



Grupo de Acción Financiera de Sudamérica
Grupo de Ação Financeira da América do Sul
Financial Action Task Force of South America

Tel. (54-11) 4816-3131

www.gafisud.org

e-mail: contacto@gafisud.org

Report for CICAD XXXVII (Santo Domingo, April 2005)

This report summarizes the activities of GAFISUD since the last meeting of the Inter-American Drug Abuse Control Commission.

Ninth and Tenth Plenary Meetings of GAFISUD

Use of a common methodology and the second mutual evaluation round.

The Ninth Plenary Meeting saw the adoption of the new Evaluation Methodology, following which the Colombia evaluation was conducted in October 2004 and approved at the Tenth Plenary Meeting of Representatives in Lima, in December 2004.

This was the first report to be prepared under this methodology by any regional forum, including the FATF.

It was a strenuous task for the examiners and evaluations of this type entail a heavier workload than reports under previous methodologies. Fortunately, the evaluation team was equal to the task and prepared a professional, objective and impartial report on the System for Prevention and Control of Money Laundering and Terrorist Financing in Colombia.

The countries next in line for evaluation are Peru, Paraguay and Uruguay. The evaluation visit to Lima is scheduled for next week.

Chair and Executive Secretariat

The Tenth Plenary Meeting marked the conclusion of the tenure of Mr. Rossati, Minister of Justice and Human Rights of the Argentine Republic, as Chair, and the start of that of Mr. Carlos Hamann Pastorino, Director of the FIU of Peru.

In addition, Mr. Alejandro Montesdeoca Broquetas was appointed as the new Executive Secretary of GAFISUD. Mr. Montesdeoca worked in the Uruguayan Government for several years, with responsibilities in the areas of Money Laundering and Terrorist Financing. As a result, he has amassed a great deal of experience and expertise in these issues. He also served as his country's representative to GAFISUD as well as in the MEM Governmental Expert Group on Money Laundering in the framework of CICAD/OAS.

Adoption of international standards

The Plenary decided to adopt Special Recommendation IX and its interpretative note.

Agreements with the International Monetary Fund and the World Bank

The Plenary adopted the following decisions in response to a request from the IMF and the World Bank:

- GAFISUD will share the workload of mutual evaluations with international credit agencies (ICAs).
- ICAs will carry out up to two evaluations per round.
- GAFISUD may participate as an observer in ICA-led evaluations, including on the evaluation visit.

- The results of these visits shall be submitted, together with the report, to the GAFISUD plenary for discussion and approval.

Working groups

Legal Working Group (GTL)

The GTL submitted a summary of its activities to the plenary. The working group is currently engaged in the development of Special Investigative Techniques for Money Laundering and Terrorist Financing. The plenary approved the guidelines on the techniques presented by the working group. This document contains the requirements to be met by countries in the application and adoption of legislation on these special techniques, in order to ensure better international cooperation and greater effectiveness in their implementation. The document is divided into several chapters, each of which addresses a different special technique (undercover agents, use of informants, controlled delivery, electronic surveillance, etc.). The plenary instructed the working group to continue its activities, and to give special attention to the "use of rewards" and "witness protection". In that regard, a training seminar on the use of these techniques will be held in Paraguay from May 30 to June 2. This activity will be jointly implemented with CICAD.

FIU Working Group (GTU)

The GTU undertook to perform a survey of regional typologies and, at the same time, conduct a review of technical assistance needs, among both FIUs and other agencies involved in combating money laundering and terrorist financing.

Financial Supervision Working Group (GTSF)

The GTSF is engaged in an impact assessment of Special Recommendation IX, as well as supervision of high-risk sectors, such as money exchanges and remittance agencies. It is also studying the possibility of establishing common basic standards for all GAFISUD supervisors in the area of money laundering and terrorist financing.

Significant Training Activities

GAFISUD has been implementing a series of training activities at the national and regional level.

The IV Training Seminar for Mutual Evaluation Examiners was held in November 2004 in Chile. This seminar supplied GAFISUD with a number of trained specialists able to perform evaluations using the new methodology, and covered financial, legal, and operational aspects. Participating in the event were the Executive Secretariat of the FATF, the IMS, and the World Bank. The event was financed by FIRST Initiative.

In March-April 2005, a Training Seminar on Supervision of Money Exchanges and Remittance Agencies was held in Quito, Ecuador, in the framework of the above-mentioned activities of the Financial Supervision Working Group.

Regional CFATF Conference on AML investigations, Antigua, GUATEMALA, March 2005

Financed and implemented by the National Plan on Drugs of Spain, the conference brought together FIU experts, police, and government attorneys to share experiences and discuss cases of money laundering. Participants worked in joint sessions to strengthen cooperation in the region in different areas. The GAFISUD Secretariat also took part to strengthen inter-regional relations, and offered a presentation on the various initiatives carried out by the working group.

CICAD GROUP OF EXPERTS TO CONTROL MONEY LAUNDERING

The Executive Secretariat of GAFISUD took part in the special meeting of the CICAD Group of Experts to Control Money Laundering held in Washington, D.C., from March 16 to 18, 2005. At the meeting the Executive Secretariat presented a report on progress in activities to foster special investigative techniques in GAFISUD member countries. The results of those activities were made available to CICAD at that meeting.