MENA FCCG

Making a Collective Impact

MENA FINANCIAL CRIME COMPLIANCE GROUP CHARTER

I. Background

Financial Crime[1] has devastating social, economic and political consequences and is a threat to national security because it provides the fuel for drugs and arms dealers, terrorists and other persons, many engaged in incidental, instrumental and systemic levels of corruption as well as criminals working towards the expansion of their criminal enterprises. As the financial sector has always been a critical gatekeeper in the fight against ML/TF, it requires proactive and collective actions to ensure strong safeguards against potential criminal fund flows. This includes investing and deepening manpower competencies and capabilities to increase relevance and effectiveness.

II. Group Purpose:

The MENA Financial Crime Compliance Group (MENA FCCG) has made the fight against money laundering and the financing of terrorism a priority and is fully committed to this effort. Protecting the reputation of the MENA financial institutions is a fundamental tenet and critical to the continued growth of the sector. Among the goals of this group are: enhancing the confidence in the integrity of the financial system, cutting off the resources available to terrorists, and making it more difficult for those engaged in crime to profit from their criminal activities.

We will accomplish this by promoting financial crime awareness and developing practical guidance. We share this information amongst each other and with strategic partners to address and overcome the specific challenges the risk and compliance community face in combating financial crime and to influence positive change. To that end, we build our work on three core values: credibility, integrity, and trust to make a collective impact.

III. Group Objectives:

- To discuss topical challenges and act as a think tank for financial crime challenges relevant to MENA.
- To be visible to the global community, increasing the confidence of international bodies that organisations in this region understand their concerns and are working together to make MENA a safer, more secure, place to do business.
- To act as a link or feedback channel between the private sector and external/ global bodies/regulators such as Wolfsberg, MENA FATF, UN Security Council, etc.
- To provide technical assistance to banks in MENA developing countries in order to enhance their AML/CTF Programs.

[1] Serious offences and violations to laws, regulations, and international mandates that must be detected and reported by financial institutions, including money laundering, terror finance, corruption, fraud, tax evasion, and violations to sanctions and embargo programs.

IV. Meeting Outcomes:

- Develop better understanding of financial crime and translate this knowledge into key risk indicators and typologies unique to the MENA region.
- Discuss regional challenges, including cross border or international applicable regulations in areas where local regulations are lacking or inconsistent and make recommendations on how best to comply.
- Share experiences to enhance the processes for turning raw data into meaningful financial crime intelligence, (e.g. AML/CTF monitoring technologies, link analysis tools, rules, scenarios…etc.).
- Address challenges unique to the region and develop a compliance "toolbox" consisting of MENA specific guidelines to enhance staff training and awareness.
- Publish white papers or articles to enhance awareness, e.g. global press releases, framework editorials.

V. Key Positions/Terms of Office

Chairman

The Secretary General Union of Arab Banks shall be the permanent Chairman of MENA FCCG.

Deputy Chair

The Deputy Chair position shall be determined by election and shall be from a member institution. The Deputy Chair will hold the office for two years commencing immediately after their election at the meeting and running until the meeting date which marks the lapse of two years during which the members will elect a new Deputy Chair.

MENA Strategic Partner

The Union of Arab Banks (UAB) is the sole association that covers all Arab Territories in a non-partisan, globally recognized union, promoting the application of globally recognized best practices and regulations via sound banking practices. The UAB has grown to host over 350 members including banks, central banks and banking associations from across the Arab world; becoming the largest banking and financial consortium in the region.

Their role in this group consists of the following:

- Support the objectives of the MENA FCCG and the work within its communities.
- Facilitate liaisons with international or local, governmental agencies, regulatory bodies, and specialized organizations.
- Aid the group in engaging in public relations & networking initiatives.
- Collaborate, where required, on common endeavours such as research, surveys and reports.

Strategic Partner

The role of Refinitiv (Risk Management Division) in this group would be that of a neutral third party. Refinitiv has served the Financial Crime and Compliance community in the region for many years and is considered an advocate of global best practice. Their role will be that of Group Secretary and will cover primarily two key areas: facilitation and communication.

- Facilitation: This includes pre-meeting logistics by ensuring all members receive their invitation. The venue is to the standard of the group's requirements and the minutes from each meeting are documented and distributed to all members. This will be handled by a dedicated resource from the Refinitiv community team.
    - Send the meeting invitations to members at least 45 days before the meeting day. Initial invitations shall be addressed to each member bank Chairman of the Board of Directors and/or CEO; subsequent invitations can be sent directly to the members.
    - Solicit agenda items from the Group and prepare a draft agenda for review by the Deputy Chair. Final agenda will be approved by the Chair.
    - Document the Group Minutes of Meeting (MoM) and circulate to the members.
    - Circulate the MoM to members by email within two weeks from the meeting date.
- Communication: Refinitiv is responsible for coordination and communication between members and Chair, the Deputy Chair and Technical Advisor. If required by the Group, they may facilitate any publication, and on the public launch, coordinate a global press release on this group and its unique purpose and objectives.

MENA FCCG Advisory Committee

The MENA FCCG Advisory Committee shall consist of; the Founding Member, the Group General Secretary, and the Special Consultant to UAB (representing the Chairman of MENA FCCG). The Committee key responsibilities include:

- Direct initiatives aimed at enhancing collaborations with compliance activists and governmental and public agencies as well as events promoting the group objectives including webinars and forums.
- Oversee strategies for expanding the group's activities including training, education, branding, marketing, public, and media relations and outreach.
- Approve minutes, marketing materials, communications, press releases, publications, or deliverables issued internally or externally by the group prior to publication.
- Oversee the operational management of the group including as it relates to operation of the work-streams, funding of group expenditures, and members and strategic partners ongoing commitment to achieve group endeavors.

Member Institutions

The initial founding Members (12 MENA financial institutions) are selected based on their anticipated contributions to the objectives of the Group. Membership is by invitation only and limited to either the Chief Compliance Officer or the Head of AML/Financial Crime of the Member institution (no substitute members will be allowed to attend meetings). At the discretion of the Members, the Group can invite other MENA financial institutions to join the Group but to a maximum 15 member organisations. The group shall review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Chair or Deputy Chair to be put for member vote. Only member banks are eligible to vote on any matters impacting the group with one vote per member.

Quorum and Voting

A Group Member must be present at the meeting to vote. A majority of the members shall constitute a quorum. If a quorum is not achieved or if a quorum is not maintained as the meeting progresses after a quorum was declared, then decisions cannot be put forth for a vote. All decisions will be made by simple majority voting. A parent member bank with subsidiary member bank shall constitute as one vote. Only in the case of a deadlock, the Chair shall cast the final deciding vote.

All meetings are under Chatham House Rules (member opinions are their own not that of their organisations, no press attendance, no reporting on individuals in any recommendations).

Participation

In order for this group to achieve its objective, members must be available to attend both meetings each year in person. If neither the Chief Compliance Officer nor the Head of AML/Financial Crime are able to attend two consecutive meetings then the member organisation will be removed from the group and the remaining members will nominate a suitable organisation.

Membership selection

Membership selection is undertaken as a group nomination and selection process. Organisations must be selected as a majority vote to ensure that the group operates under a democratic selection process. No single person or entity is responsible, or accountable, for membership selection.

Working Groups

The Chair or Deputy Chair can delegate authority to one or more working groups, led by a member, to address special projects or other initiatives as agreed by the FCCG. The working group leader can in-turn supplement his/her team with other subject matter experts from either member or non-member banks as well as from the public sector. Working groups shall report their conclusions/recommendations to the Deputy Chair. Final output and actions to be taken are subject to the approval of the Group Chair.

Guests

Regulatory authorities, subject matter experts from other MENA as well as large international banks and other leaders may participate based on special invitations as agreed by the Chair and members.

VI. Logistics

Frequency of in-person meetings:
Minimum of every 6 months (can schedule a conference call in between, if called for by the Chair)

Proposed meeting schedule: February, hosted alongside the MENA Regulators Summit, (Refinitiv to Host), and September, to be hosted by a member bank

Meeting Structure: Roundtable discussion

Meeting Format:

Day 1	6:30 pm to 7:30 pm welcome reception, followed by dinner with potential speakers
Day 2	9:00 am to 3:30 pm formal meeting with working lunch

Founding Institutions/Members

Chair

Mr. Wissam H. FATTOUH, Secretary General Union of Arab Banks

Deputy Chair

Mr. Michael MATOSSIAN, EVP, Chief Compliance Officer, Arab Bank
Term duration: September 2016 to - September 2018
Mr. Waheed RATHORE, EVP – Compliance, Abu Dhabi Commercial Bank
Term duration: September 2018 – January 2019
Mr. Michael MATOSSIAN, EVP, Chief Compliance Officer, Arab Bank
Term duration: February 2019 to – TBD

Member Institutions	Country
Abu Dhabi Commercial Bank	UAE
Al Baraka Banking Group	Bahrain
Arab Bank	Jordan
Bank ABC	Bahrain
Bank Audi s.a.l	Lebanon
Bank Muscat	Oman
Boubyan Bank	Kuwait
Emirates National Bank of Dubai (ENBD)	UAE
Mashreq Bank	UAE
National Bank of Egypt	Egypt
National Bank of Kuwait	Kuwait
Qatar National Bank (joined Jan. 2019)	Qatar
Samba Financial Group (Joined Nov. 2018)	Saudi Arabia

Commercial Bank of Qatar (CBQ) was a member (2016 – 2018)