

The Egyptian Money Laundering and Terrorist Financing Combating Unit (EMLCU)

Reading Egypt's Strategy for Confronting the Most Dangerous Crime Worldwide



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In recent decades, combating money laundering and terrorist financing have attracted a growing interest. In fact, they constitute one of the most serious international crimes because of their negative effects on the economic, social and political levels and their strong correlation with other horrible crimes, such as drug trafficking, corruption, human trafficking, migrant smuggling and other crimes, which are considered predicate crimes of money laundering. In addition, such crimes are usually committed for providing the financing necessary for performing terrorist acts. International conventions affirmed the necessity of combating money laundering, including the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the United Nations Convention against Transnational Organized Crime and the United Nations Convention against Corruption.



The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Article 3, pointed out the significance of taking the necessary measures to criminalize hiding or camouflaging the reality, source, place, misappropriation, movement or rights related to such funds. Furthermore, it should be considered that such money is derived from a crime/crimes stipulated in the convention or derived from involvement in the crime/crimes related to them.

Moreover, the United Nations Convention against Transnational Organized Crime, Articles 6 and 7, indicated the urgency to criminalize laundering the proceeds of crime and to take the necessary measures to combat money laundering. Likewise, the United Nations Convention against Corruption, Articles 23 and 58, indicated the significance of criminalizing laundering the proceeds of the crimes stated in the Convention. It also stressed the importance of establishing a financial intelligence unit responsible for receiving the reports related to suspicious financial transactions for analyzing and circulating them to the competent authorities.

On the other hand, the United Nations General Assembly and the Security Council's resolutions stress the seriousness of terrorist financing operations and urge all countries to take the necessary

measures to combat them, as confirmed by the United Nations International Convention for the Suppression of the Financing of Terrorism.

We cannot discuss combating money laundering and terrorist financing without referring to the international standards issued in this regard, particularly the standards issued by the Financial Action Task Force (FATF), which is an intergovernmental body founded in

Since its foundation, the Unit has sought to perform its entrusted roles efficiently and effectively in accordance with the conventions of combating money laundering and terrorist financing and the international standards issued in this regard. The Unit is also keen to develop a common understanding regarding the money laundering and terrorist financing risks and to participate with all national organizations in combating the monitored risks through conducting a national evaluation of the related risks and developing the National Strategy for Combating Money Laundering and Terrorist Financing.

The Unit contributed to preparation of the drafts of many laws and their amendments, particularly the laws on combating money laundering and terrorist financing, regulating the lists of terrorist entities and regulating the central bank and banking system. In addition, the Unit has taken due measures for the benefit of clients working in all banking and non-banking financial institutions, whether individually or in partnership with competent national authorities.

1989 by the ministers of its member states. Its main objective is to set the standards of combating money laundering and terrorist financing as well as to promote effective implementation of the legislative, regulatory and operational measures related to such crimes. It also seeks to face other relevant threats to maintain the international financial system integrity. Therefore, the Financial Action Task Force (FATF) is "a policy-making body" that works on developing the political will necessary for implementing the legislative and regulatory reforms in these fields.

The FATF international standards are represented in 40 recommendations, covering all aspects related to combating money laundering, terrorist financing and the mass destruction weapons proliferation financing. This includes identifying the money laundering and terrorist financing risks threatening the different countries to develop a common understanding regarding such risks. This can be achieved through coordination and collaboration at the local level as well as by taking all the necessary measures to face them, including developing and enacting legislative policies, strategies, frameworks and regulatory procedures and controls within the framework of cooperating with relevant counterparts in other countries. Thus, creating a combating effective system requires local coordination, on one hand and international collaboration on the other hand.

In this context, the Egyptian Money Laundering and Terrorist Financing Combating Unit (EMLCU) was established pursuant to Article 3 of the Anti-Money Laundering Law no. 80 of 2002 and its amendments. The Unit's primary role is represented in receiving notifications and information from the financial sector regarding any transactions, which are suspected to constitute proceeds of money laundering or terrorist financing, or any attempts to make such transactions. In addition, it analyzes such notifications and sends the analysis results to the law enforcement entities and the relevant investigating authorities. Since its foundation, the Unit has sought to perform its entrusted roles efficiently and effectively in accordance with the conventions of combating money laundering and terrorist financing and the international standards issued in this regard.

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conducting the national evaluation of risks, establishing the money laundering and terrorist financing two databases as well as analyzing the relevant data and information for producing output about the most commonly exploited sources and sectors, with the evaluation results being shared and circulated.

Regarding the National Strategy for Combating Money Laundering and Terrorist Financing, the Unit has developed an inclusive strategy, comprising major goals and particular operational procedures under each goal, in coordination with national entities and through benefiting from the results of the national evaluation of risks. Both the public and private sectors cooperate with the civil society to implement the strategy. Moreover, the Unit contributed to preparation of the drafts of many laws and their amendments, for achieving compliance with the national standards of combating money laundering, terrorist financing and monetization. The most notable laws include the Anti-Money Laundering Law promulgated by Law No. 80 of 2002, the Executive Regulations of the Anti-Money Laundering Law promulgated by the Prime Minister's Decision No. 951 of 2003. More laws include the Anti-Terrorism Law promulgated by Law No. 94 of 2015, the Law Regulating the Lists of Terrorist Entities and Terrorists promulgated by Law No. 8 of 2015, and the Central Bank and Banking System Law promulgated by Law No. 194 of 2020. In addition, the Unit has taken due measures for the benefit of clients working in all banking and non-banking financial institutions and businesses and non-financial professions, whether individually or in partnership with competent national authorities. It also amended the executive regulations for business registration regarding the actual beneficiary in addition to modification of the supervisory controls issued by the supervisory authorities regarding the financial institutions, the free professions and non-financial businesses.

Moreover, the Unit is concerned about building the business capabilities regarding the field of combating money laundering and terrorist financing and pays a special attention to building the capabilities of financial entities, free professions and non-financial businesses. Thus, these entities are considered the first defense line in the combating process through providing training programs, workshops and guidebooks. It also raises public awareness about the money laundering and terrorist financing crimes through printed materials, short videos, info graphics and other awareness- raising materials, which are published on its website.

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framework of coordination and cooperation at the national level. In fact, the Unit holds the chairmanship or membership of several national committees related to combating money laundering, terrorist financing and the relevant predicate crimes. They include the National Coordinating Committee for Combating Money Laundering and Terrorist Financing, the Supervisory Authorities for Non-Financial Professionals and Businesses Committee in the field of combating money laundering and terrorist financing and the National Council for Payments. More committees include the National Coordinating Committee and the Coordinating Subcommittee for the Prevention and Combating of Corruption, and the National Coordinating Committee for Combating and Preventing Illegal Immigration and Human Trafficking. Moreover, the Unit concludes cooperation protocols with various national authorities.

In terms of regional cooperation, the Arab Republic of Egypt is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), the regional body for combating money laundering and terrorist financing. The MENAFATF adopts the same work method of the Financial Action Task Force (FATF) and the Unit participates in many of the projects implemented by FATF. Such projects cover the areas of laundering the proceeds of the human trafficking and migrant smuggling crimes, money laundering through the real estate sector, terrorism financing through the social media, money laundering through electronic means and the money laundering related to corruption. In addition, Egypt chaired the Middle East and North Africa Financial Action Task Force (MENAFATF) during the period 2021-2022, which enabled it to cooperate closely with all parties related to combating money laundering and terrorist financing in the region. At the international cooperation level, since the Unit has joined the Egmont Group of Financial Intelligence Units, as an active member, cooperation has been established through the Group extensively to exchange the information related to money laundering and terrorism financing crimes and the associated predicate crimes through the Egmont



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Secure Website for information exchange, upon request or automatically. In addition, the Unit plays an essential role in helping the financial intelligence units in the Arab and African countries to join the Egmont Group of Financial Intelligence Units. Egypt also occupies the position of Head of the Training and Technical Assistance Group at the Egmont Group, which enables it to acquire and refine experiences and communicate with the relevant active parties worldwide.

It is worth noting that the Unit has always sought to conclude memorandums of understanding with counterpart units and other concerned parties in the various world countries to enhance the

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effectiveness of combating money laundering, terrorist financing and the weapons proliferation financing at the strategic and operational levels as well as at the awareness-raising and capacity-building levels.

As a member of the National Coordinating Committee and the Coordinating Sub-Committee for the Prevention and Combating of Corruption, one of the state's bodies for combating corruption, and within the framework of the Unit's keenness to combat corruption as a predicate crime of money laundering, the Unit participates in setting and activating the objectives of the National Anti-Corruption Strategy. It also participates in the relevant regional and international events and conferences, the latest of which is the 4th session of the Conference of the States Parties to the Arab Convention against Corruption held in Riyadh, Kingdom of Saudi Arabia during the period 2223- March 2022. The representatives of the Unit were among the members of the Egyptian delegation participating together with 14 Arab countries and a number of international and regional organizations and international experts. It also participated in the ninth session of the Conference of the States Parties to the United Nations Convention against Corruption, held in Sharm El-Sheikh, the Arab Republic of Egypt during the period 1317- December 2021. During that session, the Unit organized a special event entitled "The Role of Financial Intelligence Units in Combating Illegal Financial Flows" and many of the national and foreign bodies, which participated in the session participated in that event as well.

The unit has also joined the Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE), for communicating with the anti-corruption authorities worldwide for achieving faster and more efficient prosecution of corrupt practices and networks.

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