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ЕВРАЗИЙСКАЯ ГРУППА
по противодействию легализации преступных доходов
и финансированию терроризма

EURASIAN GROUP
on combating money laundering
and financing of terrorism



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The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) is a regional intergovernmental organization whose primary goal is to ensure effective interaction and cooperation at the regional level and integration of EAG member states into the international system of anti-money laundering and terrorist financing.

The EAG is a FATF-style regional body uniting Belarus, India, Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, Turkmenistan and Uzbekistan.

For more detail, please visit EAG website at:

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EAG Chairman

Yury Chikhanchin



This overview of the past year's developments coincides with the end of the Russian presidency of the Eurasian Group. Over the past year, we managed to overhaul the structure of the EAG working bodies, increase the role and effectiveness of the financial intelligence units, and kick-start a new round of mutual evaluations. I would like to thank all EAG Member States and observers for their active involvement and support of our plans.

Much of our attention in the past year was devoted to the fight against terrorist financing. In this regard, I would like to highlight the on-going fruitful cooperation with the FATF and the UN Counter-Terrorism Committee (CTC), which has already borne good fruit. We count on the support of our partners to complete the international study on ways to disrupt terrorists' financing networks.

Highly qualified personnel are key to tackling the challenges facing us today. Staying abreast of the developments in this area is the Russia-led international network AML/CFT Institute. I would like to thank the People's Republic of China, represented by Fudan University, for its support of this project. I am convinced that China's presidency of the EAG will give a new impetus to the development of educational and other initiatives across Eurasia.

I would like to emphasize that the People's Republic of China was one of the founders of the Eurasian Group in 2004. Today, China, along with two other EAG Member States, India and Russia, is a member of the FATF. This contributes to the convergence of positions of the EAG Member States at various international anti-money laundering forums and to the development of a common strategy for combating negative financial and economic phenomena.

EAG Executive Secretary

Vladimir Nechaev



Dear colleagues,

2017 saw the EAG embark on a second round of mutual evaluations.

The EAG Secretariat continued to work with countries to facilitate their preparations for the forthcoming assessments, as well as to help with assessors training. Among the most interesting and useful events of the year, according to the feedback from the EAG participants, was a videoconferencing workshop dedicated to the review of the positive experience of the countries that had already undergone mutual evaluations, in demonstrating the effectiveness of their AML/CFT systems, as well as to the analysis of the shortcomings leading to lower effectiveness ratings.

In 2017, the EAG completed the procedures required for the granting to it of observer status in the UN General Assembly. This will allow our organization to work more closely with the UN and its specialized structures.

Another important event was the training workshop for assessors taking part in evaluations conducted in accordance with the revised FATF Methodology, held in December in Tashkent, Uzbekistan. I would like to express my gratitude to the Department on Combating Fiscal & Currency Crimes and Money Laundering under the Uzbekistani General Prosecutor's Office, OCDE and ITMCFM (Russia) for their excellent work in organizing the workshop, which enabled its participants to focus exclusively on the learning process.

In 2017, as before, two plenary meetings were held in Bishkek (Kyrgyzstan) and Moscow (Russia). It is no coincidence that much of the attention at both meetings was devoted to combating terrorist financing, a problem that remains highly relevant for the countries of our region and in respect of which the EAG forms a common front with both the FATF and other organizations.

I would like to thank the EAG Secretariat staff for their hard work throughout the year for the benefit of the EAG and all its members.

1. About EAG

1.1 History

The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) is a FATF-style regional body established on the initiative of the Russian Federation on October 6, 2004, at the founding conference in Moscow attended by six founding states: Belarus, Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan, with Uzbekistan, Turkmenistan and India joining the EAG later.

The Moscow Declaration on the Establishment of the EAG and the Terms of Reference of the Eurasian Group formed the basis for the Agreement on the Eurasian Group on Combating Money Laundering and Financing of Terrorism, entered into on June 16, 2011 and constituting part of the legal framework of the EAG Member States and the basis for their cooperation. The Agreement defined the EAG as an intergovernmental organization with its own budget, which functions on the basis of equal participation by the Member States in its activities.

The creation of the EAG contributed to the consolidation of efforts towards reducing the threat of terrorism, ensuring transparency, reliability and security of financial systems of the region's countries, as well as their integration into the international AML/CFT framework. A list of tasks assigned to the newly created organization also included the provision of technical assistance to its members in setting up national AML/CFT systems.

1.2 Goals and objectives

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

The EAG's key objectives are:

- to assist the Member States in implementing the FATF Standards on Combating Money Laundering and Financing of Terrorism;
- to develop and implement joint activities aimed at combating money laundering and financing of terrorism;
- to conduct mutual evaluations of its members in line with the FATF Recommendations, including to study the effectiveness of the newly adopted anti-money laundering and terrorist financing legislative and other measures;
- to coordinate international cooperation and technical assistance programs with the relevant international organizations, agencies and countries; and
- to conduct an analysis of money laundering and terrorist financing typologies and share experience in combating these crimes with account for regional specifics.

1.3 Member States

Under the EAG Agreement, the Group comprises nine countries: Belarus, India, Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, Turkmenistan and Uzbekistan.

EAG membership is open to other counties in the region who:

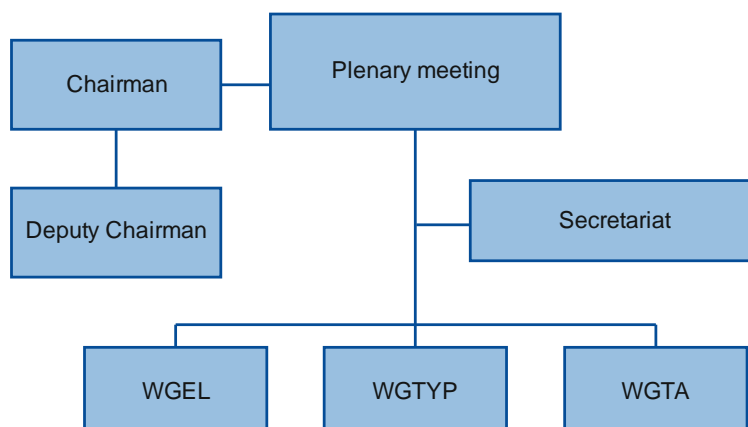
- take active steps to draft and enforce AML/CFT legislation consistent with the FATF

Recommendations;

- agree to participate in EAG mutual evaluation programs;
- agree to actively participate in Plenary meetings and other EAG activities and events.

1.4 Organizational structure

The structure of the management and working bodies of the EAG:



The Plenary meeting, which is usually convened twice a year, but not less than once a year, 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 directions of activity, and adopts decisions aimed at fulfilling the goals and objectives of the Eurasian Group.

The Chairman of the Eurasian Group is elected by the Plenary for a two-year term. The Chairman presides over Plenary meetings and represents the Eurasian Group in its contacts with the outside world. All decisions of the Plenary are also approved by the Deputy Chairman.

History of the EAG Presidency

Viktor A. Zubkov	Russia	2004-2007
Oleg A. Markov	Russia	2007-2011
Yury A. Chikhanchin	Russia	2011-2013
Krishnan Kodumudi	India	2014
Ajay Tyagi	India	2015
Yury A. Chikhanchin	Russia	2016-2017
Hao Jinghua	China	2018-

In November 2017, the Plenary elected Ms Hao Jingua (China) Chair of the EAG for 2018-2019.

The Plenary elected Mr Yury Chikhanchin (Russia) Deputy Chair of the EAG for 2018-2019.

A total of 3 EAG working groups carried out work in the key areas of the Group's activities throughout 2017:

▪ **Working Group on Mutual Evaluations and Legal Issues (WGEL)**

The WGEL is responsible for:

- conducting EAG mutual evaluations and follow-up monitoring;
- assessment of ML/TF risks and review of the best risk-based approach practice;
- legal support of EAG activities;

Group co-chairs:

- Mei Jiao (China);
- Chyngyz Kenenbaev (Kyrgyzstan);
- German Neglyad (Russia).

▪ **Working Group on Technical Assistance (WGTA)**

The WGEL is responsible for:

- assessment and coordination of technical assistance efforts in the EAG Member States;
- development and coordination of training and other activities, preparation of teaching aids and provision of basic AML/CFT training;
- review of the EAG's financial operations, including allocation of funds and dealing with documents governing the EAG's financial and economic activities;

Group co-chairs:

- Irda Igembayev (Kazakhstan);
- Stanislav Smolyar (Russia).

▪ **Working Group on Typologies and Combating the Financing of Terrorism and Crime (WGTYP)**

The WGTYP is responsible for:

- gathering, processing, analysing and preparing typologies research material;
- assisting the EAG Member States and coordinating the preparation of typologies research material;
- cooperating with other FATF-style regional bodies, observers and other international organizations on typologies research;
- promoting cooperation with EAG competent authorities, the private sector and typologies research experts.

Group co-chairs:

- Alexander Prakopenko (Belarus);
- Esendik Musabekov (Kyrgyzstan);
- Yevgeny Mozgov (Russia).

1.5 EAG Secretariat

The EAG Secretariat was established by the decision of the Founding Conference on October 6, 2004 and tasked with coordinating the activities under its purview. The Agreement on the Conditions of Stay of the EAG Secretariat in the Territory of the Russian Federation was signed on February 14, 2012. Later that year, the newly formed Secretariat, whose staff comprised nationals of the EAG Member States, began its work in Moscow.



EAG Secretariat

As of 2017, the Secretariat employed 11 persons, including representatives of Belarus, Kyrgyzstan and Russia. The post of EAG Executive Secretary is held by Vladimir Nechaev (Russia).

1.6 Observers

As of late 2017, 20 international and regional organizations and 15 countries held observer status in the EAG.

The 27th Plenary granted observer status in the EAG to the Central Asian Regional Information and Coordination Centre for Combating Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Their Precursors (CARICC).

Observer organizations

- Asian Development Bank (ADB)
- Asia-Pacific Group on Money Laundering (APG)
- CIS Anti-Terrorism Centre (CIS ATC)
- World Bank (WB)
- Financial Action Task Force on Money Laundering (FATF)
- Middle East & North Africa Financial Action Task Force (MENAFATF)
- Egmont Group
- Eurasian Development Bank (EDB)
- European Bank for Reconstruction and Development (EBRD)
- Eurasian Economic Commission (EEC)
- Interpol

Observer countries

- Armenia
- Afghanistan
- Iran
- Italy
- Republic of Korea
- Lithuania
- Moldova
- Mongolia
- Poland
- Serbia
- USA

- | | |
|---|--------------|
| ▪ Executive Committee of the Commonwealth of Independent States (CIS) | ▪ Turkey |
| ▪ Council of Europe Committee of Experts (MONEYVAL) | ▪ Ukraine |
| ▪ UN Counter-Terrorism Committee (UNCTC) | ▪ France |
| ▪ International Monetary Fund (IMF) | ▪ Montenegro |
| ▪ Collective Security Treaty Organization (CSTO) | |
| ▪ Organization for Security and Cooperation in Europe (OSCE) | |
| ▪ United Nations Office on Drugs and Crime (UNODC) | |
| ▪ Shanghai Cooperation Organization (SCO) | |
| ▪ Central Asian Regional Information and Coordination Centre for Combating Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Their Precursors (CARICC) | |

1.7 Financial control

Under the Agreement on the EAG and the Regulations on the Formation and Implementation of the EAG Budget, which is an integral part of the Agreement, financial control over the EAG's activities is exercised by means of internal and external audits. In addition, the EAG has drafted and adopted regulations governing its financial and economic activities.

Much of the EAG's efforts were devoted in 2017 to the systematization, updating and adjustment of the relevant financial regulations, culminating in the amendments, made by the EAG Plenary on the recommendation of the Working Group on Technical Assistance, to the following documents:

- EAG Accounting & Reporting Regulations;
- EAG Operating Revenue Distribution Regulations;
- Monthly wireless communication allowance rates for EAG Secretariat staff;
- EAG Financial Rules;
- Regulation on External Audit of the EAG Secretariat.

EAG 2017 Budget:

Expenditure items	Amount (Russian roubles)
Maintenance of the EAG Secretariat's activities	31,830,570
Business travel expenses	10,940,578
Purchase of services	5,040,240
Miscellaneous expenses	89,433
Acquisition of non-financial assets	351,124
Incidental expenses	50,000
TOTAL	48,301, 945

2. INITIATIVES

2.1 Development of national AML/CFT systems

In 2017, the EAG continued to support the integration of its members into the international AML/CFT framework, including through assistance in building their national AML/CFT systems in line with the international standards. The EAG Secretariat conducted training for the EAG Member States for the next round of mutual evaluations: trainings for assessors and workshops for countries to be assessed.

As part of the preparations for the EAG 2nd round of mutual evaluations, EAG assessors attended in December 2017 a training workshop, held in Tashkent, Uzbekistan with assistance of the Department on Combating Fiscal & Currency Crimes and Money Laundering under the Uzbekistani General Prosecutor's Office, OCDE and ITMCFM (Russia). The purpose of the workshop was to provide training for the representatives of EAG Member States' delegations selected to participate in the upcoming EAG mutual evaluations as expert assessors and expert analysts. The workshop helped the EAG Secretariat provide training for a total of 30 assessors, who, through their participation in simulation exercises, not only attended a course on the theory of the revised FATF Recommendations and Methodology, but also gained practical experience in conducting mutual evaluations.



The EAG/ITMCFM training workshop for EAG assessors.

2.2 Information and communication strategy

The media's coverage of the EAG Member States' AML/CFT work and the way they are viewed by experts and the public at large depend, to a large extent, on the success of their public relations efforts.

The EAG Information Bulletin is an editorial project published by the EAG and distributed among its main partners. The Bulletin contains up-to-date information on the development of the national AML/CFT systems of the EAG Member States and the key events of the international AML/CFT schedule. A total of 4 issues of the Bulletin were published in 2016.

In addition, the EAG is involved in the publication in Russia of the quarterly magazine *Financial Security*, whose editorial board includes the EAG Executive Secretary among its members. The magazine, available in the Russian and English languages, regularly features articles on the EAG's activities.

The implementation of the EAG's information and communication strategy promotes public interest and involvement of civil society in the AML/CFT issues, as well as contributing to public awareness of the new FATF standards.

2.3 Information resources

There are a number of proprietary databases that were created within the EAG Single information space structure and designed to assist FIUs in their work. Among them are:

- the database of typologies research conducted by the FATF, EAG and MONEYVAL, which consists of approx. 50 studies and allows FIU analysts to monitor the current trends and ML/TF risks defined by the international community;
- the online database of EAG Member States' legislation, containing a total of 160 regulations and accessible via the EAG official website.

2.4 Videoconferencing

Videoconferencing is an essential component of the Single information space, capable of increasing the intensity and effectiveness of cooperation between the EAG Member States. As of late 2017, the EAG videoconferencing network was used by Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan, ITMCFM, and Armenia.

The videoconferencing system (VCS) is used for both multi-party consultations and training events. Besides the traditional experience sharing activities conducted after the completion of the current and commencement of the new round of FATF and EAG mutual evaluations, VCS participants attended various trainings (seminars, workshops, etc.). These activities, which cover the widest possible range of topics and participants, enabled the EAG's key partners to become acquainted with the best international AML/CFT standards implementation practice. The benefits of using modern communication channels are obvious. They range from a more efficient interaction within the EAG to the availability of distance learning opportunities for FIU law enforcement and supervisory personnel to the potential offered by joint on-line workshops and conferences in terms of cost savings and stakeholder appeal.

The trainings and experience sharing sessions were attended by more than a thousand representatives of government bodies, the private sector and educational and scientific institutions of the EAG.

Among the topics covered were:

- the practical aspects of the implementation of the risk-based approach and risk-based supervision, and ML/TF risks management;
- on-site compliance monitoring practice, effective AML/CFT oversight mechanisms and monitoring compliance by designated non-financial businesses and professions;
- setting up internal controls and cooperation between the FIU and notary offices/audit firms;
- the conduct of the anti-drug operation "Channel" in 2017. Organizational issues of FIUs' participation in the operation "Channel". Cooperation with the National and International Headquarters. Statistics. Information sharing. The Fusion Centre and FIUs' role in joint financial investigations: (including as exemplified by CSTO operation "Channel");
- customer due diligence on cross-border correspondent banking and other similar relationships;
- financial investigations: discussion of successful financial investigations related to offshore jurisdictions. Submission/receipt of information to/from the FIU. Asset freezing, including confiscation practice;

- the implementation of UNSC targeted financial sanctions related to the identification, freezing and blocking of the assets of persons involved in terrorist or extremist activities. The procedure for freezing and unfreezing funds or other assets of individuals and organizations included on the list of persons involved in terrorism and PWMD. Discussion of successful PWMD and TF financial investigations;
- the practice of cooperation between foreign FIUs and law enforcement in combating human trafficking;
- combating cross-border money flows in the fight against transnational organized crime;
- topical issues of interagency cooperation between the FIU and law enforcement. The experience and practice related to the legalization of the FIU's financial investigation materials by law enforcement;
- the experience of implementation of the FATF international standards (Recommendation 12, politically exposed persons);
- AML/CFT supervision of mobile wireless communication service providers and major operators. Internal controls for communication service providers. Indicators and criteria for the identification of suspicious financial transactions.



VCS activities

The VCS was also regularly used to conduct working meetings, trainings of personnel for the national AML/CFT systems, EAG intersessional meetings and working meeting of the CIS Council of FIU Heads.

3. EAG KEY EVENTS

In 2017, the EAG held two Plenary meetings.

I. 26th EAG Plenary meeting

The EAG Plenary and Working Group meetings were held from 22 to 26 May 2017 in Bishkek (Kyrgyzstan).

- The Plenary discussed issues related to the fight against ISIL, calling on all EAG Member States to intensify efforts to combat the financing of ISIL and ensure effective implementation of the relevant UN Security Council Resolutions.
- The EAG Member States briefed the Plenary on changes made to their national AML/CFT laws and progress in conducting a national risk assessment, thereby underscoring their commitment to improving the AML/CFT framework, with a focus on effectiveness.
- The Plenary adopted the outcome document on the common financial profile of a foreign terrorist fighter (FTF) for EAG countries, which is designed to improve the detection of terrorist financing; the handbook "The List of information of interest to the FIUs and operational bodies in conducting joint (international) investigations"; amendments to the EAG 2nd Round Mutual Evaluations Schedule and the EAG 2018 Budget.
- The Plenary highlighted the particular relevance of EAG experts' involvement in UNCTC assessment missions and the provision of technical assistance to the EAG members in line with UNCTC recommendations based on their outcomes.



EAG 26th Plenary and Working Group meetings

The EAG 26th Plenary week agenda included a joint EAG/CIS ATC/ITMCFM in cooperation with UN CTED workshop on detection of foreign terrorist fighters and application of targeted financial sanctions. The workshop included representatives from FIUs and LEAs from EAG Member-states and CIS, as well as a number of specially invited international experts from UK, Canada, Australia, Belgium, France and the Analytical Support and Sanctions Monitoring Team of UN Security Council Committee on Sanctions against ISIL (Da'esh) and Al-Qaida and Committee pursuant to resolution 1988 (2011).

Delegations delivered a number of presentations on best practices in combating the financing of terrorism, with a special focus on countering the FTFs, their financiers, as well as returnees. In addition, the national experience of a number of countries was presented on the application of targeted financial sanctions in accordance with the UN Security Council resolutions. Law enforcement agencies delivered real examples of cases and methods of combating FTFs.



The joint EAG/CIS ATC workshop on sharing experiences in identifying foreign terrorist fighters (FTFs) and application of targeted financial sanctions against them

II. 27th EAG Plenary meeting

The EAG Plenary and Working Group meetings were held from 7 to 11 November 2017 in Moscow (Russia).



The 27th EAG Plenary and Working Group meetings

- The Plenary elected Hao Jingua (China) Chair of the EAG for 2018-2019. Yury Chikhanchin (Russia) was elected Deputy Chair of the EAG.
- The Plenary granted observer status in the EAG to the Central Asian Regional Information and Coordination Centre for Combating Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Their Precursors (CARICC).
- The Plenary studied the updated report on the existing UN measures adopted in pursuance of Security Council resolutions, various reports and analytical materials prepared by UN structural units, as well as the completed and planned research projects undertaken by the FATF. The Plenary again reaffirmed the urgency and priority of the tasks connected with the fight against terrorism and its financing.

- The Plenary considered the draft mutual evaluation report of Kyrgyzstan, the first such report within the EAG 2nd round of mutual evaluations of compliance of EAG AML/CFT systems with the FATF standards. Following a discussion held within the framework of the Working Group on Mutual Evaluations and Legal Issues, the Plenary instructed experts and the EAG Secretariat to finalize the draft report and submit the revised version to the EAG 28th Plenary for approval.
- The Plenary adopted the typologies report on "Structural Analysis of the Financial Flows Linked to Illegal Encashment Transactions Used in the Commission of Crimes and Money Laundering", to be posted on the EAG website.
- Participants approved the EAG Secretariat Performance Report 2017 and Action Plan 2018.

4. MUTUAL EVALUATIONS

EAG mutual evaluations

The Eurasian Group conducted the first mutual evaluation as part of the second round. An on-site visit to Kyrgyzstan took place in March, with the draft mutual evaluation report presented to the 27th Plenary meeting in November. However, the Plenary postponed the approval of the report until the 28th Plenary meeting after the adoption of changes designed to eliminate the shortcomings and some discrepancies in the text of the draft.



Meeting with AML/CFT Commission. On-site visit to Kyrgyzstan

The Secretariat, jointly with the assessment team, began work on the second mutual evaluation of Tajikistan, which will continue in 2018, with its approval scheduled for November 2018.

5. INTERNATIONAL COOPERATION

The EAG works closely with many international and regional organizations and institutions, holds joint workshops and trainings, and provides technical assistance to countries both within the EAG and beyond.

The Eurasian Group is a FATF's style regional body, an associate member of the FATF and an observer in the following FATF-style regional bodies: the Asia-Pacific Group on Money Laundering (APG), the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), and the Middle East and North Africa Financial Action Task Force (MENAFATF). The Group also holds observer status in the Egmont Group and the Warsaw Convention, and a partner status in the Paris Pact.

As of 2017, the Eurasian Group had signed, and continues to abide by, agreements, memoranda and treaties entered into with the Coordinating Council of the Heads of Competent Authorities on Combating Drug Trafficking of the Collective Security Treaty Organization (CSTO), the Interparliamentary Assembly of Member Nations of the Commonwealth of Independent States, the Regional Anti-Terrorist Structure of the Shanghai Cooperation Organization, the CIS Anti-Terrorism Counter, the Executive Directorate of the UN Counter-Terrorism Committee, the CIS Council of Heads of Financial Intelligence Unites, and the International Training and Methodology Centre for Financial Monitoring.

Given the Group's associate member status in the FATF, delegations of the EAG Member States, regardless of their status in this organization, participate in its work within the EAG delegation. In turn, many FATF members take an active part in the EAG's activities.

In addition, EAG representatives take part in the Plenary meetings and other activities of the APG, MENAFATF and MONEYVAL. Within the framework of horizontal experience sharing between FSRBs, a representative of the EAG Secretariat took part as an expert in the July 2017 evaluation of Mongolia as part of a new round of APG mutual evaluations.

In 2017, the EAG continued to participate in the FAFT-initiated process for the strengthening of the global AML/CFT system. Regular consultative meetings between FSRB secretariats, held in the framework of FATF Plenary weeks and dedicated to the sharing of experiences in conducting typologies studies and identifying promising areas of future work, as well as to the exchange of past study outcomes, are among the components of this process.

Representatives of the EAG Secretariat participated in the UN Counter-Terrorism Committee's (UN CTED) three-day visit to Tajikistan (February 2017) and to Turkmenistan (November 2017). The delegation participants discussed with representatives of the Tajik and Turkmen authorities the implementation of various provisions of UN Security Council Resolutions 1373 (2001), 1624 (2005) and 2178 (2014) concerning legal issues, international cooperation, combating the financing of terrorism, law enforcement and border control.

One of the EAG's priorities in the Eurasian region is the development of cooperation with institutions responsible for regional integration and security, in particular the CIS, the CSTO and the SCO.

5.1 EAG Key Event Schedule 2017

FATF activities	EAG activities	Activities of FSRBs and international organizations
<ul style="list-style-type: none"> ICRG Meeting on Iran (<i>January, September, Italy</i>); FATF Plenary Meeting (<i>February, France</i>); FATF Experts' Meeting on Typologies (<i>April, Russia</i>); FATF Plenary Meeting (<i>June, Spain</i>); Symposium on PWMD (<i>October, South Korea</i>); FATF Plenary Meeting (<i>October, France</i>) 	<ul style="list-style-type: none"> On-site mutual evaluation mission (<i>March-April, Kyrgyzstan</i>); WGTA Meeting to Prepare the EAG Budget 2018 (<i>April, Russia</i>); EAG 26th Plenary Meeting (<i>May, Kyrgyzstan</i>); Joint EAG/CIS APG Workshop on Combating FTFs Financing (<i>May, Kyrgyzstan</i>); Kyrgyzstan's Mutual Evaluation Face-to-Face Meeting (<i>September, Russia</i>); Audit of the EAG Secretariat's financial and economic activities (<i>September, Russia</i>); EAG 27th Plenary Meeting (<i>November, Russia</i>); EAG Expert Assessors' Workshop to Prepare for Mutual Evaluations (<i>December, Uzbekistan</i>) 	<ul style="list-style-type: none"> Paris Pact Experts' Meeting (<i>January, Austria</i>); Egmont Group Working Group meetings (<i>January, Qatar</i>); Paris Pact Meeting (<i>February, Australia</i>); UNCTC mission (<i>February, Tajikistan</i>); MENAFAPT 25th Plenary Meeting (<i>April, Kuwait</i>); EEC Experts' Meeting (<i>April, Armenia</i>); Mongolia's Mutual Evaluation Face-to-Face Meeting (<i>May, Mongolia</i>); MONEYVAL Plenary Meeting (<i>May, September and December, France</i>); OSCE Workshop on PWMD (<i>June, Kazakhstan</i>); Egmont Group Plenary Meeting (<i>July, Macao</i>); APG Plenary Meeting (<i>July, Sri Lanka</i>); UNODC Experts' Meeting on Typologies and Automation (<i>July, Austria</i>); SCO Scientific and Practical Conference (<i>November, Uzbekistan</i>); APG Typologies Workshop (<i>November, South Korea</i>); UNCTC Mission (<i>November, Turkmenistan</i>); MENAFAPT 26th Plenary Meeting (<i>December, Bahrain</i>)

6. TECHNICAL ASSISTANCE

One of the key areas of the Eurasian Group's activities is the provision of technical assistance in FIU establishment, development and improving national AML/CFT regimes in EAG Member States, including personnel training.

The EAG coordinates its international cooperation and technical assistance measures with specialized international organizations, agencies and countries concerned.

The main goals of technical assistance are:

- to summarize and disseminate best practices across Eurasia;
- to assist in establishing and developing national AML/CFT systems in the Eurasian countries;
- to assist the EAG Member States in building their talent pools and integrating into the EAG common information sharing system.

Technical assistance was discussed at the Working Group on Technical Assistance meetings aimed at identifying the EAG Member States' needs and coordinating their plans for future cooperation. At a November 2017 meeting of the Working Group on Technical Assistance, the EAG Secretariat presented approaches to the coordination of technical assistance for the EAG Member States in preparing for mutual evaluations and improving national AML/CFT systems. The World Bank, UNODC, UNCTC, IMF, International Training and Methodology Centre for Financial Monitoring, the USA and other originations and donor states were actively involved in the provision of technical assistance.

With a view to disseminating best practices and improving national AML/CFT systems, as well as due to the start of the new round of mutual evaluations, the EAG held in 2017 joint workshops with the CIS ATC, UN CTED and ITMCFM, attended by experts from the EAG members and observers, as well as from Australia, the UK, Canada, France, Belgium, and the Monitoring Group of the UN Security Council Committee 1267.

The EAG Chairman amended the procedure for the submission by the EAG Member States of reports on any changes to their national AML/CFT legislation, progress in conducting the national risk assessment and preparations for the EAG 2nd round of mutual evaluations. The EAG Secretariat, jointly with the EAG Member States, prepared an updated version of the reporting procedure, which will allow it to assess the EAG Member States' needs for technical assistance and raise the quality of assistance in improving national AML/CFT systems.

In 2017, the Eurasian Group, working jointly with ITMCFM, translated and prepared for publication the following documents:

- FATF Guidance on Private Sector Information Sharing;
- FATF Guidance on Information Sharing.

FATF/FSRB New Round Mutual Evaluation Reports

- Mutual evaluation report of Denmark;
- Mutual evaluation report of Mexico;
- Mutual evaluation report of Ireland.

7. ML/TF TYPOLOGIES RESEARCH

One of the EAG's main tasks is to study money laundering and terrorist financing typologies. It carries it out by organizing international events and conducting typologies research. The EAG Member States are interested in conducting and participating in various research projects. The study on "Structural Analysis of the Financial Flows Linked to Illegal Encashment Transactions Used in the Commission of Crimes and Money Laundering" was completed in 2017, with Kazakhstan presenting the findings of the research. Delegations highlighted the quality of the presented report and the high potential for the practical application of its findings.

The EAG Member States supported the initiative to conduct research work jointly with other international organizations. The EAG countries are currently involved in the FATF-sponsored study on "Professional Money Laundering Networks and Schemes".

The FATF experts' typologies meeting was held in Moscow in April 2017, attended by the EAG Member States and representatives of the private sector. The meeting included parallel sections on the following topics: national inter-agency information sharing, terrorist recruitment financing, vulnerabilities related to beneficial ownership, professional money-laundering networks and the role of shadow intermediaries.

Russia won the 2017 contest for the best investigation into "Public Funds Embezzlement-Related Money Laundering".

Russia presented the final version of the Handbook of information of interest to the FIUs and operational bodies in conducting joint (international) investigations, which will be updated as necessary, but not less than once every two years. With a view to reducing the time needed to use the Handbook, the EAG has begun the development of an automated search engine for it.

8. COMBATING FINANCING OF TERRORISM AND CRIME

Responding to the heightened interest in the Egmont Group's study on the region-specific financial profile of foreign terrorist fighters, delegations shared their experiences and best practices in the use of this profile. Based on the information provided previously and questionnaire feedback the 26th EAG Plenary meeting prepared and adopted a document on the following topic: "The Unified Financial Profile Model of Foreign Terrorist Fighters in the Eurasian Region". The purpose of this project is to summarize the EAG members' experiences in identifying typologies of financing FTFs, in order to highlight the specific characteristics of persons and their accomplices who may be supporters of international terrorist organizations, including ISIL, or be FTFs themselves. The study's focus on the financial behaviour of potential FTFs is designed to aid reporting entities in identifying such behaviour and minimizing threats to EAG member states.

This document can be used for development by the FIUs of the EAG member-states, jointly with the private sector, of special indicators that will allow credit institutions and other national AML/CFT stakeholders to detect suspicious transactions related to terrorism. Implementation of these indicators in compliance procedures of reporting entities will enhance effectiveness of detection and disruption of TF-related offences.

In November 2017, the Eurasian Group took part in the Fifth Scientific and Practical Conference of the Regional Anti-Terrorist Structure of the Shanghai Cooperation Organization "Combating Terrorism - Cooperation without Borders" (Tashkent, Republic of Uzbekistan).



In the course of the conference, its participants discussed topical issues of countering modern challenges and threats emanating from international terrorist organizations and exchanged experience in the field of combating terrorism and extremism. Within the framework of the meeting, special attention was paid to coordination of combating the financing of terrorism. The Eurasian group noted that an effective fight against terrorism can not be carried out without reliable overlapping of the sources of its financing, as required by the relevant resolutions of the UN General Assembly, the UN Security Council and FATF standards.

LIST OF ACRONYMS

- APG – Asia-Pacific Group on Money Laundering
- WB – World Bank
- Egmont Group – international association of financial intelligence units
- EEC – Eurasian Economic Commission
- MONEYVAL – Committee of Experts on the Evaluation of Anti-Money Laundering Measures and Financing of Terrorism of the Council of Europe
- IMF – International Monetary Fund
- MENAFATF – Financial Action Task Force against money-laundering in the Middle East and North Africa
- ITMCFM - International Training and Methodology Centre for Financial Monitoring
- ML – Money Laundering
- CSTO – Collective Security Treaty Organization
- AML/CFT – anti-money laundering and combating the financing of terrorism
- FIU – financial intelligence unit
- WGEL – Working Group on Mutual Evaluations and Legal Issues
- WGTYP – Working Group on Typologies
- WGTA – EAG Working Group on Technical Assistance
- WGOS – Working Group on Supervision
- FSRB – a FATF-style regional body
- CIS – Commonwealth of Independent States
- FATF – Financial Action Task Force on Money Laundering
- TF – financing of terrorism
- SCO – Shanghai Cooperation Organization