was marked by significant events and fruitful work aimed at further improvement of the national anti-money laundering, counter-terrorist financing and counter-proliferation financing (AML/CFT/CPF) system.

In particular, with a view to protecting the financial system, detecting and suppressing crime at early stage and fulfilling the international obligations of Uzbekistan in this area, the National AML/CFT/CPF Development Strategy and the Strategy Implementation Roadmap were adopted in July 2021.

The Strategy identifies ML/TF/PF risks and sets out the goals, objectives, implementation mechanisms and priorities of further development of the national AML/CFT/CPF system.

A special attention in the Strategy is given to strengthening cooperation with foreign countries with the aim to search, seize, confiscate and recover criminal proceeds and stolen assets from abroad.

The law enforcement agencies of the Republic of Uzbekistan use different mechanisms for recovering the stolen assets, *inter alia*, through international interagency networks that

contribute to enhancement and extension of effective and efficient cooperation with foreign competent authorities.

In particular, the Republic of Uzbekistan, represented by the Academy of the General Prosecutor's Office, chaired and acted as the standing Secretariat of the Asset Recovery Interagency Network in West and Central Asia (ARIN-WCA). The meetings and training events held by the ARIN-WCA involved discussion of such issues as strengthening cooperation for the criminal proceeds recovery purposes, improvement of effectiveness of the undertaken efforts and the advanced experiences and best practices in this area.

In order to ensure effective coordination of the process of forwarding requests to foreign competent authorities for conducting legal proceedings abroad and executing incoming foreign requests for conducting legal proceedings in Uzbekistan and fulfill the international obligations of the Republic of Uzbekistan, the Joint Directive aimed at improvement of the work in this area was adopted by the joint order of the heads of the General Prosecutor's Office, Supreme Court, State Security Service, Interior Ministry, National Guard and State Customs Committee of the Republic of Uzbekistan in May 2021.

With a view to applying a consistent approach to examination of financial aspects of criminal activities and conducting financial investigations into the relevant predicate offences, the Regulation on conducting parallel financial investigations was adopted by the joint resolution of the heads of General Prosecutor's Office, State Security Service, Interior Ministry and State Customs Committee of the Republic of Uzbekistan in May 2021.

Besides that, in order to improve the effectiveness of efforts aimed at combating ML/TF/PF committed through misuse of

cryptoassets, the Procedure of seizure, storage and confiscation of cryptoassets by agencies responsible for conducting criminal intelligence and detective operations, pre-investigation inquiries and criminal investigations was adopted by the joint resolution of the heads of General Prosecutor's Office, State Security Service, Interior Ministry and State Customs Committee of the Republic of Uzbekistan in May 2021.

The clear evidence of commitment of the Republic of Uzbekistan to fulfilling its international obligations was the signature of the Agreement of the CIS Member States on Counteracting Legalization (Laundering) of Criminal Proceeds, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction. This Agreement is aimed at strengthening international cooperation and extending mutual assistance in this area and also at depriving criminals of their ill-gotten proceeds and other instrumentalities of crime.

In view of the need to further strengthen the efforts aimed at identification and mitigation of new ML/TF/PF risks and threats, the Risk Assessment Center was established within the national FIU of Uzbekistan. The relevant functions and powers are assigned to the Center which enabled it to take comprehensive measures for identifying and analyzing ML/TF/PF cases in a timely manner. Besides that, the Program of strengthening the infrastructure of the Center and integrating 68 databases and information systems of 33 ministries and agencies of the Republic of Uzbekistan was adopted by the government resolution.

One of the examples of successful implementation of the Strategy is the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan that provides for improvement of the procedure of monitoring and oversight of compliance by the reporting entities with the AML/CFT/CPF legislation, submission of ML/TF/PF-related reports and international cooperation in this area.

Besides that, the National Anti-Corruption Program was adopted in 2021, and the Electronic Corruption Risk Assessment System integrated with databases and information systems of the relevant government authorities and institutions was launched.

This Program provides for keeping a publicly accessible Electronic Register of persons found guilty of committing corruption offences. The Register contains the list of persons found guilty by court of committing corruption offences and the list of legal sanctions imposed against such persons.

With a view to addressing new extremism and terrorism related challenges and threats, the National Strategy for Countering Extremism and Terrorism for 2021-2026 was adopted in July 2021. The Strategy provides for implementation of joint comprehensive measures to further strengthen the mechanisms for preventing and suppressing terrorism and extremism and vests the relevant powers into the government authorities that enable them to trace financial flows related to such threats.

Importantly, in June 2021, Uzbekistan changed the approach to accessing information constituting banking secrets by extending the powers of law enforcement

agencies to access such information in the process of criminal intelligence gathering, inquiries and investigations, while preserving necessary conditions for protecting the rights of citizens and businessmen.

In general, 2021 was a challenging year for the national AML/CFT/CPF system of Uzbekistan, especially in the course of the mutual evaluation conducted by the EAG.

The large volume of work conducted by the country at the preparatory stage and in the course of mutual evaluation demonstrates good understanding and political will of the Uzbek authorities to further work in this direction.

I hope that the mutual evaluation outcomes will allow Uzbekistan to demonstrate high compliance of the national AML/CFT/CPF system with the globally recognized international standards and, will highlight the extensive efforts undertaken by the EAG in this area.

I would like to take this opportunity to express sincere gratitude to the EAG Secretariat, UNODC, OSCE, ITMCFM, World Bank and all EAG Member States for fruitful cooperation and support and wish them successful achievement of their goals.



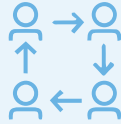
## EAG Observers

The EAG observers include



**15**  
countries

Republic of Armenia,  
Federal Republic of Germany,  
Islamic Republic of Afghanistan,  
Islamic Republic of Iran,  
Italian Republic,  
Republic of Korea,  
Republic of Moldova,  
Mongolia,  
Republic of Poland,  
Republic of Serbia,  
United States of America,  
Republic of Turkey,  
Ukraine,  
French Republic,  
Montenegro



**23**  
international organizations

Asian Development Bank,  
Asia-Pacific Group on Money Laundering,  
CIS Anti-Terrorism Center,  
Bureau for Coordination of the Fight against Organized Crime,  
World Bank,  
Financial Action Task Force,  
Middle East & North Africa Financial Action Task Force,  
Egmont Group,  
Eurasian Economic Commission,  
Eurasian Development Bank,  
European Bank for Reconstruction and Development,  
Interpol,  
CIS Executive Committee,  
Council of Europe Committee of Experts,  
UN Counter-Terrorism Committee,  
United Nations Analytical Support and Sanctions Monitoring Team (1267),  
International Monetary Fund,  
Collective Security Treaty Organization,  
Organization for Security and Cooperation in Europe,  
United Nations Office on Drugs and Crime,  
Shanghai Cooperation Organization, and Central Asian Regional and Coordination Center for Combating Illicit Trafficking in Narcotic Drugs,  
Psychotropic Substances and their Precursors

# Key Outcomes of EAG Plenary Meetings in 2021

- 34<sup>th</sup> Plenary Session
- 35<sup>th</sup> Plenary Session



02.

# 34<sup>th</sup> Plenary Session – May 24–27 and June 2-3, 2021 in virtual format



## The Plenary adopted:

- The second follow-up report of the Republic of Tajikistan
- The EAG Budget for 2022
- Amendments into the EAG HR-related documents
- The EAG 2020 Annual Report
- The EAG Working Plan for the second half of 2021
- Changes to the schedule of the second round of mutual evaluations of the EAG Member States
- Changes to the schedule of the EAG Plenary Meetings in 2022-2026
- The reporting format for the EAG observers
- Changes in the format for provision of information by the EAG Member States

- Proposals on improvement of coordination of TA provision to the EAG Member States
- Amendments to the EAG Guidelines on conducting typology research projects
- Results of the typology project entitled “Typologies of Application of Preventive Measures of Financial Institutions for Crime Detection and Risk Assessment”
- The project plan on improvement of the mechanisms of risk-based supervision in the EAG region.

### The Plenary agreed the working plans under the ongoing typology projects:

- Optimization, Review and Consolidation of Previous EAG Typology Projects
- EAG AML/CFT Financial Investigation Guidance

### The Plenary discussed:

- Proposals for a mechanism to monitor the operational environment in the EAG Member States in terms of new risks
- Interim reports of three sub-regions as part of the project related to identification and analysis of ML/TF risks in the Eurasian region
- Report on implementation of the pilot project on coordination of technical assistance provide to the Republic of Tajikistan,
- Report on provision of technical assistance to the Republic of Kazakhstan.



### The Memorandum

of Understanding between the EAG and the Eurasian Economic Commission was signed.



### The Plenary summarized the results

of the first meeting of the International Compliance Council, which has proved to be an effective platform for cooperation between representatives of the private sector and the supervisory authorities and financial intelligence units of the EAG Member States.

## 35<sup>th</sup> Plenary Session – November 11–12 and 18, 2021 in virtual format



The welcome speech to the Plenary was delivered by Deputy Chairman of the Government of the Russian Federation **Alexey Overchuk**.

The Plenary elected **Yury Chikhanchin** (Russian Federation) Chairman of the EAG and **Dovran Khalbaev** (Turkmenistan) was elected EAG Deputy Chairman for 2022-2023. The Plenary approved the Chairmanship Priorities for 2022-2023.

The Plenary welcomed the outcomes of the first International Financial Security Olympiad. 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 Plenary adopted:

- The third follow-up report of the Kyrgyz Republic
- The Rules for Coordination of TA Provision to the EAG Member States
- Changes to the Methodology of ML/TF Risk Assessment in the Eurasian Region

### The Plenary approved

the continuation of the work under the first round of ML/TF risk assessment in the Eurasian region.

### The Plenary summarized

- The seventh International Supervisors' Forum entitled "Tools and Mechanisms for Application of Risk-Based Approach to AML/CFT Supervision"
- The Workshop on exchange of experience in ensuring compliance with the FATF standards related to virtual assets.



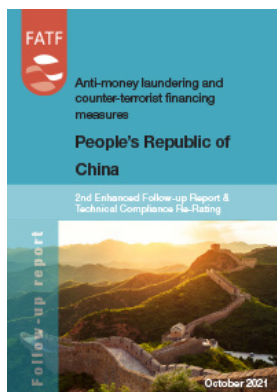
# **Assessment of National AML/CFT Systems and Follow-up**

# 03.



## Republic of Tajikistan

In June 2021, the EAG Plenary adopted the second Follow-up Report of the Republic of Tajikistan. Tajikistan demonstrated progress in elimination of technical compliance deficiencies identified in the MER. As a result, the following Recommendations were re-rated: rating of technical compliance with R.7 was upgraded from NC up to PC; and ratings of technical compliance with R.16 and R.35 were upgraded from PC up to LC. Tajikistan remains in the enhanced follow-up process and will continue to report to the EAG about further progress in improvement of the national AML/CFT system.



## People's Republic of China

In October 2021, the FATF Plenary adopted the second Follow-up Report of the People's Republic of China. It was noted that China took a number of actions to strengthen its national system and achieved the progress, as a result of which ratings of compliance with six Recommendations – R.3, R.8, R.16, R.18, R.29 and R.38 were upgraded. China remains in the FATF enhanced follow-up process and will continue to report to the FATF and EAG about further progress in improvement of the national AML/CFT system.



## Kyrgyz Republic

The third enhanced Follow-up Report of the Kyrgyz Republic on progress in elimination of technical compliance deficiencies and improvement of the effectiveness without revision of ratings was presented to the 35<sup>th</sup> EAG Plenary. The Plenary noted that Kyrgyzstan performed a substantial work to eliminate the deficiencies in implementation of the FATF Standards since November 2019 through September 2021. Kyrgyzstan will continue to report to the EAG on further progress in improvement of the national AML/CFT system.

# Technical Assistance

- Project on Improvement of Mechanisms of Application of Risk-Based Approach to Supervision in the EAG Region
- The 3<sup>rd</sup> Progress Report on Provision of Technical Assistance to the Republic of Kazakhstan
- The 4<sup>th</sup> Progress Report on Implementation of Pilot TA Coordination Project for the Republic of Tajikistan
- New Technical Assistance Projects
- ITMCFM Activities

04.



**In 2021, the Eurasian Group not only focused on ongoing projects related to coordination of provision of technical assistance to the EAG Member States, but also launched several new projects.**

Enhanced attention is paid to streamlining the TA provision process, ensuring concerted actions of all donors and providers and avoiding duplication of the TA efforts.

For fundamental improvement of these processes, the EAG developed new approaches to coordination of TA provision based on detailed review and analysis of all stages of TA process.

The 35th EAG Plenary, held in November 2021, discussed and adopted the Rules for Coordination of TA Provision to the EAG Member States. The purpose of this new document is to provide transparent and convenient rules of TA coordination in the EAG region, describing the main stages of work and designating the role of each participant. Besides that, a number of general principles of work, as well as terms and definitions are formulated. It is noteworthy, that the proposals take into

account the already existing practices of interaction and cooperation by the Member States with donors and providers and in no way intend to disrupt or significantly change the current methods of work. As before, making decisions on the need for TA, its priorities, as well as on the choice of development partners remain within the purview of the delegations and their constituent agencies.

The document was developed based on the existing EAG experience and the best practices of the TA partners of the Eurasian Group.

Identification of the Secretariat's role and the "added value" of its participation in TA coordination as well as the need for systematization of TA provision experiences and sharing the best practices in the EAG region can be considered as the major innovations.

## **Project on Improvement of Mechanisms of Application of Risk-Based Approach to Supervision in the EAG Region**

The Project on improvement of mechanisms of application of risk-based approach to supervision in the AEG region was launched in June 2021 in accordance with the decision of the 34<sup>th</sup> EAG Plenary.

The project involved review sectoral risk assessments and application the assessment

results in the process of supervision as well as mapping the needs of the EAG Member States in improvement of the effectiveness of risk-based supervision. At present, the country-specific plans for provision of targeted technical assistance are being developed.

## EAG Questionnaire

22 supervisory authorities from 7 countries responded



**38%** SRA was conducted

**24%** SRA was conducted as part of NRA

**24%** Risk assessment was not conducted

**14%** No response



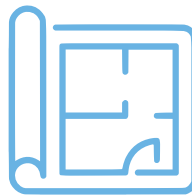
**56%** NRA methodology

**11%** World Bank methodology

**33%** Own methodology

Besides that, the practical imposition by countries of proportionate and dissuasive sanctions and application RegTech instruments for the supervision purposes were analyzed.

Based on the outcomes of the conducted analysis of the received responses to the questionnaire, the EAG held jointly with the ITMCFM the [seventh International EAG/ITMCFM Supervisors' Forum](#) entitled "Tools and Mechanism for Application of Risk-Based Approach to AML/CFT Supervision", which brought together over 100 representatives of the financial intelligence units and supervisory authorities of the EAG Member States. Taking part in the Forum were also representatives of the EAG, FATF and MONEYVAL Secretariats.



One of the outcomes of this project was the decision to launch the EAG project on development of Recommendations for conducting sectoral ML/TF risk assessment initiated by the Russian Federation.

## The 3<sup>rd</sup> Progress Report on Provision of Technical Assistance to the Republic of Kazakhstan

At the 31<sup>st</sup> EAG Plenary Meeting held in November 2019, Kazakhstan requests to provide technical assistance to the Astana International Financial Center (AIFC)<sup>1</sup> in reviewing its legal and regulatory framework for compliance with the FATF Standards. The Asian Development Bank provided funds which were used for preparing the report on technical review of the AIFC regulations prepared in June 2021. At present, the work is underway to introduce necessary amendments and modifications into the AIFC regulations.

In August 2021, the training workshop with participation of international experts and the Russian specialists arranged by the ITMCFM was held via videoconferencing.

Provision of necessary technical assistance to the Republic of Kazakhstan in cooperation with the EAG Member States, donors and providers continues.

In the reporting period, the donors and providers (FATF, EAG Secretariat, Russia/ITMCFM, Asia Development Bank, UN Office of Counter-Terrorism, OSCE, Council of Europe, UN Office on Drugs and Crime and International Law Enforcement Academy) arranged and held over 20 TA-related events for the FIU, LEAs, supervisory authorities and private sector of Kazakhstan.

## The 4<sup>th</sup> Progress Report on Implementation of Pilot TA Coordination Project for the Republic of Tajikistan

The Project for coordination of provision of technical assistance to the Republic of Tajikistan is being implemented since 2019. The Project Plan includes 90 TA actions broken down by Immediate Outcomes and further by the format of their implementation. The Secretariat presented the project progress reports at the 34<sup>th</sup> and 35<sup>th</sup> EAG Plenary Meetings.

In August 2021, the webinar was arranged for the representatives of the Ministry of Justice of the Republic of Tajikistan to share the practice of conducting the assessment of TF risks in the NPO sector in the Russian Federation.

<sup>1</sup>AIFC is the jurisdiction in Kazakhstan that has the special legal and administrative status.

## Project Plan

✓ Approved at 31<sup>st</sup> EAG Plenary in November 2019

✓ Contains 90 items (actions)

- identified priorities
- broken down by IOs
- contain description of expected outcomes

✓ 75 actions are assigned

✓ 33 actions are completed



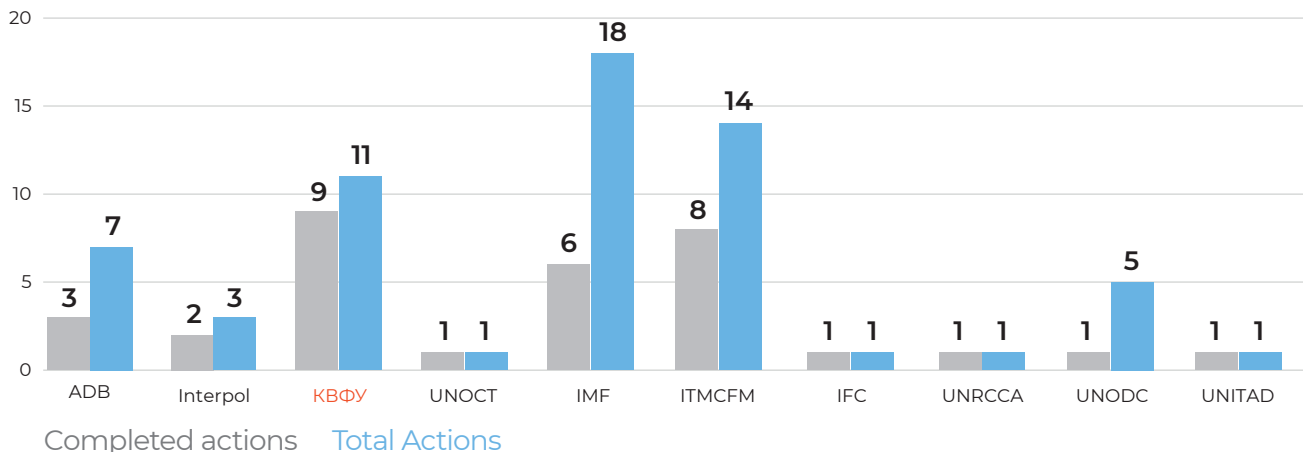
In view of the COVID-19 restrictions, the planned timelines of implementation of many actions were postponed.

Nevertheless, some actions that were of high priority for Tajikistan were completed since the spring of 2021:

- The workshop on STR Indicators and Guidelines was held by the Financial Services Volunteer Corps.
- The AML/CFT training course was delivered for the competent authorities of the Republic of Tajikistan by the Interpol jointly with the ITMCFM.
- The basic CFT training course was delivered jointly with the Interpol and the Investigative Team to Promote Accountability for Crimes Committed by Da'esh/ISIL (UNITAD).

The Secretariat continues to monitor implementation of the Action Plan; coordinates interactions with the donors and providers that joint the project at the request of the Secretariat; and provides, where possible, assistance in seeking for new donors and providers. The next Pilot Project Progress Report will be presented within the established timelines.

## Number of Planned and Completed Actions



## New Technical Assistance Projects

### 1 Progress Report on Provision of Technical Assistance to the Kyrgyz Republic

The Project for coordination of provision of technical assistance to the Kyrgyz Republic was approved by the decision of the 34<sup>th</sup> EAG Plenary in June 2021. The TA coordination process is arbitrarily divided into three stages, namely: identification of TA needs and development of a country-specific TA plan; implementation of TA project plan; and analysis of effectiveness of the provided TA.

The project goal is to coordinate the activities of potential donors and providers that provide technical assistance to the Kyrgyz Republic and make these efforts more focused and result-oriented, which will eventually help to improve the effectiveness of the AML/CFT regime in the country.

In 2021, the first stage of the project was completed, and the second stage, which involves finding potential TA donors and providers, is currently underway.

### 2 Project on Development of Recommendations for Conducting Sectoral ML/TF Risk Assessment

The decision to implement the project was made at the 35<sup>th</sup> Plenary Meeting on the initiative of the Russian Federation.

The idea of the project to develop recommendations was considered at the 7<sup>th</sup> International Supervisory Forum held under the auspices of the EAG in October 2021. In addition, based on the results of EAG Secretariat's analysis on the needs for

technical assistance in the area of AML/CFT supervisory activities the EAG Member States expressed their interest in such document.

A project group consisting of experts from the Member States has been created to implement the project, the Head of the project group is the representative of the FIU of the Russian Federation.

In the course of the project implementation it is envisaged to summarize best national practices in conducting risk assessments in the financial institutions and DNFBPs; development of recommendations on the sectoral risk assessment, harmonization of the results of sectoral and national ML and TF risk assessments, development of the action plan based on the SRA results, as well as use of the SRA results by supervisory authorities and the private sector.

The work on the development of recommendations will be carried out in the period from November 2021 to October 2022.

## ITMCFM Activities

In 2021, bilateral meetings, professional development training events for the academic staff of the Network Institute, training workshops and round tables were held via videoconferencing, including:

- The 7<sup>th</sup> EAG/ITMCFM International Supervisors' Forum: "Tools and mechanisms for application of risk-based approach to AML/CFT supervision";
- Workshop: "Exchange of experiences and best practices of identifying, suppressing, documenting, investigating and prosecuting criminal offences committed with the use of cryptocurrencies (practical aspects of operation of and cooperation between FIUs and LEAs);
- Workshop "Case studies of misuse of foreign trade transactions for money laundering purposes";
- Round Table: "Experiences and best practices of identification of transit accounts and transactions by FIUs, competent authorities and private sector";
- Workshop: "Operational and preventive measures taken by the Republic of Kazakhstan to stop cashing out of funds";
- Workshop and Round Table: "Legal regulation of virtual assets in national jurisdictions for enhancing effectiveness of AML/CFT/CPF system";
- Workshop: "Parallel financial investigations and property search: international experiences and best practices";
- Round Table: "Exchange of experiences in preparing specialists of national AML/CFT systems for mutual evaluation in the COVID-19 pandemic period";
- Workshop: "Technical compliance and effectiveness issues – correct understanding, brevity and completeness of answers to questions as the key to successful outcome of mutual evaluation of Kazakhstan for compliance with the international AML/CFT standards under the second round of peer assessments";
- Round Table: "Best experiences and practices of AML/CFT supervision of residents and non-residents using issued e-money and e-purses";
- Training and experience sharing for AML/CFT specialists of the EAG Member States: "Monitoring and oversight of spending of state budget funds";
- Round Table: "Best experiences and practices of application of (AML/CFT) risk-based approach by credit institutions";
- Training Course: "Legal regulation of virtual assets in national jurisdictions for enhancing effectiveness of AML/CFT/CPF system" for financial intelligence units, law enforcement agencies, supervisors, other concerned government authorities and private sector of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Turkmenistan.



**Combating  
Money Laundering  
and Terrorist Financing:  
Research Projects,  
Typologies and Events**



**05.**

One of the substantive elements of the EAG activity involves research of typologies (common methods) of money laundering and terrorist financing that are typical in the Eurasian Region.

The results of typology studies enable to identify areas and sectors featured by the highest risks, and develop an effective risk management methodology. The topics of typology studies having a top priority for the region are determined by the members of the Working Group on Typologies and Countering the Financing of Terrorism and Crime. The Eurasian Group disseminates the findings of its typology studies to the law

enforcement and supervisory authorities and the private sector institutions. Apart from the research activities, the EAG also holds typology workshops, regional forums, trainings and joint typology events in cooperation with the FATF and other FSRBs.

In 2021, a number of typology events were cancelled due to the continuing COVID-19 restrictions and were rescheduled for 2022. In particular, the Eurasian AML/CFT Forum, the Joint FATF/EAG Experts' Meeting and the Joint EAG/CIS ATC Workshop on Combating Terrorist Financing were postponed until the second half of 2022. At the instruction of the Chairman, the work was conducted in 2021 to develop mechanisms for monitoring risk environment in the EAG Member States with a view to identifying new risks, and the implementation mechanisms, information sources and other project stages were discussed. The work will be continued in 2022.

## Assessment of ML/TF Risks in Eurasian Region

**Since November 2019 through November 2021, the EAG conducted the most substantial typology project aimed at deep and comprehensive understanding by the government authorities and business entities of cross-border ML/TF risks, which enables to build the national AML/CFT systems in the most efficient and informed manner with a view to taking timely measures for mitigating the identified risks. It is planned to approve the outcomes of the first round of assessment of ML/TF risks in the Eurasian Region in May 2022.**

In January 2021, additional questionnaires were disseminated to the EAG Member States and those countries that identified trans-border ML threats similar to those existing in the EAG Member States for clarifying their responses to the basic questionnaire. In February – April 2021, the preparatory work was performed for arranging the meeting of the International Compliance Council (ICC) with a view to conducting consultations with the private sector. A special questionnaire developed by the project team was disseminated to the private sector, and responses received



from over 40 private sector entities were thoroughly analyzed. Based on the information received by the project team from the EAG Member States, the Eurasian Economic Commission and the EAG observers and obtained from other reliable sources, the first draft report on regional risk assessment in the “EAEU” sub-region

was prepared (Annex 1). In January – April 2021, the project team drew up the second draft reports of regional risk assessment in the “Belarus and Russia” sub-region (East European sub-region) and “Central Asia and Russian Federation” sub-region, based on responses to additional questionnaires and information received from the private sector.



## Regional Risk Assessment On-Site Visits

In June – September 2021, the EAG regional risk assessment project team conducted a series of on-site visits for collecting necessary information.



On 19.07.2021 – 23.07.2021, the EAG regional ML/TF risk assessment team held the first on-site meeting. On the first day, the interim project conclusions were discussed with the law enforcement agencies of the **Republic of Belarus**.



On July 26-30, 2021, the members of the regional risk assessment project team held meetings with the officers of the Kazakh law enforcement agencies and supervisory authorities as well as with representatives of the private sector of the **Republic of Kazakhstan** in Nur-Sultan city. In the course of the meetings, the project team obtained missing information about the “Central Asia and Russian Federation” and the “EAEU” sub-regions required for drafting the report on regional risks existing in the sub-region, and also discussed discrepancies in assessments of ML and TF risks, their relevance and significance and reliability of conclusions contained in the interim reports.



On August 3 – 5, 2021, the project team members met with the representatives of the Financial Monitoring Department of the National Bank of Tajikistan, officers of the Tajik law enforcement and supervisory authorities and representatives of the private sector of **Tajikistan in Dushanbe city (Republic of Tajikistan)**. These meeting provided the opportunity to discuss not only the preliminary conclusions about ML/TF risks existing in the region, but also new emerging threats and proposals on potential joint actions of the EAG members states aimed at mitigating the identified regional risks.



On September 7-9, meetings were held with competent government authorities and representatives of the private sector of the **Russian Federation**, and on September 13-15 - with the **Republic of Uzbekistan**. Based on the information obtained during the meetings, the draft reports on analysis of ML/TF risks in the sub-regions were updated and presented for discussion at the 35<sup>th</sup> EAG Plenary Meeting in November 2021.



In the course of the on-site visits arranged for collecting information for the “ML/TF Risks Assessment in the Eurasian Region” project, the project team members held productive meetings with representatives of the State Financial Intelligence Service under the Cabinet of Ministers of the **Kyrgyz Republic** (SFIS) and officers

of law enforcement and supervisory authorities of Kyrgyzstan. Of special note is high awareness and engagement in the AML/CFT processes demonstrated by representatives of the private sector of the Kyrgyz Republic, who actively participate in the meetings with the experts. The project team obtained missing information, discussed discrepancies in risk assessments, clarified the degree of existing risks, threats and vulnerabilities and the extent of their manifestation and discussed reliability of conclusions contained in the interim report on assessment of money laundering and terrorist financing risks in the Eurasian region.

## Amendments to the EAG Guidelines on Conducting Typology Research Projects

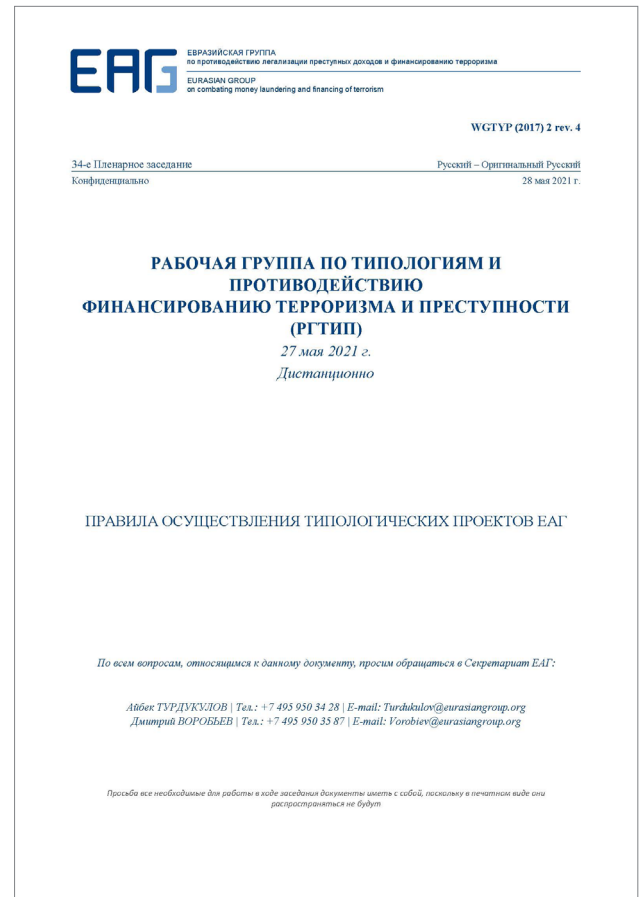
The new revised EAG Guidelines on conducting typology research projects were adopted by the delegations at the 34<sup>th</sup> EAG Plenary Meeting. The amendments were required due to a wide variety of different types of typology studies conducted by the EAG and the need for introducing new modern methods of communicating the research findings to the target audience and receiving feedback.

The amended Guidelines provide for studying new (emerging) risks, threats and vulnerabilities that should be taken into account as a result of assessment of ML/TF risks in the Eurasian region as well as for developing methodological recommendations or other documents covering the most urgent AML/CFT/CPF issues typical for the Eurasian region.

The revised Guidelines also provide for implementing joint typology projects by the members states and set out the procedure of conducting such research studies. The existing practices of conducting typology studies by project teams have proven to be effective, since they not only facilitate more active engagement of delegations in the typology research activities, but also contribute to strengthening cooperation among representatives of the EAG Member States at working level.

Besides that, the new amended Guidelines establish more advanced and convenient procedure for providing feedback by the delegations, which will enable the EAG to summarize the extent of positive effect of individual typology projects.

With a view to achieving meaningful results and communicating project results to the target audience in the most efficient



manner, the revised Guidelines provide to holding educational and training events for representatives of the public and private sectors.

The Eurasian Group seeks to make the results of its typology studies publicly accessible to a maximum possible extent so that they can be used by all interested parties. In this context, the revised Guidelines establish the detailed procedure of determining the public status of typology projects and publication of typology reports on the EAG website. The typology report entitled “Typologies of the use of preventive measures of financial institutions for crime detection and risk assessment” was the first one that was published in accordance with the new procedure.

## Final Outcomes of Typology Study: “Typologies of the Use of Preventive Measures of Financial Institutions for Crime Detection and Risk Assessment”

Application by entities engaged in transactions with funds or other assets of preventive measures as well as identification of suspicious transactions and submission of suspicious transaction reports to the financial investigation units is one of the most important measures aimed at mitigating ML/TF risks.

The mutual evaluation practice shows that ineffective suspicious transaction reporting regime affects the rating of Immediate Outcome 6, which assesses the effectiveness of the use by competent authorities of financial intelligence and other meaningful information for conducting ML and TF financial investigations and, therefore, undermines the efforts undertaken by financial intelligence units.

On the other hand, continuous extension of the list of information used for conducting strategic, tactical and operational analysis is critical for ensuring effective operation of the FIUs in modern world.

In this context, in May 2001, the typology project aimed at summarizing approaches and best practices of the Member States related to the use of STRs as well as information on preventive measures applied by financial institutions for identifying offences and assessing risks was completed.

The final report also includes the summarized information on approaches used by countries for providing feedback and on specificities of supervision and implementation by reporting entities of preventive measures amid the spread of the COVID-19 coronavirus infection. The report was disseminated to the competent authorities of the EAG Member States and is publicly accessible on the EAG website.



## Optimization, Review and Consolidation of Previous EAG Studies

In November 2020, the concept note related to optimization and updating of the EAG typology studies was considered. The EAG Secretariat reviewed the results of nearly 40 research projects implemented since 2004. The analysis showed that information contained in

the reports adopted over 5 years ago was largely obsolete and unfit for the use at present time. In this context, it was decided to develop the schedule of gradual updating and optimization of the typology research reports.

In May 2021, the EAG Member States identified the priority projects in the Optimization Plan and appointed the leaders of the first projects.

Kyrgyzstan, Russia, Tajikistan, Uzbekistan and Kazakhstan expressed willingness to undertake the obligation to optimize and update the first projects.

In November 2021, Russia and Kyrgyzstan, being the project leaders, presented the

concept notes and questionnaires under the projects entitled “Laundering of proceeds of cybercrime and financing of terrorism by proceeds of these criminal activities, inter alia, through misuse of e-money or virtual assets and infrastructure of their providers” and “Laundering of proceeds of tax and economic crimes”.

## Contest for the Best Example of AML/CFT Cooperation among the Government Agencies of the EAG Member States

The 8<sup>th</sup> contest for the best example of AML/CFT cooperation among the government agencies of the EAG Member States was held in November 2021.

Eight countries: Belarus, India, Kazakhstan, China, Russia, Tajikistan, Turkmenistan and Uzbekistan applied for participation in the contest, which made this event unique in terms of number of participants.

- “Ponzi scheme” (Republic of Kazakhstan);
- “Securities market manipulation” (People’s Republic of China);
- “Transit transactions involving electronic means of payment and cryptocurrencies carried out for money laundering purposes” (Russian Federation);
- “Money laundering through fake foreign trade” (Republic of Tajikistan);
- “Money laundering in real estate sector” (Turkmenistan);
- “Money laundering in securities market” (Republic of Uzbekistan).

The following case studies were presented:

- “Splitting of business” (Republic of Belarus);
- “Identification of criminal proceeds of international smugglers” and “Addressing ML/TF risks arising from application of FinTech in payment ecosystems” (Republic of India);



Following the results of the 35<sup>th</sup> Plenary Meeting voting, the Republic of Uzbekistan with the case study “Money laundering in securities market” (PHOTO) was announced the winner of the 8<sup>th</sup> contest for the best example of AML/CFT cooperation among the government agencies of the EAG Member States. India and Russia with the case studies presented by their delegations became the finalists of the contest.

# **EAG Involvement in Research and Educational Activities**



**06.**

The EAG Secretariat takes active part in various research and educational events. The Secretariat officers regularly participate in various research conferences and educational and training events in the capacity of lecturers and trainers.

The Secretariat officers participate in the capacity of trainers in the assessors training events arranged by the FATF.

One of such training events was held in 2021 bringing together representatives of the Member States of the FATF, EAG and MONEYVAL. Following the training, a pool of experts from the EAG Member States was selected. The selected experts were approved for participation in the FATF mutual evaluation and follow-up process and were already engaged in the EAG mutual evaluations.



## **EAG Workshop on Exchange of Experience in Implementation of FATF Requirements Related to Virtual Asset Service Providers**

**On October 25-26, 2021, the EAG workshop on the exchange of experience in 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 experiences,” said EAG Executive Secretary Sergey Teterukov.

This event was also relevant due to the fact that the EAG Member States (except for China) had 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 VASPs, 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 VASPs, including international cooperation in the supervision process and administrative, criminal, or civil legal actions applied 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 States 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.



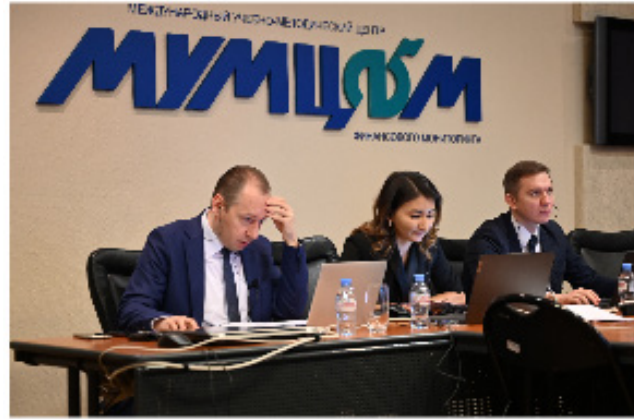
## International Compliance Council

**The EAG Secretariat together with the International Training and Methodology Centre for Financial Monitoring arranged and held the first meeting of the International Compliance Council (ICC) in virtual format on April 28-29, 2021.**

The ICC main objectives are to share experience and best practices of application of anti-money laundering and counter-terrorist financing (AML/CFT) preventive measures by financial institutions and DNFBPs; facilitate information exchange between representatives of the private sector and the supervisors and FIUs in the EAG region; receive feedback and enhance engagement of private sector in the ongoing work aimed at mitigating the existing risks and identifying new ones; and study money laundering and terrorist financing (ML/TF) typologies.

In the course of the meeting, the ICC members discussed the preliminary results of the ML/TF risk assessment in the Eurasian region, as well as the issues related to operation of AML/CFT systems in the context of the COVID-19 pandemic, which are of high importance and relevance for the private sector.

Over 300 persons, including the representatives of both public and private sectors of the EAG Member States, as well as EAG observers, registered for participation in the event.



Sergey Teterukov, EAG Executive Secretary, Galina Bobrysheva, Deputy Director of Federal Financial Monitoring Service (Rosfinmonitoring) and Jerome Beaumont, Egmont Group Executive Secretary, addressed the participants with welcoming speeches.

Representatives of the private sector of Belarus (Priorbank), Kazakhstan (Alfa-bank, Halyk Bank of Kazakhstan, ForteBank), Russia (Ak Bars Bank, YooMoney, Moscow Exchange, VTB Bank, Sberbank), Uzbekistan (Uzpromstroybank), the Financial Supervision Authority of the Republic of Poland, the People's Bank of China, as well as the EAG Regional Risk Assessment Project team leader Eugene Semenov, officers of the EAG Secretariat and representatives of Rosfinmonitoring and ITMCFM made presentations in the course of the meeting.

The participants emphasized the exceptional importance of such a format of communication between international organizations and representatives of the private sector, and made suggestions for topics to be discussed at the next ICC meetings.

The presentations made by the speakers are posted on the EAG website in the [private sector consultation section](#).



EAG Executive Secretary Sergey Teterukov thanked the speakers for interesting and informative presentations and called on all participants to develop further fruitful AML/CFT cooperation. In turn, the EAG Secretariat is open to official proposals from the private sector of the EAG Member States on the topics for further discussions by the International Compliance Council.

**On October 7, 2021, the EAG Secretariat and the International Compliance Council (ICC) members held panel discussions on the margins of the International Financial Security Olympiad. This was the second event attended by the ICC members.**

“Money laundering is a crime. Don’t become part of it. Prevent it!”

This was the message of the panel discussions "Financial security through the banking sector - how major financial institutions fight for the safety of their depositors' funds" arranged 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 organized and held at the initiative and under the auspices of the Federal Financial Monitoring Service.

The officers of the EAG Secretariat as well as the heads and personnel of the EAG ICC member banks: Belgazprombank, Priorbank (Belarus), Alfa-Bank (Kazakhstan) and Citibank (Russia) took part in these panel discussions as speakers and experts.

In the course of discussions, the participants of the Olympiad learned how the financial monitoring system of banks is set up, what money laundering and terrorist financing schemes young generation may be involved in, sometimes without realizing it, and how to deal with it.



## EAG/ITMCFM International Supervisors' Forum

The 7<sup>th</sup> EAG/ITMCFM International Supervisors' Forum "Tools and Mechanisms for Application of Risk-Based Approach to AML/CFT Supervision" was held on October 14-15, 2021 in virtual format via videoconference.

The representatives of the financial intelligence units and supervisory authorities of the EAG Member States and the EAG, FATF and

MONEYVAL Secretariats took part in the event. The main issues of discussion and exchange of experience among the participants included: key aspects of FATF methodology of application of RBA to supervision; sectoral models of ML and TF risk assessment; sectoral risk assessment: methodology and practice; and digitalization of the financial sector: challenges and responses.



## Training Workshop on NPOs for Tajikistan

On January 14-15, 2021, the training workshop was arranged for Tajikistan by the UN Regional Center for Preventive Diplomacy for Central Asia (UNRCCA), the UN Office of Counter-Terrorism (UNOCT), and the EAG Secretariat.

This training event included in the EAG Technical Assistance Project Plan was held in hybrid format. Apart from discussion of issues related to compliance with the FATF Standards, the representatives of non-profit organizations and competent authorities of Tajikistan were provided with the opportunity

to learn about NPO risk-based supervision practices, the efforts undertaken by the EAG Secretariat for identification of regional risks, the methods used for mitigating NPO abuse risks and the national NPO regulation experiences.

The Tajik participants expressed interest in receiving further assistance in regulating the NPO sector, and the representatives of the UNRCCA and UNOCT expressed their willingness and readiness to propose the action plan and engage experienced international experts in this work with Tajikistan.



## Other Events

In February 2021, in the course of preparation for the meeting of the CIS Anti-Terrorism Center (ATC) Scientific and Advisory Board, the EAG Secretariat submitted the presentation entitled the "Need for legal implementation and regulation of financial

investigation procedures in the EAG Member States as a tool to improve efficiency of the fight against money laundering and terrorist financing" for discussion and inclusion in the Board meeting proceedings.

Participation in academic and research conferences and workshops gives the EAG the opportunity to communicate the provisions of the international AML/CFT standards to the target audience, discuss new AML/CFT trends with the scientific community, present unclassified results of typology projects and seek the views and opinions of the academic community on pressing AML/CFT issues.

In April 2021, the EAG Secretariat representatives participated in the capacity of guest experts in the international interagency roundtable on “Combating legalization (laundering) of criminal proceeds” arranged by St. Petersburg Academy of the RF Investigative Committee for officers of investigation agencies.

The EAG representative made presentation and shared the results of the EAG typology study entitled [“Typologies of illegal withdrawal of assets form credit institutions and money laundering”](#).

With a view to improving theoretical knowledge and practical experience of the national experts and LEA and FIU officers, the EAG Secretariat also participates in the research and educational events under the national programs of professional development training of officers of law enforcement agencies and financial intelligence units.

In May 2021, the EAG Secretariat participated via videoconferencing in the International Research Conference “Modern Legal Science

and Education: Relevant Problems and Solutions” organized by the Academy of the General Prosecutor’s Office of the Republic of Uzbekistan to mark the third anniversary of the Academy. The Conference brought together over 500 national and foreign experts representing more than 20 countries and 10 international organizations.

In the course of the Conference, the EG Secretariat made presentation entitled “Need for legal implementation and regulation of financial investigation procedures in the EAG Member States as a tool to improve efficiency of the fight against money laundering and terrorist financing”.

At the invitation of the UNODC, the EAG Secretariat officer took part in the capacity of guest lecturer in the training course aimed at strengthening the capacity of the Republic of Uzbekistan to conduct CFT financial investigations (the course was delivered on September 21-24, 2021 in Tashkent city). All expenses associated with participation in this training event were covered by the UNODC. In the course of the training, the UNODC and EAG coordinated their approaches to provision of technical assistance with due consideration for the current round of mutual evaluations.

In 2021, active cooperation with the LEICA (Law Enforcement Agencies in Central Asia) project partners aimed at provision of balanced and coordinated technical assistance to the EAG Member States for further strengthening national CTF capacity continued.





In particular, at the invitation of LEICA, the EAG Secretariat officer took part as a lecturer in the workshop on strengthening the CFT strategic analysis capacity of law enforcement agencies of the Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) held in Gulliston city, Tajikistan on October 10-16, 2021. In the end of the workshop, practical recommendations were provided to the countries on how to improve financial investigation methodologies based on the best international experiences.

At the UN invitation, the EAG Secretariat officer took part in the virtual mission of the UN Counter-Terrorism Committee to the Republic of Uzbekistan for monitoring implementation by the country of the Anti-Terrorism Resolutions of the UN Security Council. In the course of this virtual mission, necessary assistance was provided to Uzbekistan for demonstrating the effectiveness of the national CTF system. Following the mission, the interim report was drawn up, while the final report will be presented in 2022 after the (physical) on-site visit to the country.



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