

The Role of FIUs in Financial Investigations



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Introduction

What is a Financial Intelligence Unit?



01

Definition and Mandate

FIUs are central agencies that receive, analyze, and disseminate financial intelligence, combating money laundering and terrorism financing.



02

Core Functions

FIUs collect and analyze financial data, transforming disparate pieces of information into actionable intelligence; this aids investigations.



03

Types of FIUs

Classify FIUs based on structure: administrative, law enforcement, judicial, or hybrid; highlight each type's unique features.

What is a Financial Intelligence Unit?

FIU's Global Presence

FIUs operate worldwide, with each country having its own unit; they collaborate internationally to address cross-border financial crimes.



History and Evolution of FIUs

Origins of FIUs

The first FIUs emerged in the late 20th century in response to growing concerns about money laundering; the Vienna Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances in 1988 was a key driver.

01

Development and Proliferation

The 1990s witnessed a surge in FIU creation worldwide, propelled by international efforts to combat money laundering and the need for coordinated strategies; therefore, many nations established these specialized units to effectively tackle financial crimes.

02

Current Landscape

Today, FIUs are essential components of national security infrastructure, actively involved in preventing, detecting, and disrupting financial crimes; their role has expanded to address emerging threats like cybercrime and virtual currencies.

03

Why FIUs are Important



01

Combating Financial Crimes

FIUs play a critical role in detecting and preventing money laundering, terrorist financing, contributing to global security.



02

Protecting the Financial System

By identifying illicit financial flows, FIUs help maintain the integrity and stability of the financial system, fostering trust and confidence.



03

Supporting Law Enforcement

FIU analysis provides valuable intelligence to law enforcement agencies, aiding investigations and prosecutions of financial crime cases.

Key Functions of FIUs

01

Receiving Suspicious Transaction Reports (STRs)

The primary function includes receiving Suspicious Transaction Reports (STRs), which are crucial for identifying potential financial crimes.

02

Analyzing Information

Analyzing the information from STRs and other sources using advanced techniques to uncover patterns and anomalies.

03

Disseminating Intelligence

Disseminating intelligence to law enforcement and regulatory bodies, providing them with crucial information for investigations.

What is a Financial Investigation?



Definition

Financial investigations dive deep into records and transactions to expose criminal activities and trace illicit assets beyond traditional methods.

Role of Financial Evidence

Financial evidence proves criminal intent and connects suspects to criminal activities; therefore, it's quite crucial.

Importance in Tackling ML/TF

Financial investigations are essential for detecting and disrupting money laundering, terrorist financing, and other predicate offenses.

Agencies Involved

Such investigations are collaborative, involving FIUs, LEAs, customs, and tax authorities; each brings specialized expertise.

Objectives of Financial Investigations

Combating Terrorist Financing

FIUs play a vital role in detecting and preventing funds from reaching terrorist groups; Their efforts support national and international security.



Curbing Money Laundering Activities

Financial investigations are crucial in identifying and disrupting money laundering operations; This protects the integrity of the financial system.



Global Standards and Recommendations



The Egmont Group

The Egmont Group facilitates international cooperation among FIUs, promoting anti-money laundering and counter-terrorist financing programs; it serves as a secure platform for information sharing and collaboration.



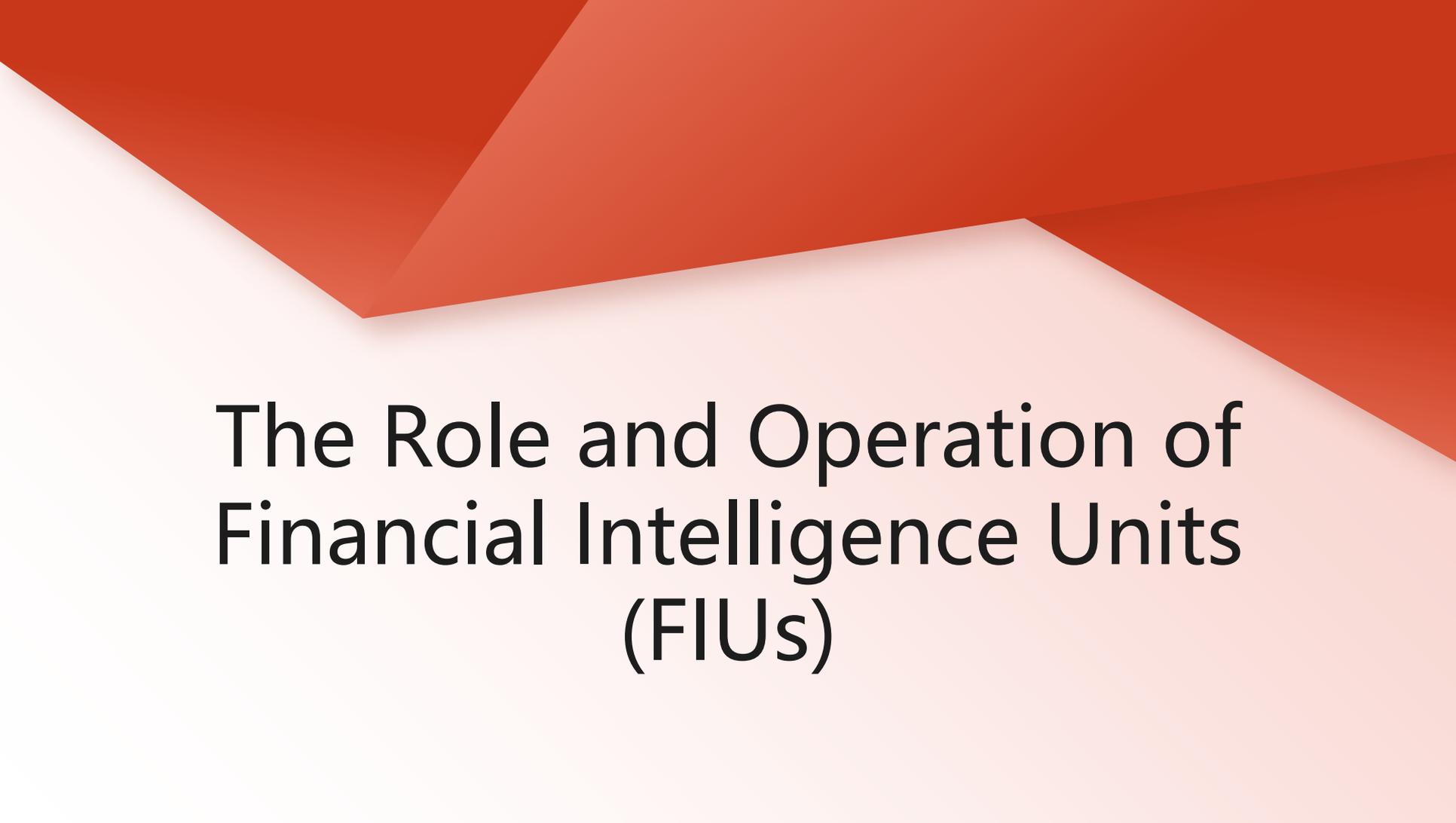
Key Principles and Guidelines

Emphasis on information exchange, confidentiality, and operational independence are crucial for FIUs effectiveness; by adhering to international best practices, they can maintain integrity and trust.



The Financial Action Task Force (FATF)

FATF sets international standards to combat money laundering and terrorist financing, with Recommendation 29 outlining specific requirements for FIUs; this ensures a consistent global approach.

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The Role and Operation of Financial Intelligence Units (FIUs)

FIU Organizational Structure



01

Different FIU Models

Various models exist, including police unit, administrative, judicial, and hybrid models; the choice depends on the country's legal and institutional framework.



02

Key Departments and Functions

STR collection, processing, analysis, intelligence development, legal compliance, IT support, and data management are all essential functions; therefore, the FIU needs diverse expertise.



03

FIU Staff and Expertise

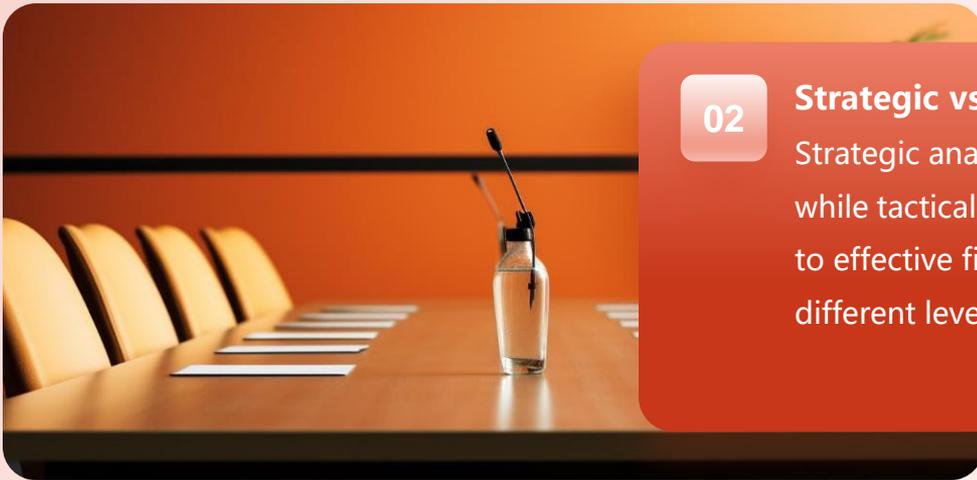
Financial analysts, law enforcement officers, IT specialists, and legal experts work together; interdisciplinary collaboration enhances the FIU's capabilities.

Analysis of Financial Data

01

Identifying Patterns and Anomalies

FIU's analyze financial data for unusual patterns and irregularities that may indicate illicit activities; This uncovers hidden financial crimes and helps connect seemingly disparate transactions.



02

Strategic vs. Tactical Analysis

Strategic analysis identifies trends and emerging threats, while tactical analysis focuses on specific cases; Both are key to effective financial investigations, providing insights at different levels.

Analyzing and Disseminating Intelligence

Types of Analysis

Strategic analysis identifies trends and patterns, while tactical analysis supports specific investigations; thus, a multi-faceted approach is employed.

01

Dissemination of Intelligence

Intelligence is shared with law enforcement, regulatory agencies, and other relevant authorities; providing timely and actionable information is critical.

02

Feedback Mechanisms

Mechanisms ensure the intelligence shared is useful and contributes to successful investigations and prosecutions; feedback loops improve accuracy and relevance.

03



Receiving and Processing Information



01

Sources of Information

Suspicious Transaction Reports (STRs), cash transaction reports (CTRs), and other regulatory filings are key sources; these provide vital data for analysis.



02

Data Analysis Techniques

Data mining, link analysis, and trend analysis are used to identify potential financial crime patterns; this helps uncover hidden connections and networks.



03

Maintaining Data Security and Confidentiality

Strict protocols safeguard sensitive information, ensuring compliance with data protection laws; this maintains trust and prevents data breaches.

Collecting Financial Information

Suspicious Transaction Reports (STRs)

Financial institutions are required to file STRs when they suspect transactions are related to money laundering or terrorist financing; reports include details about the transaction.

01

Currency Transaction Reports (CTRs)

CTRs are filed for transactions involving large amounts of cash, providing another layer of financial surveillance; reporting requirements vary by jurisdiction.

02

Other Reporting Requirements

Beyond STRs and CTRs, FIUs may collect information from various sources, including customs declarations and cross-border wire transfers.

03

Operational Support



01

FIU Support for LEAs

Upon request, FIUs provide law enforcement with crucial financial intelligence; this includes tracing funds and identifying hidden assets.

02

Dissemination Strategies

FIUs disseminate intelligence spontaneously upon detecting significant criminal activity or upon request; this ensures timely delivery of vital info.

03

Proactive Role

FIUs proactively identify potential criminal activities not under investigation, playing a key role in uncovering new threats.

04

Pre-investigative Support

FIUs analyze Suspicious Transaction Reports (STRs), identifying criminal patterns before formal investigations, significantly enhancing early detection.

Analyzing Financial Data

01

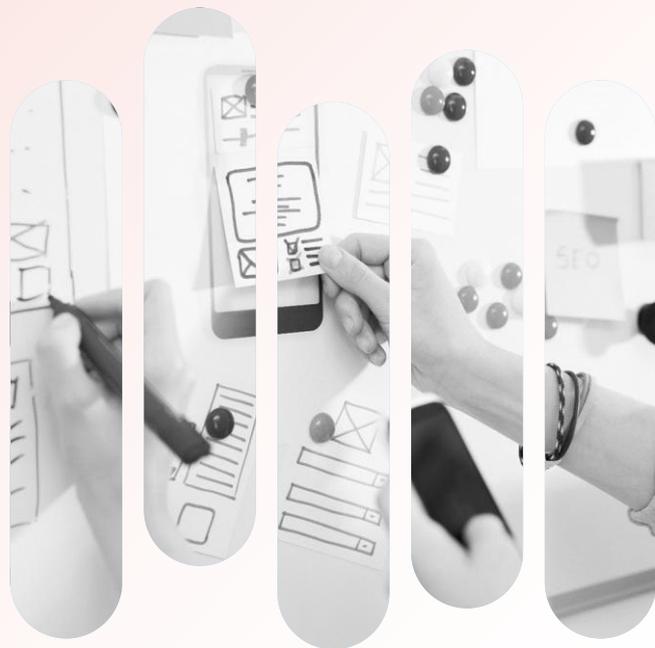
Data Mining and Analysis Techniques

FIUs employ advanced data mining and analysis techniques to identify patterns, anomalies, using statistical analysis and AI.

02

Identifying Suspicious Activities

Analysis helps uncover suspicious activities that may indicate money laundering or terrorist financing; effective analysis requires a multi-faceted approach.



Disseminating Intelligence

1

Sharing Information with Law Enforcement

FIUs share analyzed intelligence with law enforcement agencies to support investigations and prosecutions; timely dissemination of intelligence helps law enforcement act quickly.

2

Providing Feedback to Reporting Entities

FIUs provide feedback to financial institutions and other reporting entities to improve the quality of reporting; this feedback loop enhances the effectiveness of the AML/CFT framework.

3

International Cooperation

FIUs exchange information and collaborate with their counterparts in other countries to address cross-border financial crimes.

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Enhancing Cooperation: Domestic and International

Domestic Cooperation



Information Sharing

Information-sharing protocols between FIUs, law enforcement, prosecutors, and regulatory bodies are crucial; build a comprehensive defense.



Feedback Loops

Establishing feedback loops between FIUs and law enforcement helps refine intelligence gathering and improves investigative outcomes for all.



Joint Task Forces

Joint task forces and interagency platforms enhance collaboration and synergy in combating complex financial crimes; this is quite effective.



Legal Frameworks

Clearly defined legal frameworks are essential for enabling and regulating cooperation between domestic agencies, ensuring effective collaboration.

International Cooperation

01 Information Exchange Agreements

FIUs enter into agreements with their counterparts in other countries to facilitate the exchange of financial intelligence; legal frameworks are essential for effective information exchange.

02 Joint Investigations

FIUs participate in joint investigations with other countries to address complex, cross-border financial crime cases; collaboration enhances the chances of success in investigations.

03 Capacity Building

Developed FIUs assist less developed countries in building their capacity to combat financial crime; capacity building includes training and technical assistance.

The Financial Action Task Force (FATF)



The Role of FIUs in Meeting FATF Standards

FIUs are essential for countries to meet FATF standards by effectively collecting, analyzing and disseminating financial intelligence; compliance with FATF standards is vital.



What is FATF?

FATF is an inter-governmental body that sets international standards to combat money laundering, terrorist financing, playing a crucial role in shaping global AML/CFT policies.



FATF Recommendations

FATF recommendations provide a comprehensive framework for countries to establish effective AML/CFT systems; these recommendations cover legislation, financial regulation, and international cooperation.

FIU's Role in the Egmont Group and FATF

01

Influence on International Standards

Active involvement in working groups, projects, and initiatives contributes to the development of best practices; by shaping these standards, FIUs enhance global efforts.

02

Participation in the Egmont Group

Promoting the establishment and strengthening of FIUs in other countries helps build global capacity; this fosters a coordinated response to financial crime.

03

Promoting Global Cooperation

Supporting capacity-building efforts enhances international cooperation and effectiveness; training and knowledge-sharing raise standards worldwide.

Challenges in International Cooperation

01

Legal and Regulatory Differences

Different legal and regulatory frameworks across countries can pose challenges to international cooperation due to confidentiality concerns; overcoming these challenges are essential.

02

Data Privacy Concerns

Data privacy regulations can restrict the sharing of information between FIUs; balancing the need for information sharing with the protection of personal data requires careful consideration.

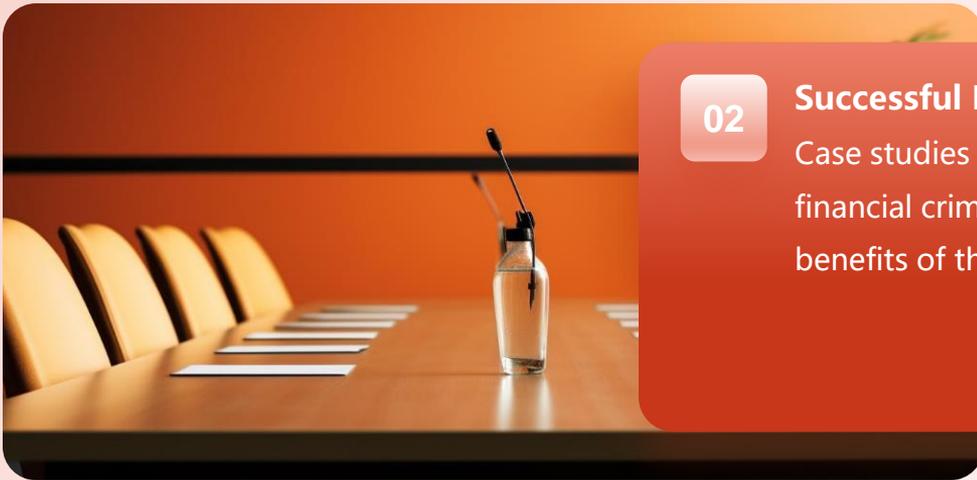
The Future of FIUs

Types of Crimes FIUs Combat

01

Impact on Financial Crime

Examples of cases where FIU intelligence led to significant arrests, asset seizures, and convictions demonstrate effectiveness; thus, showcasing successes is crucial.



02

Successful Investigations

Case studies highlight how FIUs disrupt and prevent financial crime; these examples illustrate the tangible benefits of their work.

Overcoming Legal and Regulatory Hurdles



Differing legal frameworks

Differing legal frameworks across jurisdictions can hinder international cooperation; The harmonization of regulations is a key goal.

Adapting to Change



Continuous Training and Skill Development

FIU staff need continuous training and skill development to stay ahead of emerging threats; training programs keep the FIU workforce proficient.



Enhanced Collaboration

Enhanced collaboration among FIUs, law enforcement, the private sector is critical; improved collaboration facilitates more effective detection and prevention efforts.



Regulatory Reforms

Regulatory reforms are needed to address gaps and loopholes in AML/CFT frameworks; reforms should be flexible and adaptive.

""

Technological Advancements

01

Big Data Analytics

Big data analytics enable FIUs to process and analyze vast amounts of financial data from various sources.

02

Artificial Intelligence (AI)

AI can enhance FIU analysis capabilities by automating the detection of suspicious activities; algorithms can efficiently process vast amounts of data.

03

Blockchain Technology

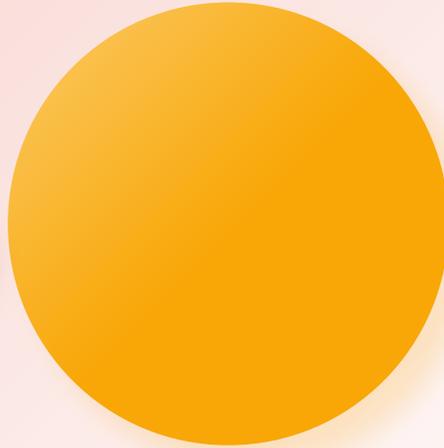
Blockchain technology has the potential to transform the way financial information is shared and analyzed, improving transparency and security.

Money Laundering

Case Studies of Money Laundering Schemes

Real-world examples illustrate how launderers attempt to conceal the origins of illicit funds; Raising awareness and improving detection methods help to combat it.

01



Placement, Layering, and Integration

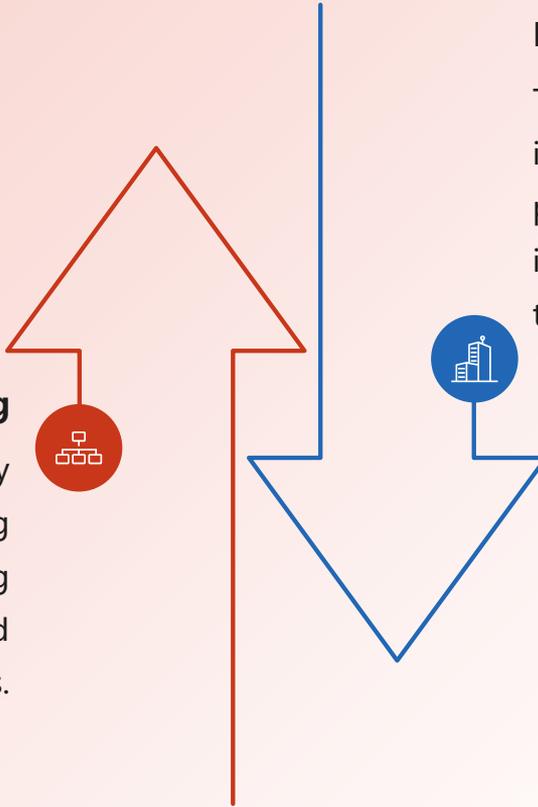
Understanding the stages of money laundering is crucial for effective investigation; This knowledge helps trace illicit funds through complex financial transactions.

02

Terrorist Financing

Distinguishing from Money Laundering

Terrorist financing differs from money laundering in its purpose, often involving smaller amounts but with devastating consequences; It is critical to understand these differences.



Methods of Terrorist Financing

Terrorist groups use various methods, including cash smuggling and exploiting non-profit organizations; This knowledge aids FIUs in disrupting funding networks supporting terrorism.

Other Financial Crimes

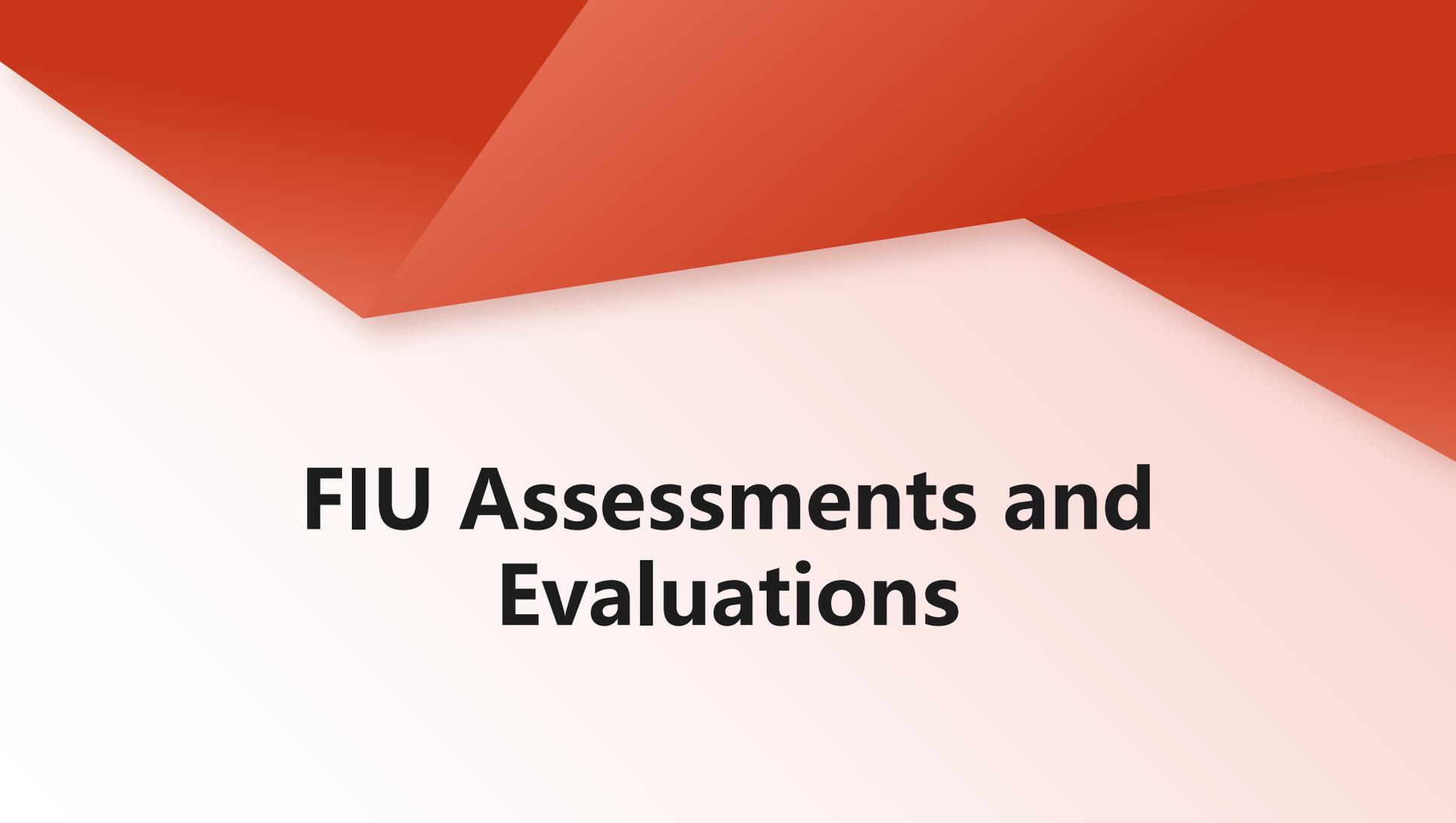
Fraud, Corruption, and Tax Evasion

FIUs also investigate other financial crimes such as fraud, corruption, and tax evasion, as they often intersect with money laundering; This comprehensive approach combats a wider range of illicit activities.



The Role of FIU in Asset Recovery

FIUs play a crucial role in identifying and recovering assets derived from criminal activities; Asset recovery deprives criminals of their ill-gotten gains, which is critical to stopping crime.

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FIU Assessments and Evaluations

FATF Mutual Evaluations



Areas for Improvement

Enhancing data analysis capabilities, strengthening legal frameworks, and improving inter-agency coordination is necessary; addressing these areas boosts effectiveness.



Peer Reviews

Peer reviews assess compliance with FATF Recommendations, identifying strengths and weaknesses in national AML/CFT frameworks; this ensures accountability.



Key Findings and Trends

Common challenges include inadequate resources, limited independence, and insufficient cooperation; pinpointing these issues is essential for improvement.

Mutual Evaluation Mechanisms

01

Compliance and Recommendations

Implementing recommendations improves AML/CFT effectiveness and addresses identified deficiencies; this ensures ongoing improvement.

02

Regional Evaluation Processes

Similar evaluation processes conducted by regional bodies promote consistency and harmonization of standards; standardized evaluations enhance global cooperation.

03

Best Practices and Innovations

Examples of countries that have implemented innovative approaches to strengthen their FIUs help; sharing knowledge and experience is vital for progress.



Future Trends and Challenges

Emerging Technologies and Threats

01

Cybercrime

Addressing the growing threat of cyber-enabled financial crime requires enhanced cybersecurity measures; collaboration with cybersecurity agencies is essential.

02

Virtual Currencies and Cryptocurrencies

Identifying and mitigating the risks associated with virtual currencies requires regulating cryptocurrency exchanges; monitoring transactions is vital.

03

New Payment Methods

Monitoring new payment methods, understanding associated risks, and adapting regulatory frameworks is necessary; staying ahead of innovation is crucial.

Enhancing FIU Capabilities

01 Adapting to Change

Remaining agile and responsive to emerging threats requires embracing innovation and technology; flexibility is key to future success.

02 Strengthening Cooperation

Enhancing collaboration with law enforcement, regulators, and other stakeholders promotes international cooperation; a united front is essential to combating financial crime.

03 Ensuring Effectiveness

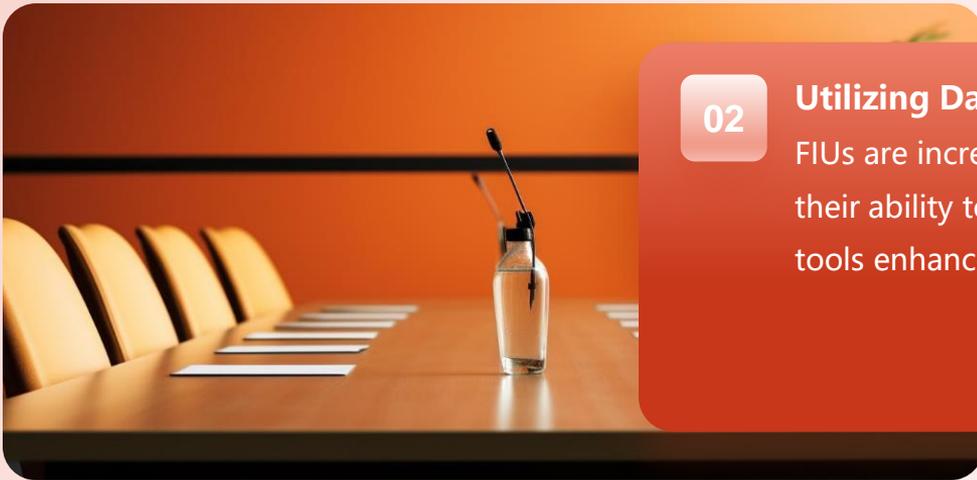
Measuring the impact of FIUs and continuously improving performance contributes to a safer financial system; continuous improvement and adaption are necessary.

Technological Advancements

01

Keeping Pace with New Technologies

Criminals exploit advancements in technology, such as cryptocurrencies; FIUs need to stay ahead of the curve through continuous learning and adaptation.



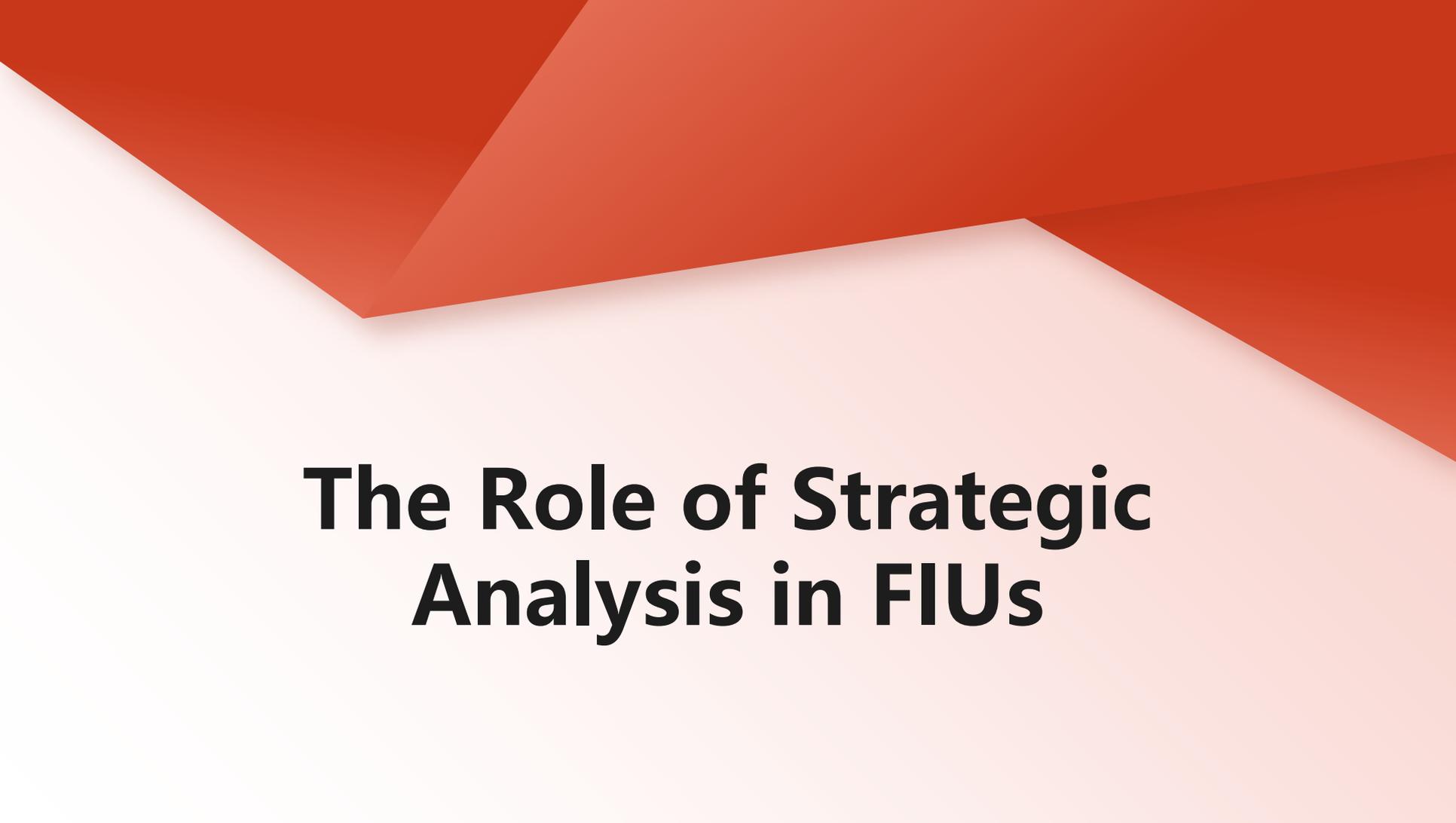
02

Utilizing Data Analytics and AI

FIUs are increasingly employing data analytics to improve their ability to detect and analyze financial crime; These tools enhance efficiency and accuracy.

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FIU Strategic Analysis: Exploring Functions & Impact



The Role of Strategic Analysis in FIUs

Defining Strategic Analysis

01

Overview of Strategic Analysis

Strategic analysis involves examining trends, patterns, and emerging threats in financial crime to inform policy decisions and resource allocation. It is forward-looking and proactive.

02

Key Objectives

The main objectives include identifying high-risk areas, assessing the effectiveness of current measures, and developing strategies to improve the FIU's overall performance. This ensures resources are used effectively.

Restricted Use - À usage restreint

03

Integration with Operations

Strategic analysis complements operational analysis by providing broader context and insights, enabling more targeted and effective investigations. This synergy enhances the FIU's overall effectiveness.

Functions of Strategic Analysis Units



Policy Development

Contributing to the development of policies and regulations to strengthen the legal and regulatory framework for combating financial crime. This ensures the FIU remains effective and compliant.



Risk Assessment

Conducting national risk assessments to identify vulnerabilities in the financial system and prioritize areas for intervention. These assessments help allocate resources to the most critical areas.



Trend Analysis

Identifying and analyzing emerging trends in money laundering, terrorist financing, and other financial crimes. This includes monitoring changes in methods, techniques, and geographical locations.

The Strategic Analysis Process

01

Data Collection

Gathering data from various sources, including Suspicious Transaction Reports (STRs), law enforcement databases, and open-source intelligence. Ensures a comprehensive understanding of the landscape.

02

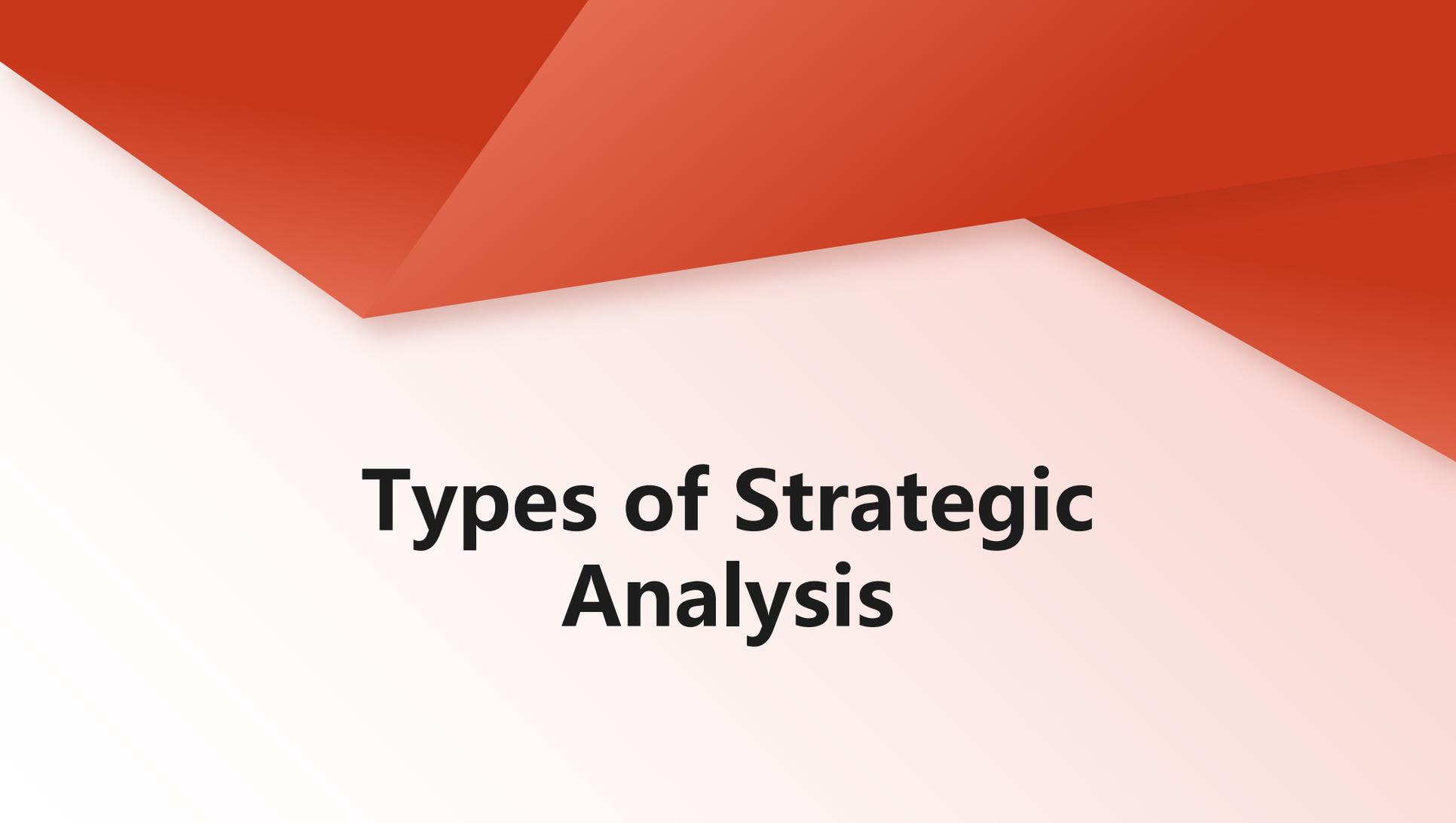
Analysis and Interpretation

Analyzing collected data to identify patterns, anomalies, and emerging threats. This involves using statistical tools, data mining techniques, and expert judgment.

03

Reporting and Dissemination

Preparing reports and disseminating findings to relevant stakeholders, including policymakers, law enforcement agencies, and financial institutions. This ensures that insights are acted upon.



Types of Strategic Analysis

Environmental Scanning

01

Monitoring External Factors

Identifying and monitoring external factors that may impact financial crime trends, such as economic conditions, technological advancements, and geopolitical events. This helps anticipate future challenges.

02

Identifying Opportunities

Exploring opportunities to enhance the FIU's capabilities and effectiveness, such as adopting new technologies or strengthening international partnerships. This ensures continuous improvement.

03

Staying Informed

Staying abreast of changes in the legal and regulatory landscape, both domestically and internationally, to ensure compliance and identify emerging threats. This proactive approach is essential.

Comparative Analysis

1

Benchmarking

Comparing the FIU's performance against that of other FIUs to identify best practices and areas for improvement. This involves analyzing metrics such as STR filing rates and case resolution times.

2

Learning from Others

Learning from the experiences of other countries in combating financial crime, including their successes and challenges. Encourages the adoption of effective strategies.

3

Improving Performance

Using comparative analysis to drive improvements in the FIU's operations and strategic planning. Facilitates data-driven decision-making and resource allocation.

Predictive Analysis

Forecasting Trends

Using statistical models and machine learning techniques to forecast future trends in financial crime. This allows for proactive intervention.

Identifying Vulnerabilities

Identifying potential vulnerabilities in the financial system that could be exploited by criminals. This helps in developing preventive measures.

Enhancing Proactivity

Enhancing the FIU's ability to proactively address emerging threats and prevent financial crime before it occurs. A crucial element of effective strategic analysis.

01

02

03



Key Performance Indicators (KPIs) for Strategic Analysis

Measuring Success

Importance of KPIs

KPIs provide a framework for assessing the effectiveness of strategic analysis and tracking progress towards achieving strategic goals. They ensure accountability and focus.

01

Alignment with Objectives

KPIs should be aligned with the FIU's strategic objectives and reflect the priorities of the organization. This ensures that analysis supports the wider mission.

02

Continuous Monitoring

Regularly monitoring and reporting on KPIs to identify areas where improvements are needed. Facilitates data-driven decision-making.

03

Examples of KPIs

01

Number of Strategic Assessments

Number of strategic assessments conducted on various financial crime threats.
Measures the analytical output.

02

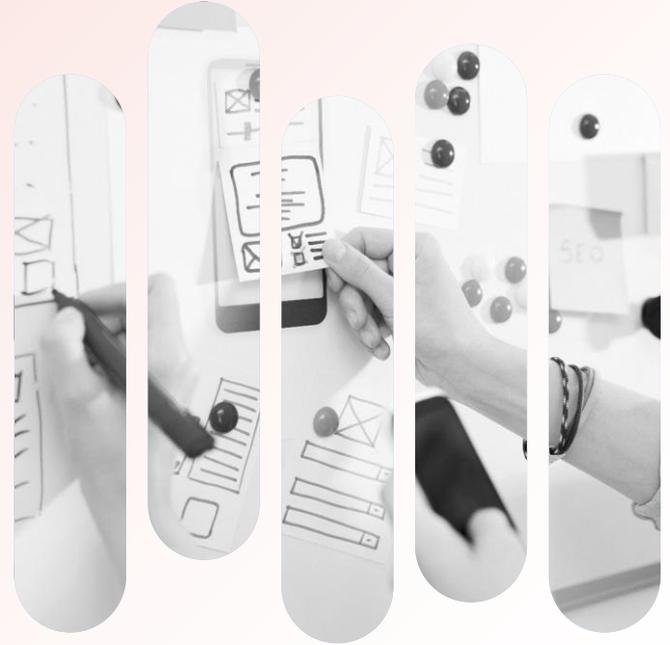
Impact on Policy

The impact of strategic analysis on policy development and regulatory changes.
Demonstrates influence on wider strategies.

03

Stakeholder Satisfaction

Stakeholder satisfaction with the quality and relevance of strategic intelligence.
Reflects the usefulness and value delivered.



Utilizing KPIs for Improvement

01 Data-Driven Decisions

Using KPIs to inform decision-making and resource allocation, ensuring that efforts are focused on the most impactful activities. Encourages evidence-based strategy.

02 Identifying Weaknesses

Identifying weaknesses in the strategic analysis process by analyzing KPI trends and performance. Helps identify areas needing improvement.

03 Continuous Improvement

Continuously improving strategic analysis based on KPI results and feedback from stakeholders. Fosters a culture of innovation and excellence.



Challenges and Opportunities in Strategic Analysis

Data Challenges



Data Privacy

Addressing data privacy concerns and ensuring compliance with data protection regulations. Protects sensitive information.



Data Quality

Ensuring the quality, accuracy, and completeness of data used in strategic analysis. High quality data is essential for reliable insights.



Data Integration

Integrating data from multiple sources to create a comprehensive view of financial crime trends. Overcomes data silos.

Resource Constraints



Technology

Adopting new technologies and analytical tools to enhance the efficiency and effectiveness of strategic analysis. Keeps analysis up-to-date.



Funding

Securing adequate funding to support strategic analysis activities, including technology and training. Investment in analysis is essential.



Staffing

Addressing staffing shortages and ensuring that strategic analysis units have sufficient expertise and resources. Skilled analysts are vital.

Emerging Opportunities

Artificial Intelligence

Leveraging artificial intelligence and machine learning to automate data analysis and identify patterns that would be difficult for humans to detect. Enhances analytical capabilities.

01

Collaboration

Strengthening collaboration with other agencies and organizations to share information and expertise. Improves overall effectiveness.

02

Public-Private Partnerships

Developing public-private partnerships to leverage the expertise and resources of the private sector in combating financial crime. Encourages innovation and efficiency.

03



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Egmont Group Cooperation Mechanism: Operation, Communication, and Differentiation

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Introduction to the Egmont Group

Overview of the Egmont Group



Core Activities

The Group facilitates intelligence sharing, provides training and technical assistance, and promotes the implementation of best practices among its member FIUs; These activities enhance global efforts to trace illicit funds.



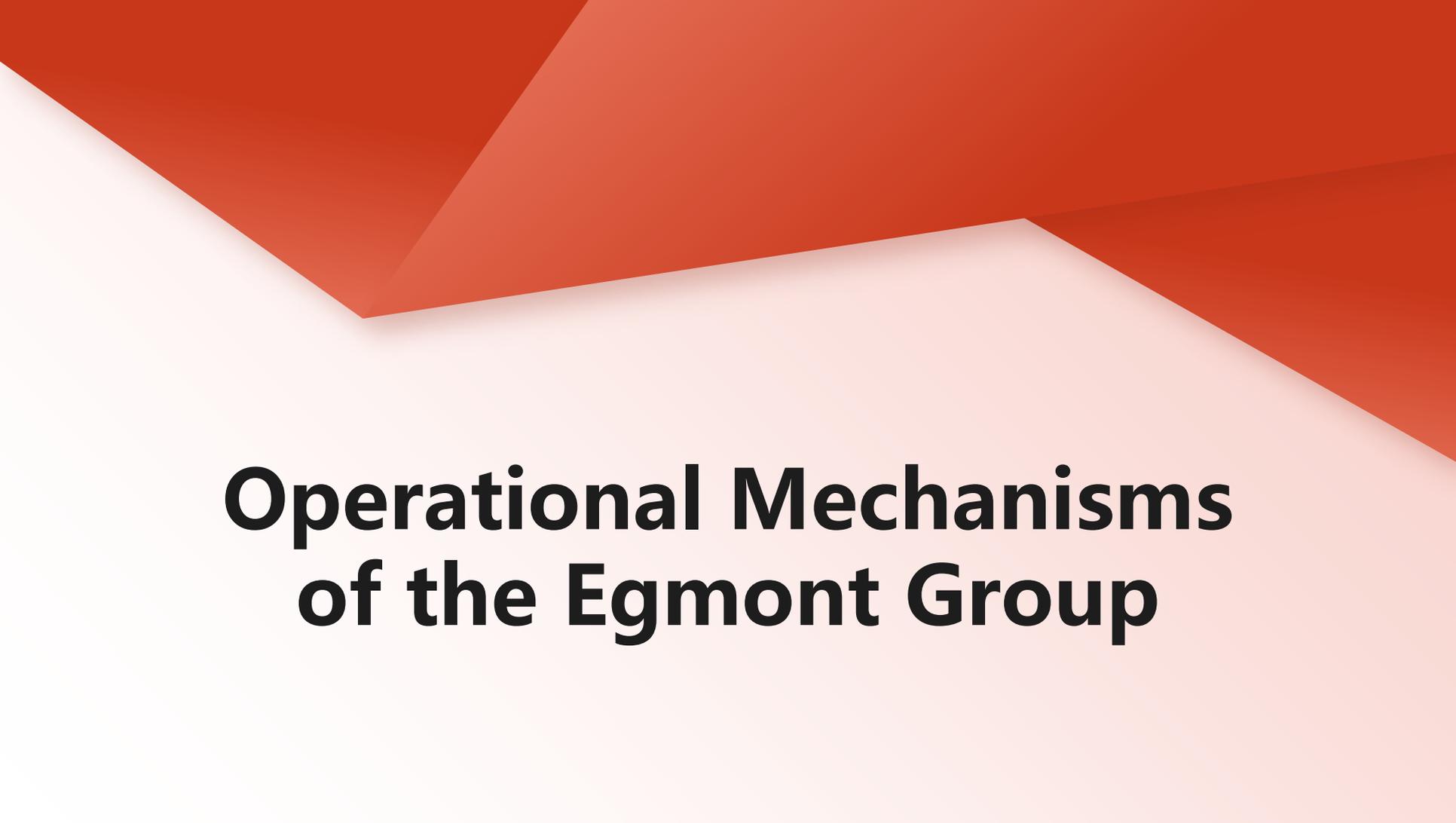
Membership Structure

Comprising over 160 FIUs worldwide, membership requires adherence to the Egmont Group's principles and a commitment to international standards in anti-money laundering (AML) and counter-terrorist financing (CTF).



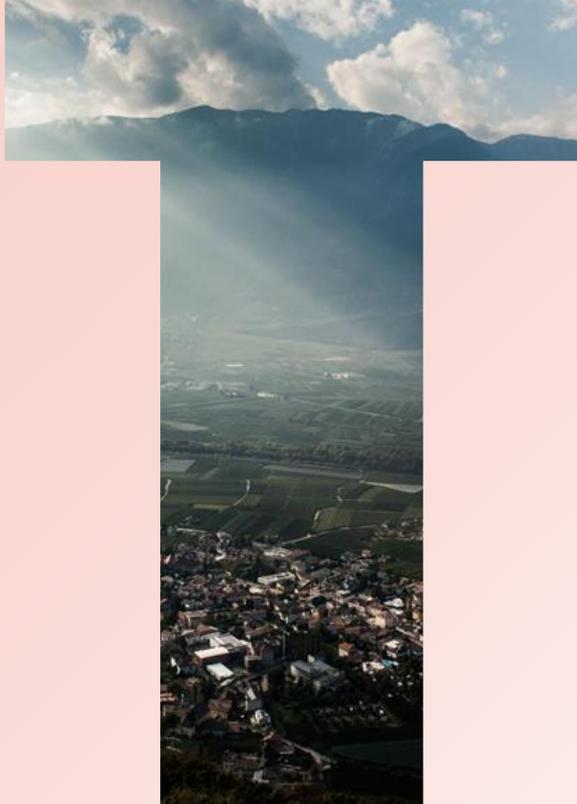
Establishment and Purpose

Founded in 1995, the Egmont Group fosters international cooperation among Financial Intelligence Units (FIUs) to combat money laundering and terrorism financing; It serves as a platform for secure information exchange and expertise sharing.



Operational Mechanisms of the Egmont Group

Information Exchange



Secure Communication Channels

The Egmont Group utilizes secure channels like the Egmont Secure Web (ESW) for FIUs to exchange sensitive information efficiently and confidentially; This ensures rapid dissemination of critical financial intelligence.



Types of Information Shared

Information shared includes Suspicious Transaction Reports (STRs), intelligence on individuals and entities involved in illicit activities, and analytical reports to support investigations.



Protocols and Guidelines

Structured protocols and guidelines ensure that information exchange adheres to legal standards and privacy protections, promoting responsible intelligence sharing among member FIUs.

Working Groups and Committees

01 Role of Working Groups

Specialized working groups focus on specific AML/CTF issues, such as virtual assets, corruption, and trade-based money laundering; They develop best practices and guidance.

02 Committee Structure

Committees oversee the Egmont Group's strategic direction, membership, and operational effectiveness; They ensure the Group remains responsive to emerging threats.

03 Impact on Policy Development

Working groups and committees contribute to the development of international AML/CTF policies and standards, enhancing the global fight against financial crime.

Training and Capacity Building

Training Programs

The Egmont Group provides training programs to enhance the skills and knowledge of FIU personnel, covering topics such as financial analysis, investigation techniques, and international cooperation; These efforts strengthen FIU capabilities.

01

Technical Assistance

Technical assistance is offered to FIUs to improve their operational infrastructure, technology, and legal frameworks; This support helps FIUs effectively combat complex financial crimes.

02

Knowledge Sharing

The Group facilitates knowledge sharing through conferences, workshops, and online platforms, fostering collaboration and the exchange of best practices among member FIUs worldwide.

03

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Communication Channels within the Egmont Group

The Egmont Secure Web (ESW)

Functionality of the ESW

The ESW allows FIUs to securely exchange information, request assistance, and collaborate on investigations; It is a critical tool for rapid intelligence sharing.

01

Security Features

Advanced encryption and authentication mechanisms protect sensitive information from unauthorized access, ensuring the confidentiality of shared intelligence.

02

Importance in Immediate Response

The ESW enables FIUs to respond swiftly to emerging threats, facilitating coordinated action against money laundering and terrorism financing.

03

Egmont Group vs. FATF

Mandates and Functions



01

Egmont Group Focus

The Egmont Group focuses on enhancing cooperation and intelligence sharing among FIUs, promoting the operational effectiveness of these units in combating financial crime.



02

FATF's Role

The Financial Action Task Force (FATF) sets international standards and policies to combat money laundering, terrorist financing, and the proliferation of weapons of mass destruction; It assesses countries' compliance with these standards.



03

Complementary Roles

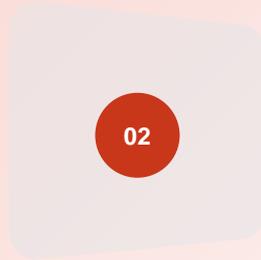
While the Egmont Group enhances FIU cooperation, the FATF ensures countries implement effective legal and regulatory frameworks, creating a comprehensive global AML/CTF regime.

Membership



Egmont Group Members

The Egmont Group consists of individual FIUs from member countries, providing a network for direct collaboration and information exchange.



FATF Members

FATF members are countries or jurisdictions committed to implementing its standards, assessed through mutual evaluations to ensure compliance.



Overlapping Membership

Many countries are members of both the Egmont Group and the FATF, fostering a holistic approach to combating financial crime at both the operational and policy levels.

Egmont Group vs. MOUs

Nature of MOUs

01

Bilateral Agreements

Memoranda of Understanding (MOUs) are bilateral agreements between FIUs, outlining the terms for information exchange and cooperation on specific cases.

02

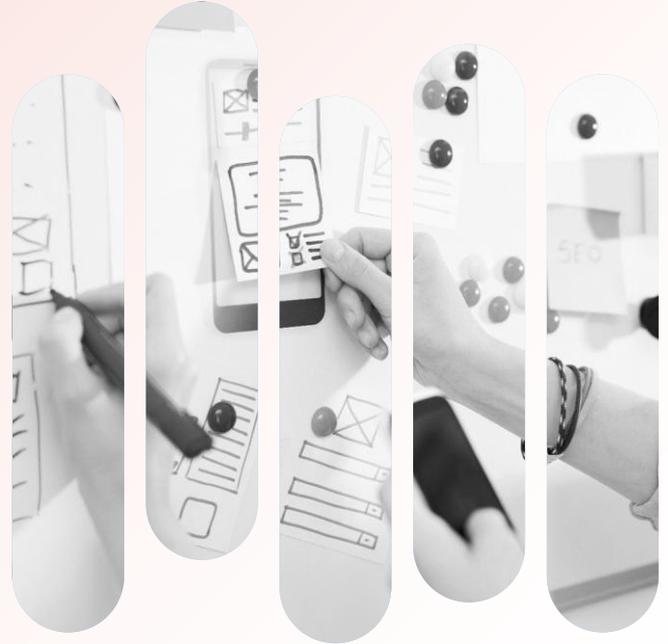
Scope of Cooperation

MOUs define the scope of cooperation, including the types of information to be shared, the procedures for making requests, and the safeguards to protect confidentiality.

03

Limitations

MOUs are limited to the parties involved, whereas the Egmont Group provides a multilateral framework for cooperation among all member FIUs.



Egmont Group as a Multilateral Framework



Flexibility and Adaptability

The Egmont Group adapts to emerging threats and technologies, updating its guidelines and providing training to ensure FIUs remain at the forefront of the fight against financial crime.



Standardized Guidelines

The Egmont Group provides standardized guidelines and protocols for information exchange, ensuring consistency and efficiency across its membership.



Broad Network

The Group offers a broad network for cooperation, enabling FIUs to collaborate with numerous counterparts worldwide, enhancing the scope and effectiveness of their investigations.

Combined Approach

01

Strategic Use of MOUs

FIUs strategically use MOUs to enhance cooperation with specific counterparts, while leveraging the Egmont Group framework for broader collaboration and intelligence sharing.

02

Egmont Group Support

The Egmont Group encourages and supports the establishment of MOUs between FIUs, promoting a comprehensive approach to international cooperation.

Restricted Use - À usage restreint

03

Enhanced Effectiveness

By combining MOUs with the Egmont Group's multilateral framework, FIUs maximize their effectiveness in combating money laundering, terrorism financing, and other financial crimes.

Case studies

Case 1 – Corruption

- ✓ On 16/10/2022, QFIU received an information request from our LEA's regarding individual (X).
- ✓ The individual was suspected of being corrupt and exploiting his position at a public office . QFIU was requested to conduct a financial analysis on the suspect.
- ✓ In the course of its analysis, QFIU verified and confirmed the following transactions:
- ✓ It was clear that the subject was using cash to conduct his transactions due to the fact that the total amount of deposits using (ATM & Branch) from 2018-2022 was (112,858,567) QAR's + (11,560,350) in cheques.
- ✓ It was noticed that after the deposits were conducted, the subject transferred the funds to multiple jurisdictions.
- ✓ Moreover, it was noticed that the subject was using his (9) children's accounts to deposit and move the funds. Total balance of the accounts was (90,045,672) QAR's.
- ✓ Total amount of funds deposited using ATM/Branch in his personal accounts + children's account's was (162,709,537) QAR.
- ✓ The subject then used funds to purchase vehicles, real estates, stocks, special number plates.
- ✓ A task force was formed and further field operations confirmed that the subject has embezzled around (240,870,362) QAR in total.
- ✓ On 24/01/2024 a verdict was reached sentencing the subject to 10 years of imprisonment with a fine of (240,870,362) QAR + 10 years of imprisonment with a fine of (481,740,724) QAR. Total of 20 years of imprisonment with a fine of (722,611,086) QAR

Case 2 – Embezzlement + Foreign Counterpart + Freezing + Repatriation

- ✓ On 28/6/2021, QFIU received an information request from our LEA's regarding two individuals from Country "X". The suspects were suspected of embezzling funds belonging to their employer in Qatar, Company "A". The suspects transferred funds from the company's account to their bank account in Qatar, and after that to their home country, Country X.
- ✓ In the course of its analysis using SAS, QFIU verified and confirmed the following transactions:
 - On 20/6/2021, Suspect "1" transferred QAR 925,230 from Company A's account to his personal bank account in Qatar.
 - On 21/6/2021, Suspect "1" also transferred QAR875, 000 QAR from Company A's account to his personal bank account in Qatar.
 - Suspect "1" converted the embezzled funds amounting to QAR XXXX to (USD 208,000). The amount was transferred to his personal account in Country "X".
 - On 21/6/2021, Suspect "2" transferred QAR 905,875 from the Company A's account to his personal bank account in Qatar, and was transferred to his personal account in Country "X".
- ✓ On 29/6/2021, QFIU contacted its counterpart through ESW in Country "X" by providing the details of the embezzlement case, and requested that necessary measures be taken to prevent the suspects from further disposing the embezzled funds.
- ✓ On 20/2/2022, QFIU received information through ESW from its counterpart in Country "X" that the Public Prosecutor has issued a freeze order on the suspect's bank accounts.
- ✓ This information was then sent to our competent authority , in which they requested to share the information with the Public Prosecution for a judicial order to be issued for the purposes of retrieval/repatriation of the embezzled funds.

Case 3 – Electronic Fraud

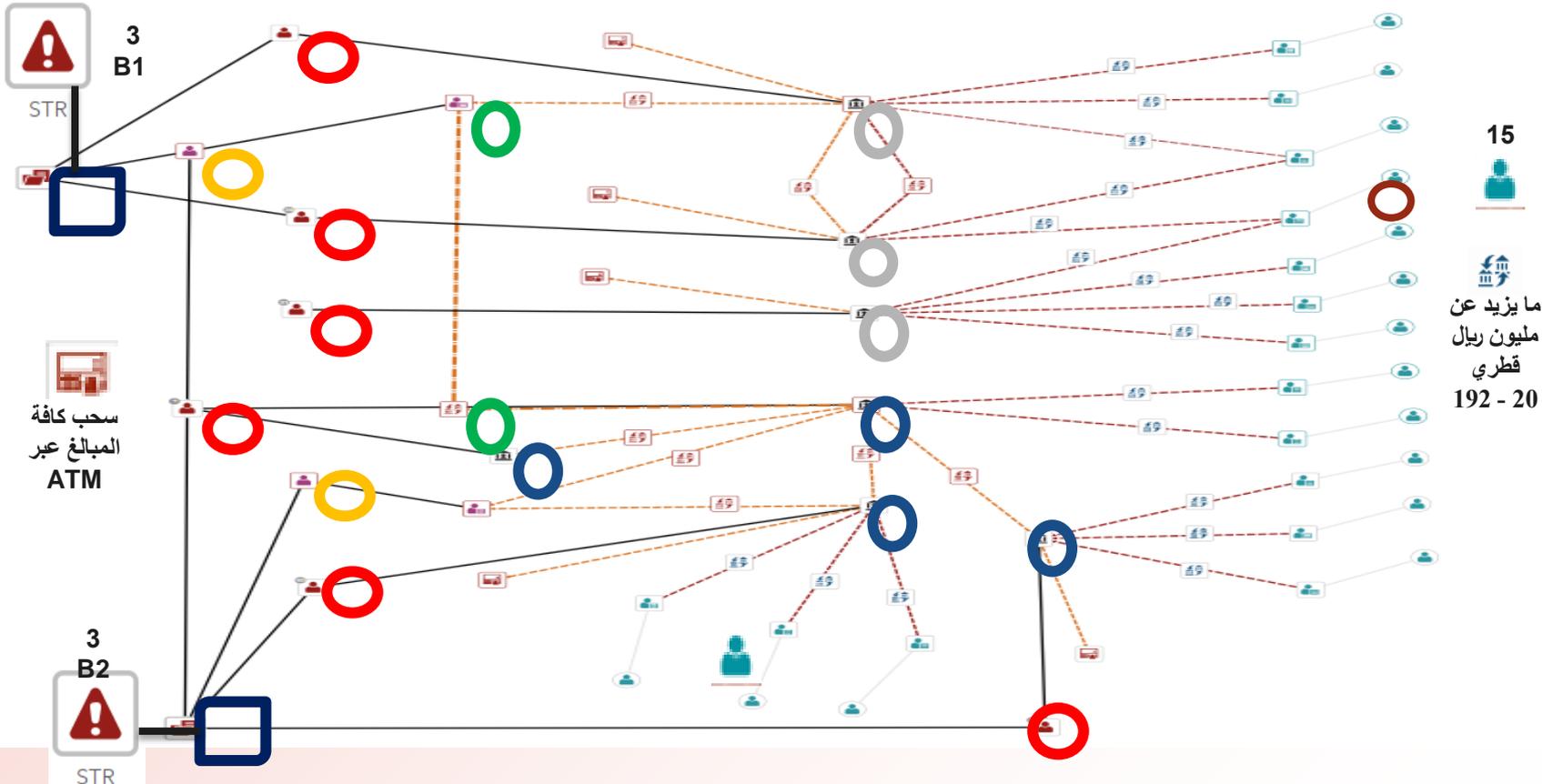
- ✓ On 18/6/2019, QFIU received an information request from our LEA's regarding five individual subjects A,B,C,D,E from different nationalities and two victims F,G.
- ✓ On 26/12/2018 an individual victim "F" raised a complaint to the requesting agency allegedly that he has been subjected to electronic fraud which was resulted to five transactions totaling (490,000) QR from his bank account in bank "A" to the subjects accounts as follows:
 1. The first transaction has been transferred to subject's "A" account in bank "X" totaling (196,000) QR
 2. A total amount of (294,000) QR has been transferred to subject's "D" account in bank "X".
 3. A part of the said amount which was stated in sentence 3 totaling (135,000) QR has been transferred to subject's "B" account in bank "X" and the remaining amount totaling (161,107) QR was held by the bank.
 4. It was noticed that the subject "D" whose account was credited with amount totaling (294,000) QR from the victim's "F" account was also a victim of the same fraud typology as she received an amount totaling (2,596) QR from subject "A's" account.
 5. Within the same aforementioned criminal typology it has been noticed that subject "C" was subjected to electronic fraud as a total amount of (35,000) QR was transferred from her account in bank "X" as an amount of (11,000) QR was transferred to subject "A" account in bank "X" and the remaining amount (24,000) QR was sent to a legal entity's account.
 6. Although, victim "B" was subjected to the similar criminal typology as an amount of (4,600) QR has been sent from her account in bank "X" to subject's "E" account in bank "X" which was lately known that subject "A" has provided the fraudulent with subject's "E's" account details as she is a friend of her, put in mind that the account was freezed by the bank.
- ✓ The case was raised to the court and has been judged.

Case 4 – Corruption and Exploitation of Public Office

- ✓ On 21/11/2021, QFIU received an information request from our LEA's regarding individual (X) from Country (X) who was a resident in Qatar. The individual was suspected of being corrupt and exploiting his position at a public office .
- ✓ In the course of its analysis, QFIU verified and confirmed the following transactions:
 - The suspect held 1 bank account within Qatar.
 - The subject receives a monthly salary of (4,600) QAR.
 - Cash deposits (320,199) QAR
 - ATM Cash Withdrawals (368,450) QAR
 - The subject was also sending funds to his home country with a total of (428,346) QAR.
- ✓ According to the above-mentioned analysis it was clear that the subject account was not Aliant to his profile, as he was receiving funds from unknown sources. The analysis was sent to the requesting agency.
- ✓ On 15/12/2021, a follow up request from the same agency was sent to the FIU including (4) different individuals with the same nationality.
- ✓ QFIU found that one of the individuals had a high number of ATM cash withdrawals + multiple transfers to his home country compared to his salary which was (12,876) QAR.
- ✓ Another thing that was a red flag was that one of the subjects had a high amount of funds sent to his home country (127,904) QAR without having any source of income.
- ✓ The case was sentenced in court and the following verdict has been said:
 - Individual "X" was found guilty for committing the act of bribery and money laundering and was sentenced to (14) years in prison + violation of (2,343,000) QAR and after that he will be extradited out of the country

Successful case received through STR (Fraudulent transactions on the bank through Abusing POS machines- Then Laundering the funds and sending it abroad

- There are (3) Main parties to the scheme (Brothers) 1st party opened a shell company, the 2nd part was the recipient of funds abroad and the 3rd party was the manager of the company
- They opened different bank accounts in different banks for the purpose of obtaining Bank cards and layering the proceeds of fraud through the accounts
- After obtaining the cards the , cards were used on the POS for (fictious purchases)
- Important to note that the POS was obtained in 1 bank whereas the transactions were done from cards obtained from different banks so as a result the details of card owner will not be appearing on the transactions (just the card number)
- There was a Period of 24 hours for the transaction to be reflected on the bank account
- After the transaction is reflected , the amount is transferred within the other bank accounts opened by the company (same accounts used to obtain the cards) then transferred to the 2nd recipient abroad , then the company would claim that the user of the card requested a refund
- The bank conducts the refund as there are no funds in the company account as means of honoring the transaction on the POS (Visa and Mastercard's)
- Internal Cooperation was requested and county x responded with the information related to usage of funds
- Funds abroad was used by cash withdrawals and purchase of furniture and other items as it is in the integration period
- The legal basis for crime which was The STR raised, FIU report showcasing the modus operandi and flow of funds until it was transferred abroad.
- based on national LEA (national coordination) information that there was no physical business in the shop and there was an agreement between the customers and the company owners.



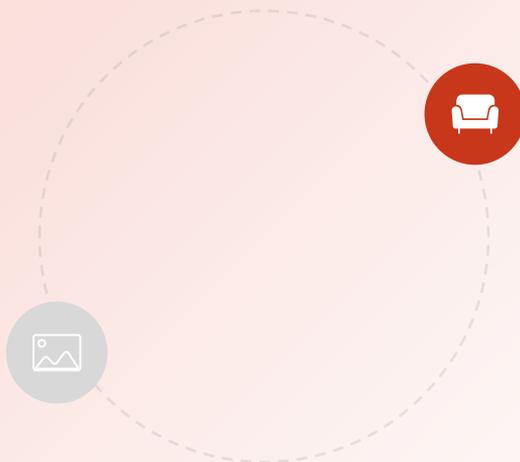
Conclusion

The Ongoing Importance of FIUs

Protecting Financial Systems

FIUs remain a critical component in protecting financial systems from abuse by criminals and terrorists; Their work is essential for maintaining economic stability because they investigate and prosecute monetary crimes.

01



02

Promoting Global Security

By combating financial crime, FIUs contribute to global security; Their efforts have far-reaching positive impacts.

Call to Action

Supporting FIU Initiatives

Governments, organizations, and individuals should support FIU initiatives to enhance their effectiveness and impact; Collective effort is key to success.



Strengthening AML/CFT Compliance

Strengthening compliance with AML/CFT regulations is crucial for preventing financial crime; Vigilance and ethical behavior are paramount.

Thank you

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