

THE 16TH MEETING OF THE COUNCIL OF HEADS OF FINANCIAL INTELLIGENCE UNITS OF CIS MEMBER STATES WAS HELD

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On February 2, 2021, the 16th meeting of the Council of Heads of Financial Intelligence Units of the Members of the Commonwealth of Independent States (CIS CHFIU) was held via videoconferencing. The meeting was chaired by the Council Chairman, Director of the Federal Financial Monitoring Service of the Russian Federation Yury Chikhanchin.

Taking part in the meeting were the delegations of the financial intelligence units of the States parties to the Agreement on Establishment of CIS CHFIU: Head of the Financial Monitoring Center of the Central Bank of Armenia Arakel Meliksetyan; Head of the Financial Monitoring Department of the State Control Committee of the Republic of Belarus Vyacheslav Reut; Chairman of the Financial Monitoring Agency of Kazakhstan Zhanat Elimanov; Chairman of the State Financial Intelligence Service under the Government of Kyrgyzstan Gulamzhan Anarbaev; and Head of the Department on Combating Economic Crimes under the General Prosecutor's Office of Uzbekistan Dilshod Rakhimov.

The Ukrainian delegation did not participate in the meeting. (The Ukrainian embassy in the Republic of Belarus dispatched the official note dated August 6, 2020 notifying the CIS Executive Committee about withdrawal of Ukraine from the Agreement on Establishment of CIS CHFIU pursuant to Ukrainian Presidential Decree No.269/2020 of July 7, 2020. From 11 February 2021, the said Agreement will no longer be in force in respect of Ukraine).

The guest participants included, among others, the representatives of the CIS sectoral cooperation bodies, the International Training and Methodology Centre for Financial Monitoring (ITMCFM) and the Secretariat of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG).

In his welcome speech, Yury Chikhanchin complimented Kazakhstan on establishment of the Financial Monitoring Agency and congratulated Mr. Elimanov on his appointment as the Agency Chairman. The Director of the Russian FIU also awarded the medal "For Merit to the Council of Heads of Financial Intelligence Units of the Members of the Commonwealth of Independent States" to Albert Druzhining, Aide to the Deputy Chairman of the CIS Executive Committee.

In the course of the meeting, the participants discussed issues related to AML/CFT/CPF measures taken by the CIS member states; establishment of the International ML/TF Risk Assessment Center; and "SYNERGY" information sharing system among the CIS financial intelligence units.

In particular, Deputy Director of Rosfinmonitoring Oleg Krylov (who represented the Russian Federation) informed the participants that, with the spread of coronavirus infection, the Russian FIU was forced to significantly adjust methods of its work, starting from receipt of primary information from the private sector through cooperation with the law enforcement and other government authorities:

«We understood that the pandemic could be considered by criminals as an opportunity to fish in troubled waters, organize embezzlement of public funds, establish informal channels for illegal movement of funds, including cross-border channels, and commit other offences. In this context, Rosfinmonitoring and Bank of Russia developed and introduced special requirements for compliance services so that they could identify dubious financial transactions. A special code was assigned to transaction reports containing a reference to the pandemic. This enabled us to promptly respond to such transactions and make decisions to cooperate with the law enforcement agencies. »

This is particularly true for the anti-pandemic products, i.e. purchase of medical equipment, medicines, personal protective equipment and other medical products.

«At the initial stage, vendors often sold such products at artificially inflated prices, which allowed unscrupulous public officials to receive kickbacks through companies owned by their family members, friends, etc... There were also some attempts to conceal and disguise illegal money transfers under the pretext of procurement of medical supplies. »

The experience gained by the Russian FIU was used in the research of impact of COVID-19 pandemic on illegal financial flows conducted jointly by the Financial Action Task Force (FATF) and the EAG.

“I can state that we were able to ensure flawless functioning of the entire national AML/CFT system”, pointed out Oleg Krylov.

The meeting participants also considered and discussed the implementation outcomes of the regular CIS CHFIU operation (code named Barrier) aimed at identification of persons involved in the activities of international terrorist organizations; and the results of the Milky Way operation, which was officially ended by the CIS CHFIU decision on January 1, 2021.

Pursuant to the decision of the Council, the Working Group on Risk Assessment was renamed into the Anti-Money Laundering Working Group (AMLWG). The Head of Rosfinmonitoring Interregional Department in the Northwestern Federal District Evgeny Gileta was appointed the Chairman of this Working Group.

Besides that, certain additions were introduced to the Concept on Establishment of International Risk Assessment Center (IRAC), which was approved by CIS CHFIU resolution on November 27, 2019.

Training of the CIS CHFIU members on how to use information resources of the Transparent Blockchain service will be continued in 2021.

The next CIS CHFIU meeting will be held in the Republic of Tajikistan subject to favorable epidemiological situation in the world.