

**Developing a Training Mechanism in
the MENAFATF (Revised Version).**

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Given the importance of training as a key tool of raising awareness, increasing knowledge and improving performance of employees at different entities. It also assists these entities to fulfill their assigned roles and execute their tasks efficiently, particularly in the areas of Anti-Money Laundering/Combating Terrorist Financing (AML/CFT). As, this is attributed to the fact that risks and negative effects related to ML/TF, and the permanent reliance of money launderers and terrorism financiers on modern and advanced techniques, are two issues which necessitate continuous and concentrated training for workers in all relevant entities in the area of AML/CFT, in order to fulfill their roles effectively. In addition to that, these roles are full of difficulties and challenges which could be facilitated and overcome through training, as well.

The MENAFATF Secretariat has previously suggested a training guide in the area of AML/CFT to assist MENAFATF in developing its training mechanism, and to achieve the 6th goal of the 1st MENAFATF strategic plan covering the period from 2007 to 2009. This guide represents a reference for MENAFATF, when choosing issues of training courses or seminars organized by MENAFATF to member countries, from time to the other, for the aim of executing the ideal training, appropriate to enhance capabilities and improve the level of decision makers and those relevant in the area of AML/CFT.

The guide covers most of the relevant entities in the said area and presents the training aspects which might be needed by these entities to assist in fulfilling their roles in the area of AML/CFT, and the commitment of its requirements according to the international criteria and recommendations.

This guide was presented to the 5th TATWG meeting which was held on the margin of the 6th MENAFATF Plenary meeting held in Syria in November 2007. The TATWG meeting discussed the guide and asked to follow the suggested steps in order to make it ready for application. The first step was asking the Secretariat to circulate the guide to all member countries in order to disseminate it to their competent authorities for their comments and remarks. This step aimed to make the guide reflects the actual training needs of member countries. The TATWG recommended to the Plenary to ask member countries to ensure circulating this guide once they receive it to the competent authorities to review it. Then They should provide the Secretariat with their feedback and remarks regarding it. The Plenary approved that.

Based on that, the Secretariat circulated the said guide to all members on 28 November 2007 and asked them to circulate it to all competent authorities and provide the Secretariat with their remarks and comments before the end of January 2008 so these comments can be discussed at the TATWG.

The Secretariat has received a response from one country (Yemen). Based on this response the Secretariat has prepared a revised version that was presented to the 6th TATWG meeting that was held on the margin of the 7th MENAFATF plenary meeting. The TATWG stressed the importance of that guide and agreed on the

necessity of giving member countries enough time to study it and discuss the scopes of training therein in order to reflect the actual needs of all members. Based on that, the TATWG recommended postponing the presentation of the guidance to the Plenary in its current form, asking the Secretariat to approach member countries and give them a period of three months to react to the guidance and provide the Secretariat with their remarks. The countries that have no remarks should report that to the Secretariat. The final version should be submitted to the 8th MENAFATF plenary meeting. The Plenary approved that.

Accordingly, the Secretariat approached all members on 22 April 2008 asking them to circulate the Guide to the competent authorities and provide the Secretariat with any remarks and comments before the end of July 2008 in order for them to be discussed at the TATWG before presenting the Guide to the 8th MENAFATF plenary meeting expected to be held in the UAE in November 2008.

The Secretariat has received two responses from Qatar and Lebanon. Based on them, a new revised version of the Guide was prepared to be presented to the 7th TATWG meeting for discussion and to provide a recommendation to the 8th MENAFATF plenary meeting to adopt the final version of the guide to be ready for application according to the following mechanism:

- 1- The Secretariat, in coordination with TATWG, chooses some areas of training, mentioned in the sections of this guide, and which are of interest to all or most member countries. The Secretariat then arranges with countries and international and regional entities which might be able to provide assistance in holding training courses, seminars or workshops with regard to the issues defined.
- 2- Choosing lecturers who have practical experience in the AML/CFT area, in addition to training experience.
- 3- Fixing appropriate time and location, in agreement and coordination between the host country, the cooperating entities and lecturers, either alongside Plenary meetings or at any other appropriate times.
- 4- Receiving member countries nominations of participants.
- 5- Defining and designing the appropriate training material in participation and cooperation with lecturers, based on the purpose of the course or seminar, as well as the targeted participants. Lecturers should prepare training bags containing basic information, slides, and all the training material that trainee need.
- 6- Preparing the agenda including issues to be discussed or taught and appointing lecturer of each issue and the time of each session.
- 7- Distributing slides, training materials, agendas and the necessary information to participants reasonable period before the training (i.e. two weeks).

- 8- Holding the training course or seminar and receiving feedback from participants and lecturers, to utilize it in improving forthcoming courses or seminars.
- 9- Assessing the extent to which trainees have benefited from the training; this may be conducted via some indicators that show the degree of success made (if possible).
- 10- Develop an electronic database for all programs and training seminars containing all information about lecturers, participants, training materials, evaluation, etc.

Features of the Guide

The main features of this guide are as follows

1- Appropriateness:

The guide has been circulated on member countries to survey their opinion with regard to contents of the guide sections, get their suggestions and feedback and make the required amendments prior to its availability for application. That means this guide will be perfectly appropriate for the training needs of member countries.

2- Comprehension and Specialty:

This guide presents areas of specialized training for most relevant entities which have a key role in the area of AML/CFT. This has the advantage of focusing the specialized training for relevant entities.

3- Flexibility:

The guide, if applied, allows an adequate level of flexibility as areas of training in each section might be divided to more than one training course. MENAFATF might also choose some training areas suitable and appropriate for member countries requirements, or according to what goes with the circumstances, strategies and priorities of each member country, given that contents of each training course is appropriate to the course requirements, purpose, needs of its participants and variety of training material to cover theoretical and practical aspects.

4- Sections' Independence

The sections of this guide need not be applied in sequence. Part, or the whole, of these sections might be applied in parallel with or by choice, with no commitment to its order in the suggested guide.

Goals of the Guide

- 1) To assist MENAFATF in developing its training mechanism, as this guide is representing a reference to assist in choosing and identifying issues of training courses or seminars organized by MENAFATF for member countries, from time to the other. This assists MENAFATF in achieving the 6th goal of MENAFATF first strategic plan covering the period from 2007 to 2009.

- 2) To guide training for decision makers, officers and specialist, with different vocational levels, at different entities in the area of AML/CFT. This is to improve their level, raise awareness and to assist these entities to fulfill their various roles in an effective way.
- 3) To scale up the level of training and assist MENAFATF member countries in executing the ideal training appropriate in the area of AML/CFT
- 4) To utilize expertise of developed countries and international entities and organizations in the area of AML/CFT. In addition to working on developing and activating AML/CFT systems in member countries.
- 5) To exchange expertise among member countries by utilizing expertise of some of the countries and their specialized experts.

**Training Guide for the Most Important
Related Entities in AML/CFT field**

MENAFATF

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Introduction

This guide was designed by MENAFATF to train related entities in the field of AML/CFT in MENAFATF member countries. This aims to help MENAFATF in implementing the appropriate training for its member countries, and to help member countries in raising the capabilities of decision makers and officials of related entities in the field of AML/CFT.

AML/CFT related entities¹ in any given country are usually:

Ministries:

- Ministry of Finance;
- Ministry of Justice, including central authorities for international co-operation;
- Ministry of Interior;
- Ministry of Foreign Affairs;
- Ministry responsible for the law relating to supervising legal persons, legal arrangements and nonprofit organizations;
- Other bodies or committees to co-ordinate AML/CFT action.

B- Criminal justice and operational agencies:

- The FIU;
- Law enforcement agencies including police and other relevant investigative bodies;
- Prosecution authorities including specialized confiscation agencies;
- Customs service;
- Specialized drug agencies, intelligence or security services, tax authorities;
- Task forces or commissions on ML, FT or organized crime.

C- Financial sector bodies:

- Financial institutions.
- Ministries or agencies responsible for licensing, registering, and authorizing for financial institutions.
- Supervisors of financial institutions.
- The relevant financial sector associations.

D- Non Financial sector and other bodies:

- DNFBPs.
- Supervisors or other competent authorities or SRO responsible for monitoring AML/CFT compliance by DNFBPs.
- Registry for companies, other legal persons and legal arrangements (if applicable).
- Any other agencies or bodies that may be relevant;

¹ As mentioned in the FATF Handbook for Countries and Assessors.

Chapter I: Basic Training

Training objective:

- Increasing the awareness of all AML/CFT related entities and informing them about the ML/TF, their risks, negative impacts and stages.
- Identifying the international entities in the field of AML/CFT, a brief on the role of each of them, the most important international requirements and the most important roles of domestic entities in this field.
- Identifying some member countries` experiences in the field of AML/CFT.

Targeted audience:

- All vocational levels from related AML/CFT entities, as some training courses might be held to them. It is preferable to hold these courses periodically to cover as more employees at these entities.
- Public also could be targeted, to increase their awareness regarding ML/TF and their risks. In addition to improve their convection of the necessity of combating ML/TF. This via holding short seminars in clubs, social centers, associations, labor unions, political parts headquarters, permanent or temporary assemblies like book exhibitions, and educational institutions (especially high-level as universities and institutes). It is also possible to publish articles and distribute pamphlet in this regard or broadcasting suitable informative programs for raising the awareness. These should be brief and clarify some key points that may be confusing with more emphasis on the definition of ML/TF, their risks, and negative impacts.

Scope of training:

1- The Definition of ML/TF and the Relation between them.

- ML Definition.
- Illegal Source of Money (predicate offence).
- TF Definition and its different forms.
- The relation between ML and TF.

2- ML/TF Risks and their Negative Impacts.

- On the Economic Level.
- On the Banking sector Level.
- On the governmental Level.
- On the Political Level.

3- ML/TF Stages.

- The Placement Stage
- The Layering Stage
- The Integration Stage

4- The most important international entities in the field of AML/CFT and a brief on their roles.

- Basel Committee on Banking Supervision.
- United Nations.
- FATF.
- IMF/WB.
- FSRBs.
- Egmont Group.
- Other entities.

5- The main features of FATF recommendations.

- The 40 Recommendations on AML.
- The Special 9 Recommendations on CFT.

6- The key Requirements for AML/CFT according to the related UN Conventions and UNSCRs.

- The 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention), the 2000 UN Convention against Transnational Organized Crime (the Palermo Convention), the 2003 UN Convention against Corruption, and the 1999 UN Convention for the Suppression of the Financing of Terrorism (Terrorist Financing Convention).
- The UNSCR 1267 (1999), its following resolutions, and UNSCR 1373(2001).

7- Summary of the mechanisms for evaluating countries' level of compliance with international AML/CFT criteria and recommendations:

- To introduce the process of evaluating countries' level of compliance with international criteria and recommendations in the area of AML/CFT, and the importance of the said process.
- To introduce the AML/CFT methodology
- The mechanism of FATF and FSRBs
- The international financial institutions mechanism (IMF and WB)

8- National efforts related to AML/CFT

- The main features of AML/CFT legislative framework and measures taken by the country in this field.
- Overview of the roles of local competent authorities (Financial institutions, DNFBPs, supervisory authorities, LEAs, FIUs, prosecution authorities and judiciary, customs authorities; and other relevant agencies).

Chapter II : Specialized Training for Authorities Responsible for Legislation Drafting and Approval

Training objective:

To increase knowledge of international criteria and recommendations concerning AML/CFT, carried by authorities responsible for drafting and approving new legislations or amending those existing ones (either primary or secondary legislations), and improve the authorities capability to comply with these criteria and recommendations, in addition to what should domestic legislations include for this purpose.

Targeted audience:

Legal competent employees, on different vocational levels, of the authorities responsible for drafting legislations, authorities responsible for approving legislations, in addition to member of parliaments or officers in. Several training courses or seminars might be held to acknowledge officers in these entities of the legal aspects which should be covered by primary and secondary legislations in compliance with the requirements of AML/CFT. A seminar or a workshop might be held for members of parliament prior to one of the parliament's sessions.

Scope of training

1- Scope of ML offence

- Criminalization of money laundry and its requirements in light of the 40 FATF recommendations on anti- money laundering, the 1998 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention) and the 2000 UN Convention against Transnational Organized Crime (Palermo Convention)
- Different methodologies in defining predicate offences of money laundering offence, and what must be considered in this regard according to international requirements and criteria
- The mental element of money laundry crime
- The legal person's liability
- Signing effective and dissuasive prosecutions for money laundry crime

2- Scope of TF offence

- Criminalization of financing terrorism and its requirement according to 9 FATF special recommendations on combating financing terrorism. The 1999 UN convention to combat financing terrorism

3- The related Security Council resolutions

- UNSCR 1267 (1999), its following resolution 1333 (2000), UNSCR 1363 (2001), UNSCR 1390 (2002), UNSCR 1455 (2003), UNSCR 1526 (2004), UNSCR 1373 (2001)

4- Sanctions and provisional measures:

- Freezing
- Seizure
- Confiscation

5- Other requirements in AML/CFT:

- Local cooperation and coordination among different entities
- International cooperation with foreign counterparts, mutual legal assistance and extradition
- Declaration requirement of cross borders foreign currency movements
- monitoring local and domestic transfers
- monitoring non-profit organizations

Chapter III: Specialized Training for Prosecution Authorities and the Judiciary

Training objective:

To educate prosecution officers (such as public prosecution, and specialized prosecution as public fund prosecution and others) and judicial agencies and authorities (specially Judges), and to raise their awareness and convictions, in relation to ML/TF risks, related predicate offenses and way to prove their commission, ML/TF techniques, and the key domestic authorities in the AML/CFT regime and their roles, the international law in the AML/CFT field, types of evidence and proving methods, witness subpoenaing, consulting experts, and defense mechanism in ML/TF cases. This is to assist those entities to undertake their roles in AML/CFT and commit to its requirements in light of the international criteria and recommendations.

Targeted audience:

All vocational levels of prosecution departments' officers, different prosecution authorities, judges of all levels of courts provided that the content of training programs should suit the participants' level and needs.

Scope of training:

1. Basic information

- Key domestic authorities in relation to AML/CFT and description of roles of each one of them
- The international law and related UN conventions or relevant UN SCRs or lists in relation to AML/CTF

2. ML/TF methods and techniques

3. The predicate offense proving stage, and its relation to ML.

4. Consulting specialized experts

- Identifying information needed to be obtained
- Entities of which experts can be summoned
- Summoning procedures
- Relation between Judicial Seizure Officers and Public Prosecution at the evidence gathering stage; procedures to be fulfilled at that stage

5. Relevant legal procedures

- Methods and procedures of ML/TF investigations.
- Developing the capacity of Public Prosecution members and judges at the stages of preliminary and final investigation.
- Types of evidence and their obtainment
- Proving and prosecution methods in relation to ML and predicate offenses
- The issuance of seizure, freezing, and confiscation orders

6. The relation with foreign counterparts in the AML/CFT field

Chapter IV: Specialized Training for Law Enforcement Agencies

Training objective:

Training LEA officers and enhancing their capacity to carry out their duties during the investigation and information gathering stage with full secrecy, and providing feedback to the FIU, and for those authorities to carry out their role in AML/CFT and commit to its requirements in light of the international criteria and recommendations and local legislations.

Targeted audience:

- Officers of different and various ranks and vocational levels, focusing on mid and low ranking LEA officers (from lieutenant to lieutenant colonel).
- Officers and persons working in the field of examination & investigation, and information gathering.

Provided that the content of training programs should suit the participants' levels and needs.

Scope of training:

1. Special investigative techniques suitable for ML/TF

- Different surveillance techniques
- Undercover operations
- Other effective mechanisms, such as permanent or temporary groups specialized in investigating assets, and investigations which are carried out in cooperation with competent authorities in foreign countries

2. Planning for obtaining information

- The planning stage for the investigation process and information gathering (identifying targeted persons, required domestic and international financial documents and examining them, etc)
- The information and evidence gathering stage through different methods such as recruiting special sources.
- Legal procedures to obtain records

3. Identifying and training on the different techniques to obtain information and gather evidence in relation to ML/TF

- Persons and location searches, and handling electronic devices for evidence gathering
 - Having witness testimonies to use in the investigations and prosecutions in relation to ML/TF and other predicate offenses or in other relevant procedures
 - Interrogations and question asking techniques and lying detection
 - The ability to obtain documents and information to use them in such investigations and in judicial proceedings and other relevant procedures
 - Forensic medicine.
- Some case studies to identify the investigative techniques and mechanisms used therein.

- Domestic cooperation with different authorities, and the importance of providing feedback on investigation results to the FIU.

Chapter V: Specialized Training for the Financial Intelligence Unit

Training objective:

Identifying functions of the FI, requirements for its establishment, the conduct of its work and its role in the AML/CFT regime, and committing to its requirements in light of international criteria and recommendations and local legislations. In addition, enhancing the capacity of personnel responsible for analyzing financial information in the suspicious transaction reports, extracting suspicion indicators and studying them as typologies.

Targeted audience:

All vocational levels of FIU officers and staff, focusing on those who receive and analyze STRs.

Scope of training:

1. Defining FIU, its duties, functions, and requirements for its establishment

- Egmont/FATF definition of an FIU.
- Different types of FIU (administrative, law enforcement, judicial, prosecutorial)
- Receipt, analysis, and dissemination of STRs.
- Other FIU Functions (e.g. supervisory powers, helping in drafting AML/CFT legislations, and providing training).
- Centralization and independence of the FIU, how they can be achieved.
- Requirements for securing FIU location, database, and information systems including electronic archiving systems.
- Providing sufficient financial resources and qualified staff to FIU
- Entities from which staff for FIU could be staffed, and get ongoing training.
- Raising the awareness of FIU staff on the importance of

2. The relation between FIU and different local authorities

- Data Sources and access to information.
- Providing guidelines for reporting institutions, including on the reporting forms, the procedures to take to report, and supporting documents should be attached to STRs.
- Maintain relations and exchange information with LEAs, training staff on determining the required information from LEAs, and asking for these information from relevant entities (disseminating STRs to legal enforcement agencies), and the difference between financial analysis and financial investigation.
- Feedback from and to the FIU.

3. The relation between FIU and different international authorities, especially counterpart FIUs

- Introduction on the Egmont group, its concept and principles
- Building relationships and exchanging expertise with foreign FIUs, the principle of confidentiality and use of information, the importance of developing information exchange procedures, and the role of MOUs.
- Identifying international principles of information exchange and helping the FIU in developing procedures that should be followed in this respect.

4. Examining study cases, training on STR analysis, extracting suspicion indicators from cases, and studying them as typologies

- The importance of financial indicators, the way of extracting them.
- The difference between analysis (tactical, operational, and strategic) that the FIU conducts to information received (e.g. from STRs, CTRs, and cross-border currency reports), case studies illustrate the role of FIU in this regard.
- Suspicion indicators.

5. Typologies and the FIU role:

- The concept of typologies and their importance for different entities (authorities responsible for legislation drafting, LEA, supervisors, and private sector)
- Important terms and definitions in the field of typologies.
- The importance of cooperation and exchange of information in the field of typologies on the national (among competent authorities), regional and international levels.

Chapter VI: Specialized Training for Supervisory and Oversight Authorities

Training objective:

To enhance the capacity of the staff at supervisory and oversight authorities, especially with respect to: the drafting and issuance of supervisory regulations for FIs and DNFBPs; monitoring FIs and DNFBPs to ensure their compliance, and their developing of systems to comply with AML/CFT requirements; and ensuring the application of such systems, through on-site inspections of those FIs and DNFBPs on a regular basis, and their adoption of a risk-based approach so as to enhance the level of those entities in playing their AML/CFT roles and committing to the requirements in light of the international criteria and recommendations and local legislations.

Targeted audience:

All vocational levels from all supervisory and oversight authorities, as training courses may be organized in two categories, one for supervisory vocational levels, and the other for staff at the onsite departments or sectors. Training material should be adapted to be consistent with the category of participants.

Scope of training:

1. Identifying the powers and resources that should be available to supervisory and oversight authorities in general.

- The legal authority to license and monitor institutions they supervise
- Monitoring the AML/CFT system focusing on a risk-based approach
- Non-application of secrecy laws to obtain information held by institutions they supervise
- The power to cooperate and exchange information with domestic and international authorities
- Providing financial and human resources to their regular inspection departments examining institutions they supervise
- The power to impose effective, proportionate, and dissuasive sanctions on institutions they supervise
- Immunity against judicial and administrative liability when acting in good faith
- Providing sufficient training for staff on supervisory skills.

2. Licensing, registration, supervision, and oversight²

- Conditions and requirements for licensing or registration and regulation in an appropriate manner, and the requirements for such in consistence with the international recommendations
- Licensing or registering money and value transfer service providers, or money or currency changers, whether natural or legal person, and subjecting them to effective monitoring to ensure their compliance with AML/CFT requirements

² In this area, examples from MENAFATF member countries could be drawn for guidance.

- Subjecting DNFBPs to effective monitoring systems by designated competent authorities or self-regulatory organizations to ensure their compliance with the AML/CFT requirements
- Inspection procedures and requirements for DNFBPs, including onsite inspection, to ensure their compliance with the AML/CFT requirements
- Monitoring and reviewing FIs' and DNFBPs' internal procedures, policies and controls to prevent ML and FT.
- Considering ML/TF risk levels when imposing supervisory regulations or conducting inspections.

3. Other areas

- Preventing criminals and their associates from controlling or holding senior management posts in FIs or being the beneficial owners of such institutions
- Evaluating the managers and senior management officers at FIs subject to the Core Principles on the "fit and proper" basis, including criteria related to experience and integrity
- Developing guidelines to help FIs and DNFBPs in the application of AML/CFT requirements in place for each of them
- Imposing sanctions on FIs and DNFBPs in cases of violating or inappropriate application of the supervisory regulations

4. Relation of the supervisory and oversight authorities with other local authorities in the AML/CFT regime.

Chapter VII: Specialized Training for Financial Institutions and Designated Non-Financial Businesses and Professions

Training objective:

Enhancing the capacity of financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs) to play their AML/CFT roles and commit to its requirements in light of the international criteria and recommendations and local legislations.

Targeted audience:

All levels of staff at FIs and DNFBPs, and it may include senior management, compliance, front office officers, and tellers at banks. Training courses or programs, conferences and seminars could be organized according to the vocational levels of trainees. Specialized training courses are preferred for DNFBPs, where the particularities, nature of business, professional secrecy requirements for some of them are addressed. In general, consideration should be given to the specialization of business, and the content of the training courses should be adapted based on the vocational levels of the participants and the target of the courses.

Scope of training:

1. Customer Due Diligence (CDD)

- New customer accepting policy
- CDD procedures and requirements for the identification of existing and new permanent and occasional customers (whether natural or legal persons)
- CDD procedures and requirements for the identification of beneficial owners (whether natural or legal persons)
- CDD procedures and requirements for the verification of customers and beneficial owners
- Adopting a risk-based approach to classify customers based on risk levels associated to them and the level of due diligence according to the levels of risk and conditions for the application on reduced or simplified CDD measures
- Dealing with politically exposed persons (PEPs) – identification, CDD for them, and requirements and conditions for establishing business relationships with them
- Knowing the customers' customers

2. CDD measures for transactions and record-keeping

- Adopting a risk-based approach to classify business relationships
- CDD procedures and requirements for high risk business relationships and dealing with numbered accounts
- Requirements for establishing cross-border correspondent banking relationships
- Conditions and requirements for keeping records and documents (types of records and documents, methods and periods of record keeping, and other requirements)

3. Internal controls, procedures, and policies

- Role of senior management
- Policies and measures for the prevention of using technological developments for ML/TF purposes, and risks in non-face-to-face (indirect) relations
- Establishing internal AML/CFT controls, procedures and policies and communicating them to staff
- Setting appropriate arrangements for the compliance function and, at a minimum, appointing an AML/CFT compliance officer at the management level, and defining the powers and duties of such function and the role of senior management in this respect
- Applying screening procedures to ensure high standards when hiring employees and ongoing training programs in the AML/CFT domain
- Requirements for branches and subsidiaries' to observe AML/CFT measures
- Developing internal controls, procedures and policies
- Adopting policies to encourage cash-using customers to rely on other alternative methods, including banking services and bank account dealings

4. Reporting requirements

- ML suspicion indicators
- TF suspicion indicators
- Identifying unusual transaction
- The role of compliance officers or AML/CFT officials at the branches of the FI and at head offices
- Compliance with reporting to the competent authorities on both ML and TF suspicions on the forms specified thereby
- Conducting initial analysis and listing reasons for suspicion
- Documents to be attached to the reporting form

5. FIs and DNFBPs relations with AML/CFT-related local authorities and briefings of roles of each of such authorities

Chapter VIII: Specialized Training for Customs Authorities

Training objective:

Educating customs officers on the following: the risks associated with cross-border cash movement, the requirements of SR IX, the different disclosure systems for cross-border cash movement (the disclosure and declaration systems), dealing with arriving and departing travelers, keeping the disclosure forms, the relations with domestic authorities, especially the FIU, and undertaking the customs role in the AML/CFT area and commitment to its requirements in light of the international criteria and recommendations and local legislations.

Targeted audience:

All levels of customs personnel at land, sea, aerial ports.

Scope of training:

- 1. Risks associated with cross-border cash movement in relation to AML/CFT.**
 - The different types of funds
 - An ML/TF method
 - Risks of cross-border cash movement in general
- 2. Requirements of SR IX on declaration/disclosure of foreign currency.**
- 3. The cash declaration/disclosure systems, with the requirements of each system, and methods to deal with arriving and departing travelers.**
 - The declaration system
 - The disclosure system
 - Different techniques to pick samples of travelers
- 4. Currency declaration/disclosure forms.**
 - Form design and data to be therein
 - Making forms available at land, sea, and aerial ports
 - Collecting forms from travelers after they fill them
 - Keeping the forms
 - Relation with FIU and other relevant authorities
- 5. Monitoring and controlling mail parcels.**
- 6. Monitoring and controlling commercial transactions and goods movement through export and import processes and possible ML/TF, e.g. through presenting incorrect customs data.**

FRAMEWORK & MECHANISM OF TRAINING

Preamble:

- 1- Due to the important role of training in leveraging general awareness among different sectors in member countries, and in order to take avail of current experiences of member countries and observers through information exchange in the arena of money laundering and terrorist financing,

And whereas the MENAFATF's Training and Typologies Working Group has been established to aid member countries in specialized training on combating money laundering and terrorism financing, aiming at the same time to enhance experiences of and promote awareness among MENAFATF's members.

In this concern, the MENAFATF's secretariat suggests the following:

1/1 The TTWG is to focus on government agencies of every sector in member countries on the one hand and the private sector in member countries on the other, including financial and non-financial institutions belonging to the geographical area of MENAFATF.

1/2 The preparation of a standard framework for the active training and development process among member countries, to help MENAFATF appropriately put the ideal training fulfillment mechanism. Whereas this framework implementation is to draw on scientific principles directing the training objectives toward enhancing capabilities and skills of decision makers and all parties interested in money laundering and terrorism financing combat.

2- Principles of training objectives' realization:

- 2/1 Orienting training toward specialists and decision makers.
- 2/2 Defining requirements and needs of member countries.
- 2/3 Defining training programs content in accordance with courses and seminars requirements and trainees' needs.
- 2/4 Diversifying the training program by combining theory and application.
- 2/5 Making use of the skills of experts in the countries of MENAFATF's area.
- 2/6 Taking avail of International Organizations experiences in this regard.
- 2/7 Avoiding topic redundancy.
- 2/8 Financing training through MENAFATF or in association with member countries or training providers in MENAFATF's area.

3- Seminars and conferences:

In spite of the fact that MENAFATF is newly established, some seminars and conferences have been convened, part of which being organized by MENAFATF solely or in association with some countries or international organizations and institutions, and the other is to be round off as follows:

Date	Seminar title	In association with
2-3/4/2005	The 3 rd International Conference on Hawala	Central Bank of UAE
13-14/4/2005	Seminar on Awareness Raising	IMF and WB
18-20/4/2005	Seminar on Anti-Money Laundering and Terrorist Financing.	Union of Arab Banks
24-25/4/2005	The Rise and Effectiveness of Corporate Governance.	Central Bank of Qatar
1-2/9/2005	Forum of Anti-Money Laundering and Terrorist Financing.	Union of Arab Banks
28-29/9/2005	Technical Assistance Donor Forum.	IMF/WB and UNODC
19-23/11/2005	Assessors' training	IMF and WB
10-12/12/2005	Seminar on Anti-Money Laundering and Terrorist Financing.	Central Bank of Syria

4- The suggested execution mechanism:

The suggested framework is to be applied after obtaining the due approval of members of the TTWG and then the Plenary, according to the following mechanism:

4/1 Applying the technical assistance questionnaire prepared by the IMF and WB, to pinpoint requirements and define needs of member countries in the field of human capabilities and skills enhancement and development.

4/2 Preparing a timetable for the training and seminars program organized by the secretariat to be in application over the coming years in light of the requirements and training program mechanism defined.

4/3 Designing a seminar and training program and defining its content according to requirements, needs and any convenient updates in the field of money laundering and terrorism financing fighting.

4/4 Asking member countries, international organizations or private training providers for participation and cooperation in organizing seminars and courses oriented toward both the public and private sectors.

4/5 The focal point in selection of lecturers is their practical experience in the field of combating, in addition to training skills.

4/6 Urging member countries to coordinate with MENAFATF to put the schedule of regional seminars and conferences in order to avoid date overlapping.

4/7 Seminars or forums can be organized on the sidelines of plenary meetings or any appropriate gatherings.

4/8 Compile training materials and make this material available to concerned government agencies and the private sector, of MENAFATF member countries.

5- Sources of funding:

5/1 Allocating predefined ratio of the total annual budget.

5/2 Adopting seminars and courses by specific agencies or sectors in member countries.

5/3 Supporting, in association with the private sector, training seminars or programs following the way of official sponsorships in categories to be classified due to seminar attendance and significance.

MENAFATF Secretariat

27 September 2005