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INTER-AMERICAN DRUG ABUSE
CONTROL COMMISSION

CICAD

Secretariat for Multidimensional Security

XXXV MEETING OF THE GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING
September 17-18, 2012
Buenos Aires, Argentina

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FINAL REPORT

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I. BACKGROUND

During the forty-second regular session held in Santa Marta, Colombia, the Commission adopted the following work areas for the Expert Group on the Control of Money Laundering that were identified by GELAVEX during its XXV plenary meeting held in Santiago, Chile in November 2007: forfeiture, *In-rem* forfeiture, Asset Recovery Agencies (LEA), and terrorism financing.

At the same time, the Commission agreed that GELAVEX will hold two annual meetings: one during the first half of the year, exclusively for the Sub Working Groups (Subgroup for FIUs and Law Enforcement Agencies and Subgroup of Forfeiture); and another during the latter half, which will feature a plenary session as well as an additional meeting for the Sub Working Groups.

The Expert Group recommended in its meeting held in Caracas, Venezuela, September 2011, the approval, by the Commission, of the proposal for the development of a planning process for GELAVEX. This proposal was approved by CICAD in its fiftieth regular session, held in Buenos Argentina, November 2011.

During the last meeting, celebrated in May 30-31, in Washington D.C., United States of America, the Subgroup of International Cooperation and Forfeiture was coordinated by Costa Rica, and the Subgroup of Coordination and Integration of Financial Intelligence Units and Law Enforcement Agencies was coordinated by Chile. That meeting was attended by experts from Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Peru, Suriname, Trinidad and Tobago, United States of America, Uruguay and Venezuela, as well as representatives of Spain, the International Monetary Fund and the World Bank.

According to the 2011-2012 Working Plan approved by CICAD, the International Cooperation and Forfeiture Subgroup would continue working on the following subjects: (1) the elaboration of normative aspects for the creation and development of specialized bodies on the administration of seized and/or forfeited assets that will be carried out through the BIDAS Project, and; (2) the elaboration of a report on the progress on the implementation of the different systems of asset forfeiture and on the identification, among member countries, on the efficient mechanisms to share forfeited assets. Additionally, according to this Working Plan approved by CICAD, the LEA-FIU Integration/Interaction Subgroup would continue working on: (1) the presentation of a first progress report on the elaboration of recommendations, principles and best practices that permit countries to unify criteria regarding the information that is shared among Financial Intelligence Units and Criminal Investigation Agencies, and; (2) the presentation of a first progress report on the elaboration of recommendations for the identification and analysis of risk factors on material of money laundering and financing of terrorism at the hemispheric level.

II. AGENDA: APPROVAL OF THE AGENDA AND REVIEW OF TOPICS

1. Inaugural session. The opening remarks were made by Mr. Rafael Bielsa, Secretariat for the Prevention of Drug Addiction and Fight against Drug Trafficking (SEDRONAR), Mrs. Annalibe Ruiz, Director of Anti-Laundering Unit of the National Anti-Drugs Office, Chair of the Group of

Experts for the Control of Asset Laundering of CICAD, Lic. José A. Sbattella President of the financial Intelligence Unit of Argentina, Mr. Diogo de Oliveira Machado Institutional Articulation Analyst, Ministry of Justice of Brazil and Mr. Rafael Franzini Batlle, Assistant Executive Secretary of the Inter-American Drug Abuse Control Commission of the Organization of American States (CICAD/OAS).

2. Agenda. The Group approved (or not) the draft agenda (CICAD/LAVEX/doc.2/12)

III. DELIBERATIONS OF THE GROUP

1. The Executive Secretariat (ES) presented its report of activities of the Anti Money-Laundering Section of CICAD (CICAD/LAVEX/doc.8/12). The delegations have welcomed the report presented by the ES, and was approved.

2. The delegation of the Dominican Republic, through Mr. Manuel Ulises Bonnelly, Judge of the Third Criminal Chamber of the Court of Appeals, gave a presentation on the development of legal frameworks on Confiscation in Dominican Republic (CICAD / LAVEX / doc.10/12). The Dominican Republic delegations congratulated and welcomed the efforts and important advances in the legislation on confiscation of assets of illegal origin.

3. The delegation of United States of America, through Mr. Michael Burke, Department of Justice Senior International Counsel, gave a presentation on the normative model of the United States for sharing Assets Forfeited Abroad (CICAD / LAVEX / Doc. 3/12). The Group appreciated the important information provided on sharing confiscated and welcome the American model in this area, recognizing that countries should support each other by international instruments, such as the 1988 Vienna Convention, the Palermo Convention of 2000, the United Nations Convention against Corruption (Mérida Convention 2003) and bilateral agreements to find ways of sharing confiscated property, tailored to their own legal systems.

4. The ES, through Mr. Dennis Cheng, Coordinator of the BIDAL Project, presented the document of Comparative Legislation Study of the countries in the Hemisphere and Normative Guide for the creation and development of specialized bodies in the administration of seized and forfeited assets (CICAD/LAVEX/doc.4/12). Mr. Cheng remarked the substantial changes made to the document as well as the incorporation of observations and comments made by the delegations of Argentina and Guatemala. The Plenary welcomed the presentation of this document, which was submitted, the Plenary deemed adopted without modifications the same as those already set out by BIDAL's the Project Coordinator. SE was urged that once the document approved by the Commission, to be published on the website of CICAD.

5. The Executive Secretariat of GAFISUD made a presentation on the progress in implementing the FATF revised standards in the hemisphere facing the development of the new round of mutual evaluations (CICAD/LAVEX/doc.9/12). The Plenary thanked GAFISUD's Secretariat for updating the progress on implementing the new evaluation methodology that will verify compliance with the new FATF standards, which have been approved in February 2012.

6. The delegation of Argentina presented the legislative developments implemented following up the recommendations of the last FATF mutual evaluation (CICAD/LAVEX/doc.XX/12). The Group welcomes the significant progress made by Argentina within the workframe of FATF mutual

evaluations, recognizing the transcendent efforts towards compliance with international standards for AML / CFT. Brazil congratulated to the delegation of Argentina for the incredible progress achieved in recent years, likewise Brazil take this opportunity to present their own progress on AML / CFT, reporting the recent reform of its AML laws, considered a third-generation law that complies with international standards as well as with its national strategy against corruption (CICAD/LAVEX/doc.XXX/12). Guatemala, makes available to the Group the coordination mechanisms have been implemented at the national level and have given positive results, thereby improving the effectiveness in combatting AML / CFT. The Presidency have invited both delegations to provide , through the SE, any document that may contain these important legislative advances at the legislative and institutional level to combat ML/TF. The Plenary congratulated both delegations on these important developments and initiatives.

7. The Coordination of the Sub-working Group of International Cooperation and Forfeiture presented the document on the Implementation of Asset Forfeiture Systems and Mechanisms for Sharing Seized Assets (CICAD/LAVEX/doc.XX/12). The group deliberated that such document is extremely useful for all countries, so the delegations are pleased with its drafting by the Sub-Working Group and the SE. Accordingly, the Plenary approves the document, which, once approved by the Commission, will be published on CICAD's website.

8. The Coordination of the FIU/LEA Integration/Interaction Subgroup presented the document of Principles and Best Practices for the Coordination and Integration of FIU and LEA in the Use and Protection of FIU's Information (CICAD/LAVEX/doc.13/12). United States welcomed the content of the document, which may serve as an example for other international organizations and as a reference for member countries. Similarly, Trinidad and Tobago welcomed the presentation of such kind of a document, and said it certainly will be useful for the countries. The Plenary discussed the documents will be presented for approval on the next CICAD meeting and then published on the website of CICAD, as well as circulated by email to all delegations, taking into account that some of these documents contain information and comments at the strategic level.

9. The Coordination of the FIU/LEA Integration/Interaction Subgroup presented a Study on Comparative Law of the Regulations that Set and Regulate the Exchange of Information between FIU and LEA (CICAD/LAVEX/doc.XXX/12) approving it unanimously and urging the SE to once approved by the Commission, to be published on the website of CICAD.

10. The Coordination of the FIU/LEA Integration/Interaction Subgroup presented the first draft of the Recommendations for the Identification and Analysis of Risk Factors associated with Money-Laundering and Terrorism Financing at the hemispheric level (CICAD/LAVEX/doc.XXXXXX/12). The plenary discussed the comments made by delegations during the meeting, deliberating the Sub-Working Group should continue to work on the basis of these developments and the contributions of the delegations who wish to contribute, setting a deadline of January 31, 2013 to send their comments through the SE. The Coordination of the FIU/LEA Sub-Working Group will coordinate with related agencies who are working in this topic to unify criteria in this regard.

11. The ES, based on the proposal of Dominica in the XXXIV Meeting of the Sub-working Groups of GELAVEX, explained to the House the procedure to be followed, according to the internal procedures of the OAS, to present technical assistance proposals related to the Mutual Evaluations for the implementation of the recommendations of Financial Action Task Force (FATF) to its donors. The delegation of Dominica urged delegations to provide the ES of mandates to provide such technical

assistance through its donors, stressing that many countries are at a disadvantage to comply with FATF standards in particular due to the limited availability of financial resources. The U.S. delegation indicated that the Group should be very careful in granting this type of mandate to the SE, because technical assistance should be provided in terms of improving and strengthening the institutional capacities of the countries to be able to comply with the recommendations on AML / CFT. Having said that, the Plenary welcomed the efforts that could make the Executive Secretariat to its donors to seek technical assistance to member states in this area of Mutual Evaluations, requesting to the SE to inform about those efforts on the upcoming meetings of the group.

IV. CONCLUSIONS AND RECOMMENDATIONS OF THE GELAVEX SUB WORKING GROUPS

1. To welcome the report of activities of the Anti-Money Laundering of CICAD, recognizing the efforts made in the field of technical assistance to strengthen the institutional capacities of member countries.
2. To highlight the presentation on developing legal frameworks for Forfeiture in the Dominican Republic.
3. To highlight the presentation made by the U.S. delegation on its regulatory model to Share Assets Forfeited Abroad.
4. To Approve the Comparative Study of Legislation on the Countries of the Hemisphere and The Legislative Guide for the Creation and Development of Specialized Bodies in Administration of Seized and Forfeited Assets.
5. Highlight the progress of the countries in implementing FATF revised standards towards the development of the new round of Mutual Evaluations.
6. To highlight the significant legislative advances implemented by Argentina in compliance with the recommendations and the FATF Mutual Evaluation.
7. To approve the document on Implementation of Asset Forfeiture Systems and Mechanisms for Sharing of Seized Assets.
8. To approve the document of Principles and Best Practices for Coordination and Integration of Financial Intelligence Units and Law Enforcement Agencies in the Use and Protection of Information from Financial Intelligence Units.
9. To Approve the Study of Comparative Legislation in Establishing and Regulating the Exchange of Information Between Financial Intelligence Units and Law Enforcement Agencies.
10. To request the Sub-working Group of Financial Intelligence Units and Law Enforcement Agencies to continue working document with Recommendations for Identification and Analysis of Risks Associated to Money Laundering and Terrorism Financing in the hemisphere.
11. To welcome the efforts undertaken by the Secretariat to its donors in order to provide technical assistance to Member States on Mutual Evaluations for the Implementation of the

Recommendations of the Financial Action Task Force (FATF), requesting likewise the SE to inform about those efforts on the upcoming meetings of the group.

12. To approve the 2012-2013 Work Plan of the Sub-Working Groups GELAVEX, in the following order:

Sub-Working Group on International Cooperation and Forfeiture

- To write a self-assessment guide to distinguish advances in asset forfeiture systems focused on the following topics: a) Asset Investigation b) Asset Management; and c) Effectiveness of application of forfeiture. To this end, the Coordination of the sub-group will work in coordination, and with the support of the ES and the BIDL project.
- To carry out a study to identify International Cooperation Mechanisms (formal and informal) to permit the adequate and efficient exchange of information for the prevention and suppression of money laundering, the financing of terrorism and the recovery of criminal assets.

Sub-Working Group of Financial Intelligence Unit and Law Enforcement Agencies (FIU/LEA)

- To continue working on the process of Identification and Analysis of Risks Associated to Money Laundering and Terrorism Financing in the hemisphere.
- The development of a guide on topics of Asset Investigation, which should contain at least a conceptualization of this investigative technique and the identification of the minimum elements that should contain a working methodology in the field. On this context, the Sub-Working Group will be based on a model survey, which will be designed and circulated to the countries (in English and Spanish) on the last week of January 2013. Subsequently countries should complete the survey and send it no later than the last week of April 2013, in order to let the subgroup coordination tabulate the answers and prepare a report to be presented at the next meeting of sub-working groups in GELAVEX Washington DC.

V. OTHER BUSINESSES

Chair and Vice Chair

The panel welcomed the applications of the delegations of Brazil and Uruguay to the Chairmanship and Vice Chairmanship, respectively, for the period of 2013-2014 (will take possession in September 2013 the next Plenary), recommending that these delegations submit these nominations of their delegates before the next ordinary session of CICAD, forum at which the positions will be elected.

Next meeting

The Group decided that the next GELAVEX's plenary meeting will be established by the Chair and ES, who will communicate, when appropriate, the times and places established.

The Group thanked the Chair of the Group, the delegation of the Republic of Argentina, for the excellent organization of this meeting and the outstanding handling of this Plenary.

