
# MENAFATF
# The 19th Annual Report
# 2023

MENAFATF is of a voluntary and cooperative nature, independent of any other international body or organization, established by virtue of an agreement between the governments of its members, not by virtue of an international treaty. It determines its works, rules, regulations and procedures and cooperates with other international bodies, especially FATF, to achieve its objectives.

The MENAFATF continuously seeks to create an effective partnership and strengthen cooperation with international and regional bodies in the areas of the MENAFATF's work, especially with regard to providing training and technical assistance to its Member Countries.

For more information about MENAFATF, please visit the website: http://www.menafatf.org/

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# President's Foreword


**In the Name of Allah, the Most Compassionate, Most Merciful,**
**Greetings,**

It gives me great pleasure to present the 19th annual report of the MENAFATF of 2023 under the presidency of the Islamic Republic of Mauritania. Of course, I cannot but extend my sincere thanks to the Member States of the MENAFATF for the confidence given to the Islamic Republic of Mauritania in assuming the presidency of the MENAFATF and for the continued support in achieving the desired goals and completing development and reform steps taken by the MENAFATF's previous presidents.

This report highlights the most prominent achievements completed by the MENAFATF during the past year 2023 under the presidency of the Islamic Republic of Mauritania. The Islamic Republic of Mauritania was keen to ensure consistency between the priorities of its presidency, the MENAFATF's strategy and its main regional goals, and sought full cooperation with the rest of the Member States, Observers and the MENAFATF's secretariat in order to achieve the goals for which the MENAFATF was established, in AML/CFT, preventing criminals and terrorists from misusing the financial system in Member States , and strengthening the foundations of sustainable economic development.

Since mutual evaluation is among the basic tasks of the MENAFATF that should be supported continuously, we were keen, during this term as President to work on improving the readiness of Member States for the mutual evaluation process, raising the level of their commitment to international standards regarding AML/CFT/CPF, and increasing the effectiveness of their application. We made sure that the provision of training workshops before each mutual evaluation was completed and assistance to Member States subject to international cooperation review was provided with guidance on the procedures of the review process ("ICRG") and by discussing the challenges they face.

In this context, I would not miss the opportunity to extend my warmest congratulations to the Kingdom of Morocco, the Hashemite Kingdom of Jordan, and the United Arab Emirates for their exit from the list of countries under enhanced follow-up by the FATF, and to appreciate the tireless efforts made thereby in order to pass this delicate stage.

In the same context, and with the approaching completion of the second round of mutual evaluations, which ends in April/May 2025, and in preparation for the upcoming third round , the 37th Plenary meeting of the MENAFATF, held in December 2023, adopted the proposed criteria for the sequencing of countries in the timetable for the ME process and periodic updated template, showing a shorter period and an accelerated pace spanning over a period of 7 years, to ensure consistency with the FATF and other FSRBs.

On another level, during its presidency, the Islamic Republic of Mauritania maintained close cooperation with international and regional partners to highlight the MENAFATF's essential objectives as a regional partner of the FATF in AML/CFT/CPF field and taking into consideration the need to prevent organized crime groups from benefiting from criminal proceeds and the necessity of tracking, seizing and recovering assets.

Furthermore, during the MENAFATF's 37th Plenary meeting in December 2023, a strategic project was presented to establish a joint asset recovery network in the Middle East and North Africa region (MENA-ARIN), in cooperation with UNODC and GIZ. This project is consistent with the provisions of the MENAFATF's MoU and the FATF recommendations. The Plenary meeting decided to deepen the study of the project and answer the questions of Member Countries in this regard, provided that a regional meeting will be held during 2024 to discuss the establishment of the network in an expanded and detailed manner, exchange views, and come up with recommendations.

As for the development of the working groups, forums and committees formed within the MENAFATF, the 37th Plenary meeting held in November 2023 approved the proposal of the United Arab Emirates regarding the establishment of a committee to implement targeted financial sanctions, which aims primarily to assist Member States in developing legislative and operational systems to apply targeted financial sanctions effectively and in line with the FATF standards.

In the end, I emphasize the continuation of working dynamically in order to implement the FATF recommendations and of increasing the effectiveness of the MENAFATF, which includes consolidating the foundations of sound governance. To this end, an update to the action plan to enhance the effectiveness of the MENAFATF was presented during the 37th Plenary meeting held in November 2023, that included the decision of the MENAFATF's 36th Plenary meeting in May 2023, to establish procedures for the implementation of the FATF recommendations. This step forward reflects the progress achieved by the MENAFATF in that field.

In conclusion, by the end of my presidency of 2023, I hope that the Islamic Republic of Mauritania have succeeded in helping the MENAFATF in completing its action plan and achieving its goals, especially in the process of developing its performance and effectiveness, thanks to the support of the MENAFATF's Secretariat and the cooperation of Member States. In this regard, I emphasize the continued support of the Islamic Republic of Mauritania for the MENAFATF and its work for the benefit of the countries of our region.

**With all due respect**

**Mohamed-Lemine DHEHBY Governor of the Central Bank of the Islamic Republic of Mauritania**

**President of the MENAFATF Secretariat**

**Executive Secretary's Foreword**

## In the Name of Allah, the Most Compassionate, Most Merciful,


2023 was full of challenges, opportunities and achievements for the MENAFATF; Three MERs were approved for the People's Democratic Republic of Algeria and the Lebanese Republic, as well as a joint MER for the State of Qatar. Whereas five mutual evaluations are currently being carried out namely, the Republic of Iraq, the State of Kuwait, the Sultanate of Oman, the Republic of Djibouti, and the Federal Republic of Somalia.

MENAFATF Member States also continued diligently to develop their AML/CFT/Frameworks during 2023, which resulted, praise be to Allah, in the adoption of 13 Follow-Up Reports (FURs) s, which clearly demonstrate the efforts of the MENAFATF's countries to improve their systems and keep pace with regional and international developments.

In the same context and in the context of seeking to increase the capabilities of the countries of the MENAFATF, 8 activities, workshops and training courses were organized in partnership with 6 regional and international organizations and partners, and with the gracious hosting of 5 Member States, attended by approximately 400 participants from all national authorities concerned with AML/CFT/CPF.

On the other hand, and in implementation of the action plan to enhance recognition of risks, methods, and new trends in money laundering, terrorist financing, and proliferation, and to assist Member States in combating them, the MENAFATF initiated studies on the regional risk assessment, the Waqf, and Recommendation 25, in addition to the draft Typology Project on ML/TF through legal persons and legal arrangements. The MENAFATF's secretariat, in cooperation with some Member =States and observers, translated 5 guidelines issued by the FATF to Arabic with the aim of enhancing awareness of the Middle East and North Africa region and keeping pace with developments related to AML/CFT/CPF.

Before concluding, I cannot but express my sincere gratitude towards His Excellency Mr. Mohamed-Lemine DHEHBY, the MENAFATF President for 2023, and the Governor of the Central Bank of the Islamic Republic of Mauritania, for the tireless efforts and continued support of the MENAFATF's Secretariat, and to all Member =States and observers for their support and cooperation. I would also like to extend my appreciation and recognition to, all my colleagues in the MENAFATF's Secretariat for what they have provided and are offering to achieve the goals and objectives of the MENAFATF and its members.

**Peace be upon you, Allah's Mercy and His Blessings.**

**Suliman bin Rashid Al-Jabrin**

**MENAFATF Executive Secretary**

# 1. Section One: Overview of MENAFATF

Given the severe negative impact of ML/TF crimes on the financial and economic systems on local, regional and global levels, the idea of establishing a regional group for the Middle East and North Africa region was proposed in 2003 to combat money laundering and terrorist financing, similar to the Financial Action Group (FATF). On 30 November 2004, in the city of Manama, the capital of the Kingdom of Bahrain, the governments of 14 Arab countries decided, to establish the Middle East and North Africa Financial Action Task Force ("MENAFATF") during a ministerial meeting; after its establishment, 7 other countries joined the MENAFATF. All member countries signed a memorandum of understanding, which represented a historic achievement for Arab Countries which expressed their commitment to mitigate ML/FT risks and combat these crimes.

The Kingdom of Bahrain hosts the headquarters of the MENAFATF's Secretariat, where it has begun its work since its inception. The Kingdom has provided the premises with all the necessary means and equipment. In confirmation of the importance of the role assigned to the MENAFATF, the latter signed a headquarters agreement with the government of the Kingdom of Bahrain, which was approved by both the Shura Council and the House of Representatives. On 26 March 2009, The King of the Kingdom of Bahrain, His Majesty King Hamad bin Isa Al Khalifa, issued Law No. (5) of 2009 ratifying the agreement and publishing the law in the Official Gazette on 02 April 2009.

## 1.1.Mandate and Objectives

### A. Mandate

The MENA FATF is a voluntary and cooperative group independent of any other international body or organization. The MENAFATF was established by an agreement between the governments of its members. This agreement determines its work, systems, rules and procedures, and cooperates with other international bodies, especially the FATF, in order to achieve its goals. The MENAFATF is committed to AML/CFT/CPF in the region by working to implement and disseminate relevant international policies and standards and effectively promote compliance therewith, especially the FATF recommendations and relevant United Nations Security Council resolutions.

The MENAFATF's mission is to unify and continue the joint efforts of countries in the Middle East and North Africa in AML/CFT/CPF in the region through the effective implementation of international standards at the level of all Member Countries, by:

- ✓ Recognizing ML/TF/PF risks in countries of the Middle East and North Africa region; And
- ✓ Supporting the implementation of the FATF's 40 recommendations on AML/CFT/CPF, the relevant United Nations treaties and United Nations Security Council resolutions, and accepted international

standards in this regard, as well as any other standards adopted by Arab countries to strengthen the fight against money laundering, terrorist financing and proliferation in the region; And

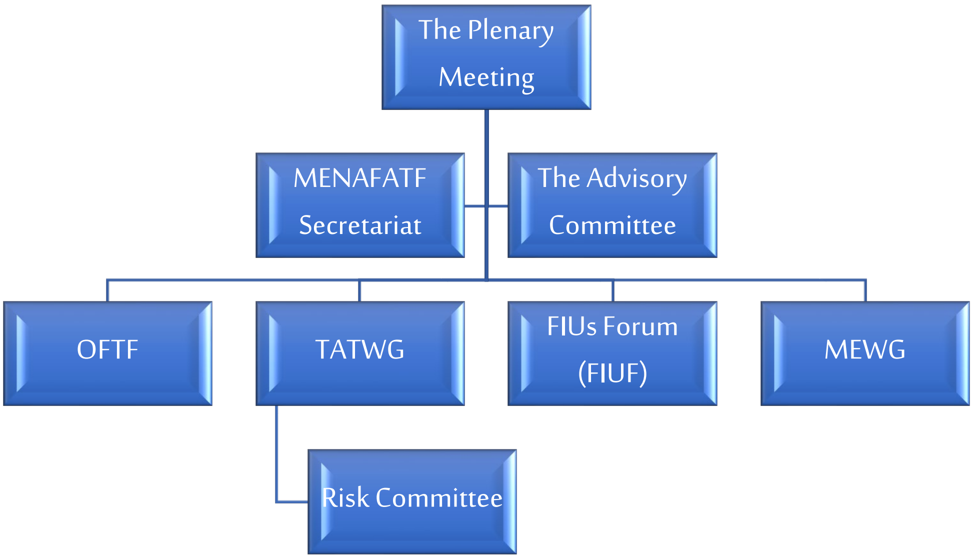
- ✓ Staying aware that Member Countries need to comply with these standards to establish and implement an effective framework that does not conflict with their cultural values, constitutional frameworks and legal systems.

## B. MENFATF Objectives

The Member Countries of the MENAFATF work to achieve the following objectives:

- ✓ To adopt and implement the FATF 40 Recommendations on combating money laundering and financing of terrorism and proliferation.
- ✓ To implement the relevant UN treaties and agreements and United Nations Security Council Resolutions.
- ✓ To co-operate with each other to increase compliance with these standards within the MENA Region and to cooperate with other international and regional organizations, institutions and agencies to improve compliance worldwide.
- ✓ To work jointly to identify key regional issues related to money laundering, terrorist financing and proliferation and to develop solutions accordingly, and to share relevant experiences among Member States.
- ✓ To take measures across the region to effectively combat money laundering, terrorist financing and proliferation without contradicting the cultural values, constitutional frameworks and legal systems of Member States.

## 1.2.General Structure of the MENAFATF




### A. The Plenary Meeting

The Plenary Meeting is the body in charge of taking decisions within the MENAFATF. The Plenary meeting consists of representatives from Member Countries and observers with extensive experience in AML/CFT/CPF. The Plenary meeting is held at least twice a year, with the presidency Country hosting one of them during its presidency, and the MENAFATF secretariat's home country hosting the other.

## Member countries

- Hashemite Kingdom of Jordan
- Kingdom of Bahrain
- the People's Democratic Republic of Algeria
- Kingdom of Saudi Arabia
- Syrian Arab Republic
- Republic of Iraq
- State of Palestine
- State of Kuwait
- State of Libya
- Kingdom of Morocco
- Republic of Yemen
- The United Arab Emirates
- Republic of Tunisia
- Republic of Djibouti
- Republic of Sudan
- Federal Republic of Somalia
- Sultanate of Oman
- State of Qatar
- Lebanese Republic
- Arab Republic of Egypt
- Islamic Republic of Mauritania

## Observers

- French Republic
- USA
- Australia
- International Monetary Fund:
- The Cooperation Council for the Arab States of the Gulf
- Egmont Group
- WCO
- EWG
- The European Commission
- UK
- Kingdom of Spain
- Federal Republic of Germany
- World Bank
- Financial Action Task Force
- APG
- Arab Monetary Fund
- United Nations
- The Russian Federation

## B. President and Vice President

The MENAFATF Presidency constitutes a pivotal role in achieving the goals of which it was established. The President and Vice-President (the next President) are appointed periodically from MENAFATF Member States according to the alphabetical order of the countries, for a year. The MENAFATF's Executive Secretary advises both the President and Vice President.

**HE. Mohamed-Lemine DHEHBY**
**Islamic Republic of Mauritania**
Governor of the Central Bank of the Islamic Republic of Mauritania
President of the MENAFATF Secretariat


**HE. Hani Mohammed Wahab**
**Republic of Yemen**
Deputy Minister of Finance at the Republic of Yemen
Vice- President of the MENAFATF

### C. The Advisory Committee

The Advisory Committee is a committee that aims to provide advice to the President and the Secretariat with regards to the cases related to policies and mechanisms' implementation. The Committee also provides its recommendations to the Plenary for discussion and decision-making. It which consists of:

- The MENAFATF President who is the Committee's Chairman
- The MENAFATF Vice-President who is the Committee's Vice-Chairman
- The previous President of the MENAFATF
- MEWG Co-Chairs
- TATWG Co-Chairs

The General secretary of the Committee shall be the MENAFATF Executive Secretary

### D. MENAFATF Secretariat

The MENAFATF's Secretariat carries out technical and administrative functions according to the decisions of the Plenary meeting and under the guidance of the Executive Secretary.


The MENAFATF is an Associate Member of the FATF and holds the observer status on a reciprocal basis with the Egmont Group of Financial Intelligence Units (EGMONT), the Asia/Pacific Group on Money Laundering (APG), and the Eurasian Group (EAG).

# 2. Section Two: MENAFATF Performance Accomplishments

## 2.1.MENAFATF Strategic Plan 2022 - 2024

The MENAFATF strategic plan 2022-2024 was approved during its 33rd Plenary meeting on 16/11/2021. The plan reflects the main objectives of the MENAFATF's establishment stipulated in the MoU and is based on the current stage of developing AML/CFT/CPF systems in the Middle East and North Africa region, taking into account current needs and trends.

- **First Objective: To** assess and upgrade member countries' level of compliance with the international standards concerning AML/CFT/CPF as well as to increase the effectiveness of implementation thereof.
- **Second Objective To** intensify the cooperation amongst member countries, and the MENAFATF's cooperation with regional and international organizations in order to foster compliance with the international standards
- **Third Objective** To learn about new risks, methods, and trends in ML/TF/PF as well as to assist member countries in combating such new risks, methods and trends.

## 2.2.The priorities of the Islamic Republic of Mauritania' Presidency for 2023

Within the framework of the MENAFATF's completion of its achievements and moving forward in fulfilling its objectives and developing its work, the Islamic Republic of Mauritania, upon assuming the presidency of the MENAFATF during 2023, aspired to contribute effectively to the development of a presidential program consistent with the MENAFATF's strategy, in order to ensure the continuity and the development of existing work by focusing on the following priorities:

1. Increasing the effectiveness of the MENAFATF according to the action plan agreed with the FATF.
2. Improving the readiness of countries for the MERs and FURs processes.
3. Ensuring consistency between the priorities of the presidency and the MENAFATF's strategy.
4. Encouraging member countries to provide qualified experts for the second round of MEs.

5. Continuing to support and develop the skills and expertise of the MENAFATF Secretariat's employees through developing a human resource strategy.
6. Developing a national pool of experts by issuing best practice papers and guidelines. Motivating experts to participate in this pool by inviting them to attend meetings, seminars or conferences.
7. Studying the timetable for the mutual evaluation process within the framework of the third round, taking into account the principle of achieving justice and equality between countries
8. Working to achieve the objectives stated in the MENAFATF's Action Plan and working groups.

### 2.3. Overview on implementing the action plan of 2023

The MENAFATF's strategic priorities for 2022-2024 are reflected in the annual action plans that detail the tasks to undertake. The following are the most prominent achievements of the MENAFATF's action plan for 2023:

- Adoption of 3 MERs, which included: The People's Democratic Republic of Algeria, the Lebanese Republic, the joint mutual evaluation report of the State of Qatar, and the commencement of mutual evaluation processes for the Republic of Iraq, the State of Kuwait, the Sultanate of Oman, the Republic of Djibouti, and the Federal Republic of Somalia.
- The Kingdom of Morocco and the Hashemite Kingdom of Jordan exit the ICRG. The United Arab Emirates also exited the same in February 2024.
- Submission of the second annual report on the progress made by implementing the FATF Action Plan to Enhance the MENAFATF's Effectiveness in October 2023, which received recognition from the global network.
- Translation of 5 guidelines issued by the FATF.
- Initiation of the operational and actual creation of the MENAFATF's e-learning platform.
- Organization of 8 workshops, conferences and training courses, from which nearly 400 participants benefited, including all authorities concerned with AML/CFT/CPF, which marks an increase[1] of 133% compared to 2022.

[1] In-person workshops.

- Organization of Typologies and Capacity Building workshop held in March 2023 in the United Arab Emirates.
- Experience-sharing sessions on emerging risks, methods, trends and indicators of money laundering, terrorist financing and proliferation were also allocated on a semi-annual basis in the Risk Committee, OFTF and the FIUs Forum.

## 2.4. Translation of various guidelines issued by FATF

The MENAFATF's secretariat, during 2023, in cooperation with some Member Countries and observers, translated 5 guidelines issued by the FATF to Arabic with the aim of enhancing awareness of the Middle East and North Africa region and keeping pace with developments related to AML/CFT/CPF. They were published on the MENAFATF's website, namely:

- ✓ Guidance for A Risk-Based Approach to the Real Estate Sector
- ✓ Updated Guidance: A Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers
- ✓ Beneficial Ownership of Legal Persons.
- ✓ Targeted Update on Implementation of the FATF Standards on Virtual Assets and Virtual Asset Service Providers
- ✓ AML/CFT Digital Strategy for Law Enforcement Authorities.

# 3. Section Three: The main tasks of the MENAFATF - an overview and the most important statistics for 2023

## 3.1.MENAFATF's Working Groups' activities

### 3.1.1. Mutual Evaluation Working Group (MEWG)

The MENAFATF implements the member countries' assessment program in order to verify the level of effectiveness of the systems applied and their extent of consistency with the international standards on AML/CFT/PF, based on the assessment methodology issued by the FATF. The mutual evaluation process consists of a peer-to-peer assessment, through a careful review, of whether member countries have implemented the requirements of the FATF recommendations and the effectiveness of their systems in addressing the risks to which they are exposed and combating money laundering, the financing of terrorism and proliferation.

The MENAFATF will continuously monitor the progress made by member countries in improving their AML/CFT/CPF systems. Following their evaluation, countries submit follow-up reports within periods specified in the evaluation process procedures which are adopted by the MENAFATF Plenary Meeting

- **Mutual Evaluation Processes**

**Mutual evaluations completed during 2023**

During 2023, the MENAFATF adopted three MERs: For the State of Qatar, published in May 2023, the People's Democratic Republic of Algeria, published in July 2023, and the Lebanese Republic, published in December 2023.

**Ongoing Mutual evaluation processes during 2023**

During 2023, the MENAFATF initiated seven mutual evaluation processes for the State of Palestine, the Republic of Sudan, the Republic of Iraq, the State of Kuwait, the Sultanate of Oman, the Republic of Djibouti, and the Federal Republic of Somalia. The MENAFATF also discussed the situation of countries that face the risk of not being subject to the mutual evaluation process during the current round, which are the Republic of Sudan, the Syrian Arab Republic, the State of Palestine, the State of Libya, and the Republic of Yemen, The

MENAFATF will explore the following options to support these countries in developing and advancing their AML/CFT/CPF: To submit a technical compliance report for the current 40 recommendations. If this is not possible due to force-majeures, a self-report will be submitted covering technical compliance regarding the important recommendations, which are recommendations 3, 5, 6, 10, 11, and 20. In addition to Including the most important developments.

Timeline of 2nd Round of Mutual Evaluations

| Country | Discussions of Plenary Meeting |
|---|---|
| Republic of Tunisia: | April 2016 |
| Islamic Republic of Mauritania | April/May 2018 |
| State of Libya | Postponed |
| Kingdom of Bahrain | June 2018 |
| Kingdom of Saudi Arabia | June 2018 |
| Syrian Arab Republic | Postponed |
| Kingdom of Morocco | April 2019 |
| Republic of Yemen | Postponed |
| Hashemite Kingdom of Jordan | November 2019 |
| United Arab Emirates: | February 2020 |
| Arab Republic of Egypt | May 2021 |
| State of Qatar | February 2022 |
| Lebanese Republic | May 2023 |
| the People's Democratic Republic of Algeria | May 2023 |
| State of Palestine: | November 2023 |
| Republic of Sudan | November 2023 |
| Republic of Iraq | May 2024 |
| State of Kuwait | June 2024 |
| Sultanate of Oman | October 2024 |
| Republic of Djibouti | November 2024 |
| Federal Republic of Somalia | May 2025 |

### ○ Follow-up Processes

The Plenary meeting during 2023 adopted seven reports as part of the enhanced follow-up process for the Kingdom of Bahrain, the Kingdom of Morocco, the Hashemite Kingdom of Jordan, the United Arab Emirates, the Arab Republic of Egypt, the Republic of Tunisia, and the Islamic Republic of Mauritania.

In this context, it is necessary to point out the tireless efforts made by member countries and the important developments regarding their AML/CFT/CPF systems, as shown in their FURs; Year 2023 witnessed the issuance of many AML/CFT-related laws and regulations. Work was also done to complete NRA related to various important sectors, and countries updated their national AML/CFT strategies, including setting a number of new goals according to local, regional and international changes, and taking many measures through the development of plans by the competent authorities, as well as taking several measures through the competent authorities' development of action plans derived from the MERs recommendations and the results of national and sectoral assessments.. The concerned countries also issued instructions and guidelines, and made great efforts in the field of training, awareness, and strengthening the capabilities of competent authorities, which contributed fundamentally to addressing shortcomings related to technical compliance and/or effectiveness.

- **The Third upcoming round of the MEs and FUs:**

In the context of the near end of the current round (the second round) of mutual evaluation and follow-up processes, and in preparation for the third round of mutual evaluations of the MENAFATF, it adopted during 2023 the proposed criteria for sequencing countries according to a specific timetable for the mutual evaluation process. It should be noted that the second round lasted 10 years, ending in May 2025, and it is planned that the third round will take a shorter period at an accelerated pace for mutual evaluations, adopting approximately three MERs each year, extending over a period of 7 years.

### 3.1.2. Typologies and Technical Assistance Working Group (TATWG)

The MENAFATF works jointly with different stakeholders and partners within its TATWG to identify issues related to money laundering and terrorist financing of a regional nature, exchange experiences regarding them, and develop solutions to deal therewith. This includes producing materials related to typologies to identify and analyze threats, vulnerabilities, and risks related to money laundering and terrorist financing. The TATWG also organizes workshops to exchange expertise and experiences between member countries regarding issues of money laundering and terrorist financing, following up on the latest developments in the field of typologies in the FATF and FSRBs to study and benefit therefrom, and submitting studies to the member countries of the MENAFATF in order to Improving their AML/CFT systems.

- **Workshop on typologies and capabilities building 2023**

Typologies workshops constitute a space for exchanging the results of studies on methods, techniques, trends, and patterns of money laundering and terrorist financing, whether at the national, regional, or international levels, sharing experiences in methodologies for collecting and strategically analyzing information, discussing and understanding the environment of money laundering, terrorist financing, and financing the proliferation, and benefiting from experiences and discussions in keeping up with the various and advanced methods used for money laundering, terrorist financing, and proliferation. Thus, it contributes to capacity building by raising awareness among all parties concerned with the AML/CFT/CPF systems, as well as providing decision-makers and policy experts with up-to-date empirical information that enables them to develop strategies to combat these threats, confront them effectively, and mitigate them.

The MENAFATF held the 8th workshop on typologies and capacity building during 2023, in cooperation with the Executive Office of Anti-Money Laundering and Counter Terrorism Financing in the United Arab Emirates, and under the generous patronage of His Highness Sheikh/ Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation and Chairman of the Supreme Committee to Supervise the National AML/CFT Strategy, in which more than a hundred participants from member countries and observers such as the FATF, FSRBs and international organizations participated. Experience was discussed and exchanged on several important topics, such as:

- NRA and Regional risks assessment.
- Assets Recovery obtained from ML offences related to corruption crimes.
- The challenges of identifying the beneficial owner of legal persons and legal arrangements.
- Terrorist financing and the abuse of NPOs.
- ML/TF through new technologies, in general and the VAs sector.
- ML/TF through exploiting both the DNFBPs, legal persons and legal arrangements sectors.

The MENAFATF held 8 typologies and capability building workshops since its inception.

1. Doha, State of Qatar, January 2010.
2. Doha, State of Qatar, December 2013.
3. Doha, State of Qatar, December 2014.
4. Khartoum, Republic of Sudan, December 2015.
5. Jeddah, Kingdom of Saudi Arabia, November-December 2016.
6. Rabat, Kingdom of Morocco, January 2018.
7. Cairo, Arab Republic of Egypt, July - August 2019.

- **Periodic Typologies Report (fifth version) of May 2023**

The MENAFATF periodically issues typologies reports that reflect the most prominent patterns of money laundering and terrorist financing regionally, through analyzing case studies provided by the MENAFATF's member countries. The MENAFATF issued 4 typologies reports in 2014, 2016, 2018, and 2020.

The MENAFATF issued the fifth edition of the typologies report during 2023 with the participation of 13 member countries and 40 case studies, which were reviewed in the report, analyzed and identified the most prevailing used techniques, methods, tools and trends in money laundering and terrorist financing.

- **Typologies Reports**

The tasks of the typologies are to identify how criminals launder the proceeds of crimes or how to collect, use or transfer money to support terrorism or proliferation in the MENA region. This identification helps member countries to have a good understanding of the ways, methods and techniques of money laundering, financing terrorism and financing the proliferation, to identify and evaluate the risks of financial crimes that they face, and be able to detect, disrupt and prevent them, by taking effective measures to combat them. In addition, a better understanding of these ways, methods and techniques helps Member States in developing appropriate tools to mitigate new and advanced risks in this field, by keeping up with the new methods that criminals find or develop to collect assets and transfer them to avoid detection by authorities.

Since its establishment, the MENA FATF has issued 14 typologies reports on 12 topics related to money laundering and terrorist financing of a regional nature:

1. Typologies report on cross-border payment methods, May 2007
2. Indicators and trends of money laundering and terrorist financing in the Middle East and North Africa region - January 2011
3. Illicit trafficking in narcotic drugs and psychotropic substances and money laundering, February 2012
4. Indicators and trends of money laundering and terrorist financing in the Middle East and North Africa region - update - July 2013
5. Proceeds resulting from forgery and fraud of financial instruments and promissory notes and their relationship to money laundering and terrorist financing - September 2014
6. Money laundering through the physical transfer of cash, June 2016
7. Typologies report on money laundering through electronic means - April 2018
8. Joint Typologies Report on Terrorist Financing and Social Media Sites - January 2019
9. Typologies Report on: ML and corruption - September 2019
10. ML through the real estate sector - November 2019
11. A Study on: Coronavirus Pandemic (COVID-19) and its impact on AML/CFT systems in Middle East and North Africa Region - 2020
12. (Money Laundering Resulting from the Human Trafficking and Smuggling of Migrants Crimes - August 2021

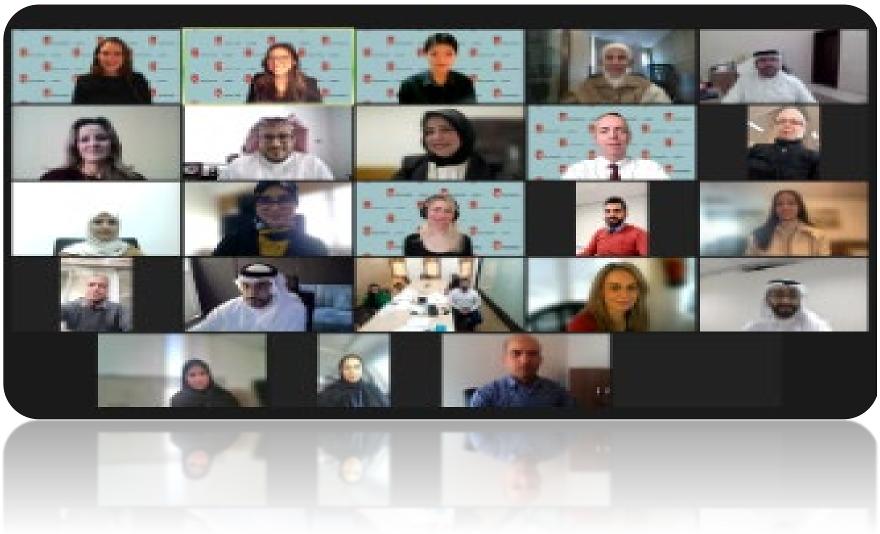
13. A Study on: Coronavirus Pandemic (COVID-19) and its impact on AML/CFT systems in Middle East and North Africa Region - update of November 2021
14. Abuse of Non-Profit Organizations in Terrorism Financing - November 2022.

Typologies Reports | MENAFATF Official Websites

- **The MENAFATF's training programs during 2023**

The MENAFATF holds courses, workshops, and events out of its belief in the importance of preparing and developing human resources in the region, and to be aware of all developments. During 2023, many training courses and workshops were implemented in cooperation with the MENAFATF's observer members and donors, which included 8 training events:

- The training course on "FATF's International Standards" in cooperation with the FATF in March 2023.



- A workshop on "Combating the financing of proliferation and assessing its risks", in cooperation with the UNODC, in the United Arab Emirates in June 2023.
- The joint training course "to train and qualify assessors", in cooperation with the FATF, in the Arab Republic of Egypt in September 2023.

- Regional conference on “AML/CFT and New Technologies: New payment methods, virtual assets and social media, in cooperation with UNODC, the EU Global Facility on AML/CFT, and the GIZ, in the Republic of Tunisia in September 2023.

- A workshop on “Parallel Financial Investigation”, in cooperation with UNODC, in the Kingdom of Morocco in October 2023.
- A workshop on “Advanced Strategic Analysis”, in cooperation with the IMF and the Egmont Group, in the United Arab Emirates in November 2023.


- A workshop on “Cross-Borders Cash Transfers in the field of AML/CFT”, in cooperation with UNODC, in the State of Qatar in November 2023.

## 3.2. Activities and developments of the MENAFATF’s Forums and Committees

### 3.2.1. FIUs Forum (FIUF)

FIUs Forum Meeting aims at Exchanging experiences between FIUs in member countries of the MENAFATF, increasing the level of countries’ compliance to Recommendation 29 of the FATF recommendations, studying all requirements for the establishment of an effective FIU, and developing its work, especially with regard to increasing the analytical capacity of its employees, while achieving better regional communication, mutual support, and facilitating deliberations regarding the exchange of information between FIUs in member

Countries of the MENAFATF, and support member countries' membership in the Egmont Group.

During 2023, the FIUF contributed to encouraging member countries to join the Egmont Group in coordination with the Egmont Group Secretariat to clarify the requirements and conditions for joining and the principles governing the accession mechanism, and to hold a bilateral discussion between the FIUs nominated to join and the delegations of member countries and sponsors to keep pace with the progress of the FIUs in completing the membership criteria in the Egmont Group. In addition, raising awareness about the most important challenges that prevent its accession, as well as the most important accession challenges faced by the newly joined member countries of the Egmont Group \was also provided by the MENAFATF. The Republic of Iraq joined the Egmont Group during 2023, bringing the number of countries joining the Group from the region to 15 member countries, i.e., 71% of the total countries.

### 3.2.2. Operational Experts Forum on Terrorist Financing (OFTF)

OFTF aims to provide an opportunity for counter-terrorist financing experts to discuss the risks of terrorist financing within and beyond the Middle East and North Africa region and the inherent challenges of the process of combating terrorist financing. The OFTF targets operational experts from various fields such as Law Enforcement Agencies (LEAs), security agencies and Financial Intelligence Units (FIUs) dealing with terrorist financing issues.

During 2023, the OFTF prepared a study on the risks, methods and trends of terrorist financing and ways to enhance national and international cooperation in the field of combating terrorist financing, which emphasized the weakness in clearly identifying the specific methods of financing terrorism based on the virtual assets sector and issued 26 recommendations on measures to obstruct the emerging financing of terrorism risks accordingly.

### 3.2.3. Risk Committee

The Risk Committee aims to consider all issues related to understanding the risks of money laundering, terrorist financing and proliferation financing. During 2023, it discussed the challenges facing member countries in the field of money laundering, terrorist financing, and financing of proliferation risks, the risks of misuse of legal persons and legal arrangements, and the role of implementing Ultimate Beneficial owners (UBOs) transparency standards and benefiting from the most prominent regional practices to confront them.

The Committee also follows up on member countries completing the NRA process, as most of the MENAFATF Member States (18 countries) have completed the NRA process, while 3 countries are still in the process of preparing and working on the project, either due to their weak experience in this field or due to the exceptional circumstances they have gone through or due to weak financial and human resources. Note that the majority of the countries in the MENAFATF update their NRA reports every 3 to 6 years.

# 4. Section Four: Regional inclusion, international cooperation and partnerships of the MENAFATF

Combating money laundering and associated predicate offences, terrorist financing, and proliferation requires a strong and coordinated global response, as regional inclusion, international cooperation, and intensifying partnerships with member countries, organizations, regional and international bodies, and institutional entities are essential in the field of combating financial crimes. In this regard, the MENA FATF recognizes the importance of coordination with regional and international bodies and strives to expand the scope of this cooperation and partnership, in accordance with Clause 3 of Article 1 related to the MENAFATF's objectives included in the MoU, which stipulates the necessity of cooperation with other regional and international organizations, institutions and bodies to enhance compliance with AML/CFT/CPF standards internationally. The MENAFATF also includes this cooperation in all its tasks stipulated under its Rules and Procedures. Regional inclusion, international cooperation and intensification of FATF partnerships for the Middle East and North Africa region are represented within the framework of:

- Participation in the events and activities of member countries.
- Contribution to the work of international and regional organizations.
- Coordinating the MENAFATF's participation or contribution to the work of international, regional organizations and institutional entities partners.

## 4.1.International Cooperation

Within the framework of the FATF's international cooperation, the MENAFATF contributes regularly and effectively to the work of international and regional organizations. This section addresses formal international cooperation based on the MENAFATF's position as an associate member or observer of the organizations concerned.

**A. Financial Action Task Force**

The FATF holds the status of an associate member of the MENAFATF, where it participates in all of the work of the MENAFATF and its working groups. The MENAFATF and its member countries are always keen to participate effectively in the projects and activities of the FATF to ensure that regional considerations are taken into account in international standards. The member countries of the MENAFATF are also keen to participate in the training workshops of the FATF to ensure the development of human capacities in the region and their knowledge of the latest good practices on an international level.

- ✓ **MENAFATF's contribution: Providing comments on proposed amendments to standards, guidelines, and best practices**

**The MENAFATF contributed to the following amendments:**

- Recommendation 4 on confiscation and provisional measures and its interpretive note (“INR.”)
- Recommendation 38 relating to mutual legal assistance, freezing and confiscation and its INR.
- Recommendation 8 on non-profit organizations and their INR.
- Recommendation 16 on wire transfers and its INR.
- Draft guidance for Recommendation 25 on transparency and the beneficial ownership of legal arrangements
- Updating the guideline on the national money laundering risk assessment.
- FATF Best Practices Update Project for Combating Abuse of Non-Profit Organizations.
- Updates to reports on the financing of ISIL, Al Qaeda, and loyal groups thereto.
- Typologies Project on Abuse of Citizenship and Residency by Investment Programs
- Typologies Project on Illicit Financial Flows from Internet Fraud
- Typologies project to enhance cooperation with asset recovery networks (ARIN)”
- Typologies Project on Crowdfunding for Terrorist Financing Purposes
- Visuals on the scoping note for the project “Identifying the main challenges in IO7”.
- Providing views on the FATF project to review the priorities of the ICRG for the fifth round.
- The training team creation project aims to support the FATF Training Center by nominating trained experts to join the team.

- ✓ **The MENAFATF’s participation in FATF training workshops**
  - **The MENAFATF participated in the following training workshops:**
  - 
  - A forum on the proposed guidelines related to Recommendation 25 with the private sector.

- A virtual forum entitled “Towards compliance with Recommendation 15”.
- Training courses on FATF standards.
- A training course for trainers on international standards issued by the FATF.
- Training courses for ICRG reviewers.
- Training programs to qualify and train assessors.
- Training program for FSRBs secretariats staff on the mutual evaluation process.

### B. FSRBs

FSRBs share common goals in implementing FATF standards in their member countries, generally carry out the same tasks and face similar challenges. The MENAFATF is always keen to invite other FSRBs to attend the MENAFATF's meetings and activities and is also keen to attend the activities and events thereof to ensure the exchange of experiences. During 2023, the MENAFATF’s secretariat participated in the FSRBs Forum to strengthen trans-regional efforts with the support of the GIZ within the framework of its Global Program to Combat Illicit Financial Flows (GP IFF), and discussed urgent and evolving topics in light of current developments, and shed light on the importance of digital tools to organize and implement mutual evaluations, and to work on a better national risks self-assessment, in addition to discussing the importance of electronic platforms for training and capacity building.

### C. Egmont Group of Financial Intelligence Units

MENAFATF holds the status of observer member of the Egmont Group and cooperates closely therewith and with the regional representative of the Egmont in view of the common goals, especially regarding the membership of the MENAFATF’s Member Countries which did not join the Egmont Group yet. The MENAFATF participated in the 39th annual plenary meeting of the Egmont Group, which was held in July 2023 in Abu Dhabi, United Arab Emirates, and presented an overview of its training and effectiveness program for 2023 during the technical assistance and typologies working group meeting. It also attended the meeting of the MENA Countries and discussed with the Regional Representative of the Group common topics and different ways of cooperation.

## 4.2. Partnerships

Within the framework of the MENAFATF's international partnerships, the MENAFATF contributes to the work of international and regional organizations on a regular basis, as the section deals with informal international cooperation, that is, not based on the MENAFATF's status as an associate member or observer in these organizations, while the latter may occupy observer status in the MENAFATF.

During 2023, the FATF worked to coordinate the MENAFATF's participation or contribution to the work of a number of partners from international and regional organizations and institutional entities, as follows:

- Cooperating with the AMF to organize a remote workshop on the requirements for preparedness and dealing with the outcomes of the mutual evaluation - Practical experiences and cases from Arab countries in May 2023.
- Cooperation and coordination with the EU Global Facility and the Siracusa International Institute of Criminal Justice and Human Rights to organize a regional conference on "Strengthening judicial cooperation in the Middle East and North Africa region, June 2023 in the Kingdom of Morocco:
- Cooperation and coordination with the EU Global Facility to Combat Money Laundering in the regional workshop on developments in the 8th recommendation, organized in cooperation with the EU Global Facility, in the Hashemite Kingdom of Jordan in May 2023.
- Cooperation with the UNOCT, the OICT, the CTED, the United Kingdom of Great Britain and Northern Ireland, the United Kingdom and the Kingdom of the Netherlands, with the participation of RUSI, the FIU of the Netherlands and the ECNL to organize a session on "Building best practices and using human rights-compliant digital approaches to address the evolving threat of terrorist financing" - June 2023
- Cooperating with the Financial Integrity Group of the Legal Department of the International Monetary Fund (IMF), in providing materials for a workshop on "Enhancing Beneficial Ownership Transparency Frameworks" at the Center for Economics and Finance (CEF), in the State of Kuwait in September 2023.

### 4.3. Regional coordination and integration

The MENA FATF participated in events and activities organized by a group of member countries, as follows:

- **Arab Republic of Egypt** The MENAFATF participated, under the coordination of the secretariat, in the annual meeting of compliance managers in Arab banks in its seventh session on "Enhancing the effectiveness of the role of the private sector in combating money laundering and terrorist financing," organized by the Arab Republic of Egypt and the Union of Arab Banks for the directors and secretaries general of the FIUs, in the period from 14 to 16 July 2023.
- **State of Qatar**: The MENAFATF participated, under coordination of the secretariat, in the fifteenth summit of supervisory bodies for the countries of the Middle East and North Africa organized by the State of Qatar and the London Stock Exchange Group (LSEG) on 04 October 2023.

# 5. Section Five:
# MENAFATF Financial Statements

## Financial and Administrative Affairs

The MENAFATF Secretariat prepares the financial reports annually, noting that the fiscal year begins on January 1 and ends on December 31, in accordance with international accounting standards, after the external auditor conducts the annual audit of the MENAFATF's accounts and presents it to the Plenary meeting for approval in implementation of Articles 8, 12 and 13 of the MoU, and in accordance with Articles 33 to 49 stipulated in the third part of the Rules and Procedures in each of its first, second, third, fourth and fifth chapters, relating to the fiscal year and financing, and the preparation and implementation of the estimated budget and accounts.

### A. Financial Management

- ✓ **Finance**
- ✓ **Estimated Budget**
- ✓ **Accounts**
- ✓ **Financial Statements and Final Accounts for the year ending on 31 December 2023**

# Statement of Financial Position as of December 31, 2023 (amounts in USD)

| Statement | 2023 | 2022 |
|---|---|---|
| ***ASSETS*** | | |
| ***Non-Current Assets*** | | |
| Equipment | 20,069 | 14,476 |
| Intangible assets | 24,939 | 40,064 |
| Right-of-use assets | - | 46,894 |
| Intangible assets | **45,008** | **101,434** |
| | | |
| ***Current Assets*** | | |
| Members' contributions receivables | 258,423 | 142,609 |
| Prepayments and other receivables | 30,718 | 15,128 |
| Cash and bank balance | 4,437,691 | 4,306,255 |
| | 4,726,832 | 4,463,992 |
| ***Total Assets*** | **4,771,840** | **4,565,426** |
| | | |
| **ACCUMULATED FUNDS AND LIABILITIES** | | |
| ***Accumulated Funds*** | | |
| Strategic reserve | 300,000 | 300,000 |
| Accumulated funds | 2,282,079 | 1,823,638 |
| ***Total Accumulated Funds*** | **2,582,079** | **2,123,638** |
| | | |
| ***Non-Current Liabilities*** | | |
| Deferred Grants | 211,769 | 221,941 |
| Employee terminal benefits | 215,503 | 387,011 |
| | **427,272** | **608,952** |
| | | |
| ***Current Liabilities*** | | |
| Accruals & other payables | 41,710 | 75,378 |
| Deferred Income | 1,720,779 | 1,709,870 |
| Current portion of lease liability | - | 47,588 |
| | 1,762,482 | 1,832,836 |
| | **2,189,761** | **2,441,788** |
| ***Total Accumulated Funds and Liabilities*** | **4,771,840** | **4,565,426** |

## Statement of Income & Expenditure as of as of December 31, 2023 (amounts in USD)

| Statement | 2023 | 2022 |
|---|---|---|
| ***Income*** | | |
| Contributions from members' | 2,328,423 | 2,243,644 |
| Other income | 281,492 | 75,633 |
| ***Total Income*** | **2,609,915** | **2,319,277** |
| ***Expenses*** | | |
| Direct costs | 2,048,582 | 1,876,197 |
| General and administrative expenses | 30,338 | 28,191 |
| Depreciation | 7,753 | 2,763 |
| Amortization of Intangible assets | 18,346 | 15,960 |
| Depreciation of Right of Use assets | 46,894 | 46,633 |
| Finance costs | **1,561** | 2,399 |
| Allowance for doubtful members' | **-** | 426,848 |
| ***Total Expenses*** | **(2,151,474)** | **(2,398,991)** |
| ***Surplus/Deficit for the year*** | **458,441** | **(79,714)** |

# 6. Section Six - foresight

## 6.1.Background:

Over the past 19 years, the MENAFATF has made many strides and faced many challenges to achieve its goals in the field of combating money laundering, terrorist financing and proliferation. Many member countries have joined the MENAFATF, at a rate equal to 50% from its inception to date, covering almost all countries of the Middle East and North Africa region. The MENAFATF has also developed its work and activities, by establishing work groups, forums and specialized committees that meet the needs of member countries in the field of expertise exchange, experience sharing and capacity building, which serves the development of combating systems and benefits the region in particular and the global network and the international financial system in general. It is important to look back at where the MENAFATF started to pay tribute to the position and importance it currently holds.

### 6.1.1. Previous Presidents' Contribution to the MENAFATF

Before sharing the MENAFATF's most important milestones over the past 19 years, it is necessary to praise the strategic contributions of the MENAFATF's previous presidents in making these strides and facing the challenges, in order to achieve its current position, namely:

- His Excellency Dr. Muhammad Al-Baasiri, Lebanese Republic, 2005
- His Excellency Mr. Mahmoud Abdel Latif, Arab Republic of Egypt, 2006
- His Excellency Dr. Umayyah Tuqan, The Hashemite Kingdom of Jordan, 2007
- His Excellency Mr. Abdul Rahim Al-Awadhi, United Arab Emirates, 2008
- His Excellency Mr. Abdul Rahman Al Baker, Kingdom of Bahrain, 2009
- His Excellency Mr. Samir Brahimi, Republic of Tunisia, 2010
- His Excellency Mr. Abdel Majeed Amghar, People's Democratic Republic of Algeria, 2011
- His Excellency Mr. Abdel Nour Haiboush, People's Democratic Republic of Algeria, 2011
- His Excellency Dr. Abdul Rahman Al-Khalaf, Kingdom of Saudi Arabia, 2012
- His Excellency Mr. Essam El-Din Abdel-Qader El-Zein, Republic of Sudan, 2013
- His Excellency Dr. Abdul Basit Turki Saeed, Republic of Iraq, 2014

- And His Excellency Dr. Ali Mohsen Ismail, Republic of Iraq, 2014
- His Highness/ Marwan bin Turki Al Said, Sultanate of Oman, 2015
- His Excellency Sheikh Fahd bin Faisal Al Thani, State of Qatar, 2016
- His Excellency Mr. Talal Ali Al-Sayegh, State of Kuwait, 2017
- His Excellency Mr. Abdel Hafeez Mansour, Lebanese Republic, 2018
- His Excellency Dr. Sobhi Mesbah Zaid, State of Libya, 2019
- Mr. Counselor/ Ahmed Saeed Khalil, Arab Republic of Egypt, 2020-2021
- His Excellency Mr. Jawhar Al-Nafisi, Kingdom of Morocco, 2022
- Mr. **Mohamed-Lemine DHEHBY,** Islamic Republic of Mauritania, 2023

#### 6.1.2. Most Important Milestones of MENAFATF since Inception

**2004**

- ✓ The MENAFATF was established by a decision issued by the ministerial meeting held on 30 November 2004, in the Kingdom of Bahrain, by 14 Arab countries, namely: The Hashemite Kingdom of Jordan, the United Arab Emirates, the Kingdom of Bahrain, the Republic of Tunisia, the People's Democratic Republic of Algeria, the Kingdom of Saudi Arabia, the Syrian Arab Republic, the Sultanate of Oman, the State of Qatar, the State of Kuwait, the Lebanese Republic, the Arab Republic of Egypt, the Kingdom of Morocco and the Republic of Yemen, and nine observers: The French Republic, the United Kingdom, the United States of America, the FATF, the IMF, the WB, the GCC, the UNODC and the Egmont Group.
- ✓ The Kingdom of Bahrain was unanimously chosen to host the MENAFATF's secretariat.
- ✓ The election of Mr. Mohamed Al-Baasiri from the Lebanese Republic as President for the first year, and Mr. Mahmoud Abdel Latif from the Arab Republic of Egypt as Vice-President.
- ✓ Appointment of Mr. Adel Hamad Al-Qulish from the Kingdom of Saudi Arabia as Executive Secretary to serve for a period of four years, subject to renewal.

**2005**

- ✓ The meeting was held for the MENAFATF's first year in the Kingdom of Bahrain.
- ✓ Granting the Republic of Iraq and the Islamic Republic of Mauritania membership in the MENAFATF.
- ✓ Formation of the MEWG and the TATWG.

**2006**

- ✓ Approval of the MENAFATF's first strategic plan for the next three years 2007-2009.
- ✓ Approval of the MENAFATF’s Rules and Procedures.
- ✓ Granting the Republic of Sudan membership in the MENAFATF
- ✓ Joining the State of Palestine and the Kingdom of Spain as observer members of the MENAFATF.

**2007**

- ✓ Obtaining the status of an associate member of the FATF.
- ✓ Obtaining the status of an observer member of the APG.
- ✓ Joining the APG, as an observer member of the MENAFATF.

**2008**

- ✓ Granting the State of Libya membership in the MENAFATF
- ✓ Joining the WCO as an observer member of the MENAFATF.

**2009**

- ✓ Adoption of formation of FIU’s Forum.

**2010**

- ✓ Joining the AMF and the Eurasian Community as an observer member of the MENAFATF.

**2011**

- ✓ Obtaining the status of an observer member of the EAG.
- ✓ Joining the United Nations as an observer member of the MENAFATF.

**2012**

- ✓ Adoption of the international standards of the 40 recommendations on combating money laundering, terrorist financing, and proliferation.
- ✓ End of the first round of the mutual evaluation process.

**2013**

- ✓ Adoption of the formation of the NRA Committee.
- ✓ **Adoption of the amendment to the MoU.**

**2014**

- ✓ Joining of the Federal Republic of Somalia as an observer member of the MENAFATF.
- ✓ **Adoption of the follow-up process for voluntary tax compliance programs in member countries.**

**2015**

- ✓ Granting the State of Palestine membership in the MENAFATF

**2016**

- ✓ Joining of Australia as an observer member of the MENAFATF.

**2018**

- ✓ Granting the Republic of Djibouti and the Federal Republic of Somalia membership in the MENAFATF.
- ✓ Joining of the Federal Republic of Germany as an observer member of the MENAFATF.
- ✓ Creation of the Advisory Committee
- ✓ Adoption of the principles of chairing the MENAFATF's work groups.

**2020**

- ✓ Joining the European Commission as an observer member of the MENAFATF.
- ✓ Expanding the work of the NRA Committee to include risks in general.

**2021**

- ✓ Approval for the Federal Republic of Russia to join as an observer member of the MENAFATF.
- ✓ Approval of the idea of creating an e-learning platform.
- ✓ Coming up with an action plan to enhance MENAFATF's effectiveness.