

# MENA FINANCIAL CRIME COMPLIANCE GROUP CHARTER



## I. Background

Financial Crime<sup>1</sup> 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 competencies and capabilities of all stakeholders in the eco-system to increase relevance and effectiveness.

## II. Group Purpose:

The MENA Financial Crime Compliance Group (MENA FCCG) makes the fight against money laundering and the financing of terrorism a priority, and fully commits to this effort<sup>2</sup>. 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, GCFFC, etc.
- To provide technical assistance to banks in MENA developing countries to enhance their AML/CTF Programs.

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<sup>1</sup>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.

<sup>2</sup> To enhance its stature and create a more agile and enduring organization, the group is assessing the benefits of transforming from a voluntary group into an official organization by legally registering under a Not-Profit legal structure, further solidifying the legitimacy and legacy of the group.

## 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

### Chair

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

### Deputy Chair

The members elect a Deputy Chair who 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 or maintain the existing Deputy Chair if there are no objections.

### MENA FCCG Secretariat

Responsibilities of the MENA FCCG Secretariat, elected by members, relate to managing the administration matters of the Group, including:

- Send the meeting invitations to members in advance of the meeting day.
- 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/Deputy Chair.
- Document the Minutes of Meeting (MoM) and circulate to members within two weeks from meeting date.
- Maintain and update MENA FCCG governing documents and obtain member approval on an annual basis on any substantive changes.
- Manage the group’s online outlets (e.g. website, LinkedIn) including as it relates to drafting and posting of press release.
- Perform Quality Assurance on MENA FCCG publications including as it relates to brand design.
- Facilitate coordination and communication among Chair, Deputy Chair, Strategic Advisors, and Members.

### Treasurer

The Treasurer, elected by the members, is responsible for managing the financial affairs of the group and submitting statements of transactions for members review on annual basis.

## **MENA Strategic Partner – UAB**

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:

- Assign qualified individual (s) to support the DCEO as part of an Advisory Committee.
- 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.
- Collaborate with MENA FCCG on learning and awareness initiatives including via MENA FCCG expert presentations in UAB conferences.

## **Strategic Partner - LSEG**

The role of LSEG (Risk Management Division) in this group would be that of a neutral third party. LSEG 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 in the group is to:

- Assign qualified individual (s) to support the DCEO as part of an Advisory Committee.
- Propose opportunities for sowing collaborations with compliance activists including international organizations, associations of banks, central banks, regulators, and governmental agencies.
- Promote the group in its key engagements including conferences and events.
- Provide support and resources to the group as necessary including as it relates to webinar arrangements.

## **Strategic Alliance - GCFFC**

MENA FCCG, being a member of the Global Coalition to Fight Financial Crime (GCFFC), formed an alliance with the MENA Chapter of the GCFFC<sup>3</sup>. Both organizations bring complementary strengths to joint initiatives, with the GCFFC - MENA drawing on its international infrastructure to provide world-leading support, and MENA FCCG contributing the expertise and outreach of its network of leading private banks across MENA. Key collaboration areas follow:

- In 2021, MENA FCCG and GCFFC identified Trade Based Financial Crime (TBFC) as a key collaboration area. This collaboration crystalized in the official release of a comprehensive TBFC Reference Guide in English and Arabic in October 2022. The Guide aims to provide a single, accessible source of knowledge and instruction for compliance professionals, supervisory bodies, customs officials, and law enforcement agencies alike, to create aligned understanding

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<sup>3</sup> GCFFC aims to promote more effective public and private-sector collaboration and engage policy makers in addressing financial crime challenges worldwide. The Deputy Chair of the MENA FCCG is the permanent Vice Chair of the Global Coalition to Fight Financial Crime - MENA Chapter (established in 2021).

of how the trade system is abused, what methods are available to detect these abuses, and how that information can be deployed by the authorities to prevent further occurrences of TBFC.

The TBFC Guide planted the seed for a MENA FCCG - GCFFC TBFC Certificate<sup>4</sup> in collaboration with the American University of Beirut (AUB). The Certificate is comprised of Level I (Understanding International Trade) and Level II (Combating TBFC). Upon completion of Level II, participants are eligible to take a MENA FCCG - GCFFC endorsed Certification exam to earn the designation Certified TBFC Specialist. Level I was released in January 2024 while level II will be released in June 2024. Arabic versions will also be available.

- In 2023, the GCFFC formed an FI Group. This GCFFC FI Group will represent private sector FI's from around the world, focussed on key fighting financial crime issues, including threats & responses in order to improve overall effectiveness in fighting financial crime. The MENA FCCG will be represented by the Deputy Chair along with one Member Bank which will entitle the Member Bank with automatic representation on expert working groups and regional chapters.
- As a continuation to their combating financial crime journey, the groups have agreed to set Anti-Bribery and Corruption as a key collaboration area for 2024.

## **MENA FCCG Advisory Committee**

The MENA FCCG Advisory Committee shall consist of the Founding Member, Former Deputy Chairs who are still active Members, the Group Secretary, and representatives from the Strategic Partners. The Committee activities shall be directed towards supporting the Deputy Chair. In this capacity, key responsibilities include:

- Assist the Deputy Chair in managing the group's internal affairs including as it relates to the group's annual forum, expenditures, and Working Groups' management.
- Facilitate the implementation of strategies for expanding the group's activities including collaborations with compliance activists and governmental and public agencies, training, education, branding, marketing, public, and media relations, and outreach.
- Review minutes and press releases issued internally or externally by the group prior to publication.

## **Member Institutions**

The initial founding Members (12 MENA financial institutions) were 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 can attend meetings). At the discretion of the members, the group can invite other MENA financial institutions to join the group 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 review and affirmation. Only member banks are eligible to vote on any matters impacting the group with one vote per member.

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<sup>4</sup> The TBFC Certificate Program with AUB was endorsed by the MENA FCCG Chair, the UAB Secretary General, as an exception to the agreement on joint MENA FCCG/UAB learning and awareness initiatives as the Program requires unique expertise beyond the scope of UAB's support.



## **Quorum and Voting**

All decisions are on a “no-objection” basis. Only decisions regarding group membership or any contemplated changes to the legal structure of the group require member 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 or Deputy Chair shall cast the final deciding vote.

## **Chatham House**

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 members can vote to remove said member from the group and nominate a suitable replacement organisation to become a member.

## **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. Potential members initially join the group in an observer status for a period of six months after which members make another vote on official membership. 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.

## **Europe Chapter**

The Chapter, officially launched 2021, is the regional arm of the group and operates as a distinct body under the umbrella of MENA FCCG. It aims to extend the group’s outreach to Arab financial institutions across Europe by creating a support network to share best-practice tools, strengthen compliance governance, and enhance relationships with international banking communities including regulators. MENA FCCG Member will serve as a permanent member on the Advisory Committee of the Europe Chapter and provide regular updates to the FCCG Members on Europe Chapter activities.

## Guests

Regulatory authorities, subject matter experts from consulting firms, vendors, or other MENA or international banks may participate based on special invitations.

## VI. Logistics

Two Plenary Meetings each year: one in-person and the other virtual (additional virtual meetings at the discretion of the Chair or Deputy Chair). Meeting Structure: Roundtable discussion

- Day 1 7:00 pm to 9:30 pm welcome reception, followed by dinner with speaker, e.g. Head of AML Unit or from Central Bank
- Day 2 8:30 am to 4:30 pm formal meeting, followed by networking dinner

## VII. Founding Institutions/Members

### Chair

**Dr. 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 - present

Member Institutions	Country	
Abu Dhabi Commercial Bank	UAE	
Al Baraka Banking Group	Bahrain	
Arab Bank	Jordan	
Bank Misr	Egypt	
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 *	
TBD	KSA **	TBD

\* Commercial Bank of Qatar (CBQ) was a member (2016 - 2018).

\*\*Samba Financial Group was a member (2018-2019). Saudi Arabia AFCML Committee was an Observer (2020)