



**EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS  
CHARTER**

Approved by the Egmont Group Heads of Financial Intelligence Units

July 2013

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## EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS CHARTER

This Charter and its elements are binding. Therefore, cases of significant and relevant non-compliance will be subject to the *Egmont Group Support and Compliance Process*.

### Preamble

The Financial Intelligence Units (FIUs) recognized as members of the Egmont Group of Financial Intelligence Units (Egmont Group) by the Heads of FIU (HoFIU):

#### **Having considered:**

- the international nature of money laundering and the financing of terrorism and related threats to a jurisdiction's national security interests;
- that international standards identify FIUs as key components of any comprehensive system of anti-money laundering and countering the financing of terrorism (AML/CFT);
- that the products, including financial intelligence, developed by an FIU have an important value-added role in successfully combating money laundering and the financing of terrorism;
- that as the international standards for AML/CFT have evolved, so too have the roles of FIUs at the national and international levels;
- that FIUs have common features and functions, especially in relation to receiving disclosures, providing feedback, accessing additional information, performing analysis, exchanging information with foreign counterpart FIUs, for the purposes of combating money laundering and the financing of terrorism;
- that co-operation between and among FIUs across national borders both increases the effectiveness of individual FIUs and contributes to the success of the global fight against money laundering and the financing of terrorism;
- that effective international co-operation between and among FIUs must be based on a foundation of mutual trust;

- the first international gathering of FIUs on 9 June 1995 and the decision of the participating agencies to establish the Egmont Group as an informal forum for FIUs worldwide;
- that in 2007 the Egmont Group adopted its original Charter and governance structure to carry out its mission;
- that the growing number of member FIUs and the international recognition of the Egmont Group's important role in the AML/CFT field calls for a further strengthening of its organizational structure; and

that the Egmont Group membership is a privilege and that with membership comes obligations and benefits—the Egmont Group supports and affords full rights and privileges to all members, and expects all members to support its activities;

**Having reaffirmed:**

- the basic principles articulated by the Egmont Group over the years and approved by the membership, as contained in the *Principles for Information Exchange between Financial Intelligence Units* (Principles); and
- that the 2012 revisions by the Financial Action Task Force (FATF) to its Recommendations on AML/CFT affect all AML/CFT competent authorities, including FIUs;

**Resolve to:**

- unite their efforts to further improve an effective exchange of information upon request and spontaneously to combat money laundering and financing of terrorism;
- exchange information on their respective experiences to promote the development of effective FIUs;
- support the Egmont Group members to enhance their capacity by promoting operational independence of FIUs, offering training and technical assistance, promoting personnel exchanges, developing operational and strategic collaboration, and maintaining and granting access to a secure channel for information exchange between Egmont Group FIUs; and
- lawfully co-operate on all aspects related to this Charter.

# 1. Definitions

## 1.1 Financial Intelligence Unit

The definition of a Financial Intelligence Unit (FIU) is as stated within the text of the FATF Recommendation and Interpretative Note on Financial Intelligence Units (*Recommendation 29*).

Countries should establish an FIU that serves as a national centre for the receipt and analysis of:

- (a) suspicious transaction reports; and
- (b) other information relevant to money laundering, associated predicate offences and financing of terrorism, and for the dissemination of the results of that analysis.

The FIU should be able to obtain additional information from reporting entities and should have access on a timely basis to the financial, administrative and law enforcement information that it requires to undertake its functions properly.

The *Interpretive Note* to Recommendation 29 is included as Appendix A of this Charter, and has the same binding effect as the definition above.

## 1.2 Consensus

“Consensus” is general agreement having noted and given due consideration to any formal and substantiated objection.<sup>1</sup>

## 1.3 Members

A member is considered to be in good standing unless that member has been suspended or expelled for non-compliance with this Charter or the Principles.

All members are encouraged to actively participate and contribute to the work of the Egmont Group. Active members are those who contribute through projects, initiatives, leadership roles and other considerable means to pursue the mandate of the Egmont Group.

## 1.4 Egmont documents

This Charter and the Principles are binding to all members. Therefore, cases of significant and relevant non-compliance with these documents will be subject to the *Egmont Group Support and Compliance Process*. The *Operational Guidance for FIU Activities and the Exchange of Information* is not binding. However, members are highly encouraged to implement the guidelines to the greatest extent possible.

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<sup>1</sup> “Given due consideration” means having resolved or addressed a substantiated objection. The Chair will have the authority to: (a) determine if any objection is substantiated; and (b) ensure no single member is able to block the process of consensus building if in the opinion of the Chair that member’s objection has been addressed. (

## 2. Statement of purpose

The FIUs participating in the Egmont Group:

- **finding** that FIUs exchange financial information and intelligence products internationally that have increasingly become valuable tools in the global fight against the financing of terrorism by supporting the work of other national agencies;
- **convinced** that co-operation between and among FIUs across national borders both increases the effectiveness of individual FIUs and contributes to the success of the global fight against money laundering and the financing of terrorism;
- **mindful** of both the sensitive nature of disclosures of financial information and the value of the FIUs established to protect the confidentiality of such disclosures, analyze them and refer them, as appropriate, to the competent authorities for investigation, prosecution, or trial for administrative, investigative, prosecutorial or judicial purposes;
- **acknowledging** the important role of international organizations and the various other national government agencies—such as Finance and Justice ministries, the police, customs, taxation, national security, anti-corruption agencies, and supervisory and regulatory agencies—as allies in the fight against money laundering and the financing of terrorism;
- **having annually convened** Egmont Plenary meetings to discuss issues common to FIUs and to foster such international co-operation among established FIUs, to assist and advise FIUs under development, and to co-operate with representatives of other government agencies and international organizations interested in the international fight against money laundering and the financing of terrorism;
- **having also agreed** upon a definition of “Financial Intelligence Unit”, prepared a model Memorandum of Understanding for the exchange of information, created the Egmont Secure Web (ESW) to facilitate information exchanges, embarked upon numerous initiatives to develop the expertise and skills of the FIUs’ staff and to contribute to the successful investigation of matters within the FIUs’ jurisdictions;
- **aware** that obstacles continue to limit information exchange and effective co-operation between some FIUs, and that those obstacles may include legal restrictions and/or the very nature of the FIUs themselves (as administrative, judicial or law enforcement); and
- **convinced** that there exists both significant potential for broad-based international co-operation among the FIUs and a critical need to enhance such co-operation;

HEREBY AFFIRM their commitment to encourage the development of FIUs and co-operation between and among them in the interest of combating money laundering and the financing of terrorism.

## Statement of purpose (continued)

**We affirm** our commitment to this Charter, which forms a unique integral body of standards together with this Statement of Purpose.

**We believe** it is crucial to develop a network of information exchange on the basis of the *Principles for Information Exchange between Financial Intelligence Units*

**Henceforth, we agree** that Egmont Group meetings shall be convened by and for member FIUs and other invited persons or agencies that are in a position to contribute to the goals of the Egmont Group.

**We further agree** to pursue as a priority, through the appropriate working groups and otherwise:

- development of FIUs in governments around the world and their incorporation into the Egmont Group;
- further stimulation of information exchange on the basis of reciprocity or mutual agreement;
- access to the ESW for all the Egmont Group member FIUs;
- continued development of training opportunities, regional/operational workshops, and personnel exchanges;
- articulation of more formal procedures for decisions about particular agencies' status vis-à-vis the FIU definition;
- development of appropriate methods for the exchange of information; and
- creation of Egmont Group sanctioned materials for use in presentations and communication to public audiences and the media about Egmont Group matters.

## 3. Information exchange and international co-operation

### 3.1 Co-operation

#### A. Exchange of information

All members foster the widest possible co-operation and exchange of information with other Egmont Group FIUs on the basis of reciprocity or mutual agreement and following the basic rules established in the Principles:

- 1) Free exchange of information for purposes of analysis at FIU level.
- 2) No dissemination or use of the information for any other purpose without prior consent of the providing FIU.
- 3) Protection of the confidentiality of the information.

### 3.2 Principles

#### B. Commitment to the Principles

All the Egmont Group members commit to the Principles and to engage in international co-operation among themselves in compliance with those Principles.

### 3.3 Egmont Secure Web (ESW)

The ESW is an electronic communication system that allows encrypted sharing among members of emails and financial intelligence, as well as other information of interest to members and to the functioning of the Egmont Group. The ESW is critical to the effective functioning of the Egmont Group and therefore the HoFIU provide the mandate for the ESW, and approve and monitor its governance structure and policies.

The purpose of the ESW:

- (a) Provide a secure and reliable channel of communication for the members of the Egmont Group.
- (b) Function in accordance with the mandate of the HoFIU.
- (c) Adhere to the standards of security, reliability, efficiency and effectiveness specified by the HoFIU.



## 4. Composition

### 4.1 Members

The Egmont Group members are those FIUs recognized as members by the HoFIU.

#### A. Members—Eligibility

All members must:

- 1) meet the definition of an FIU;
- 2) have full operational status; and
- 3) have the willingness and legal capability to exchange information with all counterpart FIUs according to this Charter and the Principles.

#### B. Members—Responsibilities

All members of the Egmont Group exchange information with other members, consistent with this Charter and the Principles.

All members endorse the *Operational Guidance for FIU Activities and the Exchange of Information* and are encouraged to implement these guidelines to the greatest extent possible.

Members, through the work of the HoFIU and other parts of the Egmont Group, support the *Egmont Group Support and Compliance Process*, which applies to all members.

All members are expected to participate, consistent with their relative capabilities, resources and competences, in Egmont meetings and/or activities.

All members will inform the Egmont Group Secretariat of significant changes to their organizational structure, mandate and operational status, which may affect their eligibility as a member.

All members contribute to the Egmont Group budget in a timely manner<sup>2</sup>, in accordance with the funding formula and provisions as set out below in part 7, (Budget).

All members complete the Egmont Group Census in a timely and accurate manner.

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<sup>2</sup> Timeliness is to be interpreted based on the *Egmont Group Secretariat: Financial and Administrative Policies and Procedures*, which was endorsed by the HoFIU. See the sections on payment of Member Contributions and Procedures.

### C. Members—Privileges

Members are entitled and expected to participate in the Egmont Plenary meetings, HoFIU, Regional Groups, Working Groups, training seminars, and in Egmont Group decision-making at all levels.

Members are entitled and expected to participate in and support Egmont Group initiatives at the global and regional levels.

Members are entitled and expected to access and use the ESW.

Members are expected to implement security practices established by the Egmont Group to ensure the ESW remains confidential and safe for all members.

## 4.2 Observers<sup>3</sup>

The Egmont Group recognizes in this Charter, as observers<sup>4</sup> to the Egmont Group, international partners in the fight against money laundering and the financing of terrorism. The Egmont Group acknowledges the importance of leveraging limited resources and developing synergies with international partners by co-operating with international organizations and other corporate entities in the fight against money laundering and the financing of terrorism.

While the Egmont Group's focus is on operational aspects of international co-operation involving FIUs, it does not operate in isolation. The Egmont Group participates as an observer in the meetings of other international partners. Similarly, the Egmont Group invites numerous international partners to attend Egmont Group meetings.

### A. Observers—Eligibility

All Egmont Group observer organizations must:

- 1) be governmental or inter-governmental;
- 2) be non-profit;
- 3) have a stated role relating to AML/CFT;
- 4) support the objectives of the Egmont Group;
- 5) enhance the Egmont Group's global reach, geographic goals and/or AML/CFT objectives; and
- 6) be able to make a contribution to the work of the Egmont Group.

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<sup>3</sup> The procedures for Observers joining the Egmont Group are described in *The Egmont Group Partnership with Observers and Other International AML/CFT Partners*, and *The Egmont Group Procedure for Granting Observer Status*.

<sup>4</sup> For the purposes of this Charter, international partners invited to Egmont Group meetings on an *ad hoc* or one-time basis, such as candidate FIUs and private sector entities, are considered Designated Guests.

**B. Observers—Responsibilities**

Observers fully co-operate with the Egmont Group HoFIU, Chair, Committee, Secretariat, Working and Regional Groups, to further the objectives of the Egmont Group.

Observers keep the Egmont Group informed of changes in their structure, mandate, mission or other variations that might impact their eligibility as observers.

Observers provide the Egmont Group, on a reciprocal basis, their reports and publications related to matters relevant to FIUs.

Observers engage in co-operation and co-ordination with the Secretariat, on the basis of reciprocity, and in an effort to avoid duplication and overlap, to develop ways and means of harmonizing activities that fall within the scope of the Egmont Group.

Observers grant reciprocal rights to the Egmont Group including with respect to attendance at meetings, working groups and information sharing on AML/CFT issues.

**C. Observers—Privileges**

Observers have a standing invitation to attend Egmont Plenary meetings.

Observers have a standing invitation to attend meetings of the Egmont Working Groups; however, observers cannot participate during closed sessions unless invited to do so by the Chair of the respective Working Group.

Observers may participate in the proceedings of meetings of Egmont Working Groups or Plenary meetings but have no decision-making rights.

Observers may submit proposals/projects of mutual interest and benefit to the Egmont Group.

Observers may access papers of the Egmont Group if those papers are:

- 1) determined not to be confidential in nature by the Chair, Egmont Committee, Executive Secretary, Chairs of the Working Groups, or the HoFIU as the final arbiter; and
- 2) determined to be confidential in nature, but where access to such documents, by designated observers, is authorized, on a case-by-case basis, by the Chair, Egmont Committee, Executive Secretary, or Chairs of the Working Groups, or the HoFIU as the final arbiter.

Observers may be granted access to the Observer Section on the ESW.

## 5. Participation

All members are encouraged to actively support the work of the Egmont Group. Active support may include participation, consistent with their relative capabilities, resources and competences, in FIU fora on the margins of FATF or FATF Style Regional Body meetings, Egmont projects, Regional Groups, Working Groups and Egmont training initiatives. Members are also expected to host Egmont meetings whenever possible and share typologies.

### 5.1 Plenary and HoFIU

#### A. Participation—Plenary and HoFIU meetings

- 1) The HoFIU convene an annual Plenary meeting for members and observers.
- 2) The HoFIU also convene an annual HoFIU meeting during the Plenary meeting. The HoFIU meeting is exclusively for the members (Head of each FIU's delegation or designate only), the Egmont Committee, the Executive Secretary, and the Secretariat.
- 3) The Chair of the Egmont Group presides over the Egmont Plenary and HoFIU meetings.
- 4) The HoFIU or Chair of the Egmont Group may convene extraordinary/intercessional meetings as circumstances arise at such time and place as the Chair of the Egmont Group designates, following consultation with the HoFIU.

### 5.2 Egmont Committee

#### B. Participation—Egmont Committee meetings

- 1) The Egmont Committee convenes meetings twice a year.
- 2) The Egmont Committee meeting is exclusively for the members of the Egmont Committee.
- 3) The Chair of the Egmont Group presides over the Egmont Committee meeting.
- 4) The Egmont Committee may convene extraordinary/intercessional meetings as circumstances arise at such time and place as the Chair of the Egmont Group designates, following consultation with the Egmont Committee.

## 5.3 Working Group

### C. Participation—Working Group meetings

- 1) The Chairs of the Working Groups convene Working Group meetings twice a year. Working Group meetings are held on the eve of the Plenary meeting and on another occasion.
- 2) The Chairs of the Working Groups may convene *ad hoc* Working Group meetings as necessary.

## 5.4 Regional Groups

### D. Participation—Regional Group meetings

- 1) Every FIU is a member of a Regional Group and is expected to attend Regional Group meetings.
- 2) Regional Representatives may convene Regional Group meetings after consulting with members in the Regional Group.
- 3) Regional Representatives chair the meetings of the Regional Group.
- 4) At a minimum, the Regional Groups meet during Plenary week.
- 5) Regional Groups are encouraged to meet during the year, whenever possible.

## 5.5 Attendance

### E. Participation—Attendance at Egmont meetings

- 1) All members are expected to attend and participate in the annual Egmont Plenary meeting and the HoFIU meeting.
- 2) All members are expected to attend and participate in Working Group meetings and other Egmont meetings.
- 3) All observers are expected to attend the open sessions of the Plenary meetings, open sessions of Working Group meetings, open sessions of Regional Groups.
- 4) The Chair of the Egmont Group, the Chairs of the appropriate Working Groups<sup>5</sup> may extend *ad hoc* invitations to Candidate FIUs to attend all or part of the Plenary meeting and Working Group meetings.

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<sup>5</sup> The relevant Working Group(s) in charge of training and/or outreach are the responsible entities.

## 6. Structure

The HoFIU, the Chair of the Egmont Group, the Egmont Committee, the Working and Regional Groups and the Secretariat comprise the operating structure of the Egmont Group.

### 6.1 The HoFIU

#### A. The HoFIU—General

The HoFIU is the governing body of the Egmont Group. Any powers related to the management of the Egmont Group, not explicitly delegated to the Chair of the Egmont Group, the Egmont Committee, the Secretariat, the Working Groups or Regional Groups are deemed to reside with the HoFIU. The HoFIU may delegate specific authorities to other components of the Egmont Group to expedite certain decisions, enhance the effectiveness of Egmont Group activities and streamline issues brought before the HoFIU.

The HoFIUs establish the mandate and set the priorities of the Egmont Group, through the Egmont Group's Strategic Plan.

The HoFIU meetings are decision-making meetings where each FIU is represented by its Head or designate. They are held at least once a year during the Egmont Plenary week, and can also be held at other times.

Decisions taken by the HoFIU, at a meeting or out-of-session<sup>6</sup>, are based on consensus.

#### B. The HoFIU—Roles and functions

The HoFIU decide upon and endorse any development that affects the Egmont Group membership, structure, budget, and members' compliance with this Charter and the Principles. The roles and functions of the HoFIU are:

- 1) To uphold this Charter, the Principles and the objectives of the Egmont Group.
- 2) To amend or repeal the current Charter and other Egmont Group documents.
- 3) To accept new members and observers.
- 4) To suspend and/or expel members failing to meet this Charter and the Principles and observers, as appropriate.
- 5) To approve the establishment and dissolution of Working Groups and Regional Groups.

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<sup>6</sup> The HoFIU may make decisions during the Plenary week (in session) and any time before or after the Plenary (out-of-session). Technology (such as conference calls, ESW or the Internet) supports the HoFIU during out-of-session decision-making.

- 6) To approve the structure and mandate of the Secretariat.
- 7) To appoint and remove the Chair of the Egmont Group.
- 8) To endorse the selection and extension of tenure of Working Group Chairs, Working Group Vice Chairs, and Regional Representatives.
- 9) To endorse the appointment of the Executive Secretary but delegate to the Egmont Committee the responsibility for overseeing (a) the work and performance of the Executive Secretary and (b) the process, selection and renewal of the contract of the Executive Secretary.
- 10) To serve as an appellate body for decisions by the Chair of the Egmont Group, including those concerning the Executive Secretary.
- 11) To approve the funding formula and annual budget.
- 12) To approve use of “out of budget funds” (uncommitted funds) if necessary.
- 13) To set the agenda or direction for, and approve, the Egmont Group’s Strategic Plan.
- 14) To approve the annual Business Plans of the Egmont Committee, Working Groups and the Secretariat, and the regional plans of the Regional Groups.
- 15) To approve *a priori* new projects that arise after endorsement of the annual Business Plans and projects pursued outside the scope of the Working Groups, pursuant to Egmont procedures.
- 16) To approve the financial statements and the annual report.
- 17) To appoint auditors and approve the audit reports.
- 18) To delegate specific authority to the Egmont Committee as the HoFIU deems necessary.
- 19) To approve the ESW governance process and its outcome.

## 6.2 The Chair of the Egmont Group

### A. The Chair—General

The Chair acts on behalf of the HoFIU and the Egmont Group more broadly to carry out its mandate. The Chair is the primary representative of the Egmont Group. The Chair is chosen by the HoFIU from the membership under procedures determined and approved by the HoFIU.

The Chair has a two-year term with an option of a two-year extension, subject to the approval of the HoFIU. In exceptional circumstances, the HoFIU may authorize further extensions.<sup>7</sup>

### B. The Chair—Roles and functions

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<sup>7</sup> Exceptional circumstances are determined by the HoFIU. An exceptional circumstance may include an instance when there are no new candidates for Chair of the Egmont Group.

- 1) To lead the Egmont Group on all major issues, including the Egmont Group's Strategic Plan, in consultation and co-ordination with the HoFIU.
- 2) To build consensus within the Egmont Group.
- 3) To ensure members are informed in a timely way of key developments affecting the Egmont Group.
- 4) To oversee the work of the Executive Secretary.
- 5) To provide guidance on the operations of the Secretariat.
- 6) To represent the Egmont Group before external partners and in international fora.
- 7) To chair the Plenary meetings, the HoFIU meeting, and Egmont Committee meeting (see further roles and functions as Chair of the Egmont Committee as set out below under *6.3 Egmont Committee*).
- 8) To perform ceremonial duties to represent the Egmont Group as needed.

The Chair of the Egmont Group and the Egmont Committee are committed to work in full transparency within the framework of their respective mandate and in line with this Charter and the Principles. If a deviating position or decision is contemplated then the HoFIU's approval should be sought.

The Chair, in consultation with the Egmont Committee, has emergency powers to exercise in exceptional and urgent cases as described below in this provision and specified in the *Revised Internal Procedures of the Egmont Committee*.

The HoFIU authorizes the Chair, in consultation with the Egmont Committee, to utilize the emergency powers and immediately report back to the HoFIU for their confirmation of the exercise of such authority by the Chair under the following circumstances to:

- 1) suspend a member FIU's access to the ESW if it is substantiated that the member FIU poses a security threat to the Egmont Group; and
- 2) protect Egmont assets.

### **6.3 Egmont Committee**



**A. The Committee—General**

The Egmont Committee ensures that the Egmont Group carries out the mandate of the HoFIU. The Egmont Committee serves as a consultative and co-ordination body for the HoFIU, the Working Groups and the Regional Groups with authorities specifically delegated by the HoFIU. The Egmont Committee oversees Egmont initiatives and provides general guidance to the Chair, the Working Groups, Regional Groups and the Secretariat. The Egmont Committee is responsible for ensuring vertical and horizontal cohesion of the work of the Egmont Group, consistent with the mandate of the HoFIU.

Decisions made by the Egmont Committee are based on consensus.

**B. The Committee—Roles and functions**

- 1) To oversee the financial management of the Egmont Group, including the development of a budget and contribution matrix for the endorsement of the HoFIU.
- 2) To advise the Chair and the Executive Secretary in matters relating to the management and work of the Secretariat.
- 3) To oversee the process for the selection, appointment, contract extension or dismissal for cause, of the Executive Secretary.
- 4) To develop and co-ordinate implementation of the Egmont Group's Strategic Plan.
- 5) To consider matters affecting the Egmont Group, including compliance with this Charter and the Principles, and make recommendations to the HoFIU.
- 6) To determine the operating procedures of the Egmont Committee.
- 7) To examine ways to illustrate and enhance efficiency and monitor progress of Egmont Group activities.
- 8) To prepare or modify the Egmont Committee's annual Business Plan for endorsement by the HoFIU.
- 9) To make additional proposals to the Business Plans submitted by the Working Group, if needed, to ensure consistency with the Egmont Group's Strategic Plan and avoid overlap.
- 10) To resolve cases where the Egmont Committee identifies an overlap or a conflict between the activities of the Working Groups that cannot be resolved by the Chairs of the Working Groups.
- 11) To recommend to the HoFIU the establishment or dissolution of Working Groups, as appropriate.
- 12) To set any additional or intersessional Committee meetings as necessary;
- 13) To set the agenda for the annual HoFIU meeting and the Egmont Plenary meeting.

- 14) To represent or delegate representation of the Egmont Group in international fora.
- 15) To review organizations' applications to become observers and make recommendations to the HoFIU.
- 16) To attend the HoFIU meeting at the Egmont Plenary meeting.
- 17) To carry out other duties or tasks delegated or assigned by the HoFIU.

### **C. The Committee—Members**

The Egmont Committee represents all members. The Egmont Committee comprises the Chair of the Egmont Group, the Chairs of the Working Groups, the Egmont Secure Web Representative, the Regional Representatives, and the Executive Secretary of the Secretariat. The Egmont Committee selects two Vice Chairs from the Egmont Committee members.

Representatives on the Egmont Committee are full-time employees of a member FIU. The representative may be a Head, a Head's designate, or a senior official. All members of the Egmont Committee are expected to attend each Egmont Committee meeting.

If a member of the Egmont Committee is unable to attend an Egmont Committee meeting, the following illustrates the rights of succession in the short-term only:

- 1) the Chair is represented by a Vice Chair;
- 2) the Working Group Chair is represented by the Working Group Vice Chair;
- 3) the ESW Representative is represented by a Representative designated by the FIU hosting the ESW;
- 4) the Regional Representative is represented by an appropriate substitute from the Regional Representative's FIU; and
- 5) the Executive Secretary is represented by the Senior Officer of the Secretariat.

#### ***i. The Chair of the Egmont Committee***

The Chair of the Egmont Group is also the Chair of the Egmont Committee.

##### **Chair of the Egmont Committee—Roles and functions**

- 1) To lead the Egmont Committee on all major issues consistent with the mandate of the HoFIU and build consensus.
- 2) To facilitate the implementation of the Strategic Plan.
- 3) To chair the meetings of the Egmont Committee.
- 4) To oversee and guide the work of the Egmont Committee.

**ii. The Vice Chairs of the Egmont Committee**

The Egmont Committee has two Vice Chairs selected by, and from among, the members of the Egmont Committee. To reflect the broad representation of Egmont Group, two of the three positions—Chair of the Egmont Group and Vice Chairs—should reflect geographical diversity of the members, to the extent possible. The Vice Chairs support and advise the Chair on matters affecting the Egmont Group. The Vice Chairs also have ceremonial duties to represent the Egmont Group as needed.

One of the Vice Chairs, subject to a decision by the Egmont Committee, may act as Chair in the absence of the Chair of the Egmont Group. The Vice Chairs have a two-year term with an option of a two-year extension, subject to the approval of the HoFIU. In exceptional circumstances, the HoFIU may authorize further extensions.

**iii. The Chairs of the Working Groups**

The Chairs of the Working Groups represent the Working Groups in the Egmont Committee.

**iv. The Egmont Secure Web (ESW) Representative**

The ESW Representative, on the Egmont Committee, is appointed by the FIU responsible for maintaining the ESW. The ESW Representative advises the Egmont Committee on the implications and implementation of policies involving or affecting the ESW. The ESW Representative also co-ordinates, with the appropriate Egmont Working Group<sup>8</sup>, the governance procedures for the ESW following HoFIU approval to implement the ESW mandate.

The ESW Representative, through the Egmont Committee, reports to the HoFIU on the implementation of the policies and other issues as mandated by the HoFIU.

The ESW Representative is also responsible for co-ordinating, with the appropriate Egmont Working Group<sup>9</sup>, prudent security practices for the ESW, that each member is responsible for implementing.

**v. Regional Representatives**

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<sup>8</sup> The relevant Working Group in charge of Information Technology is the responsible entity.

<sup>9</sup> Ibid.

The Regional Representatives liaise between the members in their region and the Egmont Committee and the Egmont Group, and act as advocates for their region. The selection and number of Regional Representatives for each Regional Group are described in the *Revised Internal Procedures of the Egmont Committee*, and the internal procedures of Regional Groups. The Regional Representatives are natural persons, not FIUs, specifically chosen by the Regional Group. If a Regional Representative is no longer an employee of the FIU, he/she loses the status of Regional Representative.

#### **Regional Representatives—Roles and functions**

- 1) To provide voice to the Regional Group members by communicating and representing the views and interests of their region to the Egmont Committee in discussions and decisions.
- 2) To proactively communicate key Egmont Committee messages and outcomes to their Regional Group members, as appropriate.
- 3) To update the Egmont Committee on Regional Group members' related developments, issues and concerns in their respective region.

#### **D. The Committee—Reference Groups**

The Egmont Committee may create Reference Groups to provide advice and support to the Egmont Committee. The Reference Groups comprise members of the Egmont Committee. The Reference Groups are not decision-making bodies and should not replace or duplicate the work of the Working Groups. (See *Mandate for the Egmont Committee Reference Groups*.)

#### **Reference Groups—Roles and functions**

- 1) To advise the Egmont Committee on specific issues assigned by the Egmont Committee.
- 2) To help the Egmont Committee manage day-to-day issues for which the Egmont Committee is responsible.
- 3) To proactively identify issues to be referred to the Working Groups for more detailed consideration, as appropriate.

## **6.4 Working Groups**

#### **A. Working Groups—General**

To accomplish its mission of development, co-operation and sharing of expertise, the HoFIU creates Working Groups, upon the recommendation of the Egmont Committee, and mandates their activities, aligning such activities with the Egmont Group's Strategic Plan.

Members may participate in a Working Group. The Working Groups meet periodically, in person, and on an ongoing basis through telecommunications.

**B. Working Groups—Roles and functions**

## 1) Preparation of Business Plans:

- a. The Working Groups develop annual Business Plans, taking account of the Egmont Group's Strategic Plan. These Business Plans outline the projects, products and activities of the Working Groups.
- b. The Chairs of the Working Groups consult each other for the preparation of the Business Plans to ensure appropriate exchange of information, promote synergies and avoid duplication of effort.
- c. The Business Plans are then presented to the Egmont Committee, which can make additional proposals, if needed, to ensure consistency with the Egmont Group's Strategic Plan and to avoid overlap.
- d. The Chairs of the Working Groups submit the Business Plans to the HoFIU for approval.

## 2) Implementation, co-ordination, and participation:

- a. The Working Groups are autonomous in the development and implementation of their activities consistent with their mandate, approved projects, Business Plans and, in furtherance of the Egmont Group's Strategic Plan.
- b. The Chairs of the Working Group regularly co-ordinate their activities, and strive to avoid overlap and duplication.
- c. The Chairs of the Working Group inform each Egmont Committee meeting about their activities and the implementation of the Business Plans. Where the Egmont Committee identifies an overlap or a conflict between the activities of the Working Groups that cannot be resolved by the Chairs of the Working Groups, the Committee will agree on a resolution.
- d. The Chairs of the Working Groups report to the HoFIU on the implementation of the Business Plan. Members strive to actively participate in the activities of the Working Groups. The HoFIU support the dissemination of the final products of the Working Groups with the aim that they are actively used by the members.
- e. If a Working Group wants to launch a new project or activity, not referred to in the adopted Business Plan, it can only do so with the endorsement of the Egmont Committee and *a priori* approval of the HoFIU.

### **C. The Chairs and Vice-Chairs of Working Groups**

The members of a Working Group select the Chairs and Vice Chair(s) in accordance with the Working Group's internal procedures. Chairs and Vice Chair(s) have a two-year term with an option of a two-year extension, subject to the approval of the Working Group. The HoFIU endorse the selection of the Working Group Chairs and Vice Chairs. All Working Groups should have at least one Vice Chair. If the Chair of a Working Group is unable to attend a meeting of, or on behalf of, the Egmont Group, the Working Group's Vice Chair may represent the Chair. If the Chair of a Working Group cannot complete his/her term, the Working Group may select a new Chair.

#### **Roles and functions**

- 1) To manage the agenda and work of the Working Group consistent with the Egmont Group Strategic Plan.
- 2) To preside over the meetings of the Working Group.
- 3) To brief the HoFIU on the Working Group's major initiatives and report on progress made.
- 4) To ensure that the guidance provided by the HoFIU is implemented.
- 5) To represent the Egmont Group at international fora, whenever possible or necessary.

### **D. Projects**

Projects and activities of the Egmont Group should be carried out through the Working Groups. The Egmont Group encourages and supports projects or activities on matters of interest to multiple members and observers, as appropriate. *Ad hoc* project teams may be created outside the Working Groups under procedures determined and approved by the HoFIU and with the support of the Egmont Committee.

## 6.5 Regional Groups

### A. Regional Groups—General

To accomplish its mission of development, co-operation and sharing of expertise, the Egmont Group creates Regional Groups. The Regional Groups are organized based on geographic distribution and are represented by their Regional Representatives on the Egmont Committee. Every member of the Egmont Group is a member of a Regional Group.

The Regional Groups, represented by the members' Heads or their designated representative, meet during Plenary week and are encouraged to meet during the year, whenever possible, to collaborate on regional issues and activities.

### B. Regional Groups—Roles and functions

- 1) To actively support, and in turn communicate and contribute to the activities of the Egmont Working Groups.
- 2) To prepare a Regional Plan for endorsement by the HoFIU.
- 3) To facilitate the support and sponsorship of non-Egmont member FIUs in the region to join the Egmont Group.
- 4) To facilitate the collaboration of Regional Groups' members, including developing typologies and conducting operational and strategic projects.
- 5) To advise the Regional Representative(s) on specific issues relating to the HoFIU and the Egmont Committee.
- 6) To provide regular updates to the Regional Representative(s) on developments and issues in their respective region.
- 7) To proactively identify issues to be referred to the Egmont Committee.
- 8) To assist the Regional Representative(s) in the co-ordination of an annual Regional Group meeting, and other meetings, where practical and appropriate, and to actively participate and contribute to this meeting.
- 9) To engage with the Secretariat on initiatives and programs.

### C. Regional Groups—Regional Representatives

The members of the Regional Group select their Regional Representative(s) in accordance with the internal procedures of the Egmont Committee and Regional Groups. The selection process should strike a balance between rotating the position among FIU representatives in the Regional Group and a flexible approach for Regional Groups that have few FIU representatives able to serve in this position.

The HoFIU endorses the selection of Regional Representatives. The Regional Representatives have a two-year term with the option of a two-year extension, only in exceptional cases,<sup>10</sup> and subject to the approval of the HoFIU.

If a Regional Representative is unable to attend a meeting of, or on behalf of, the Egmont Group, they may designate an appropriate substitute for that occasion. If a Regional Representative is unable to complete his/her term, the Regional Group selects a new Regional Representative.

Regional Representatives act as the main contacts for the HoFIU and Egmont Committee on regional issues, mediation of members' issues in the region, and for facilitating training and technical assistance.

#### **Roles and functions**

- 1) To ensure effective implementation of regional plan and effective co-ordination with Egmont Working Groups as needed.
- 2) Recognizing that not all members necessarily attend all Egmont meetings, to proactively communicate key Egmont messages and outcomes to the Regional Group members as appropriate and voice the regional perspective at the HoFIU meetings.
- 3) To engage with the Secretariat on regional matters of overall interest to the Egmont Group.
- 4) To act as an intermediary between the HoFIU, Egmont Committee, and Working Groups on the one hand, and the Regional Group members on the other as required.
- 5) To actively search for solutions to problems of individual Regional Group members in their region, including assisting in obtaining guidance on AML/CFT technical issues.
- 6) To help resolve conflict issues involving Regional Group members in their region.
- 7) To enhance networking and exchanging of ideas among Regional Group members in their region.
- 8) To serve as the Egmont Group's designated representative, whenever possible or necessary, at the regional fora.
- 9) To assist in identifying, where applicable and from the Regional Group, possible sponsors of Candidate FIUs, and providers of guidance and advice in the application process.
- 10) To encourage the Regional Group members to actively participate in and contribute to the project teams of the Working Groups, and to promote strategic and other Egmont projects and activities among Regional Group members in their region.

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<sup>10</sup> An exceptional case may include when there are no other member FIUs able and willing to serve in the position.



- 11) To act and facilitate as mentors to Regional Group members in their region as needed.
- 12) To facilitate and coordinate training and technical assistance for Regional Group members in their region as needed.
- 13) To promote and facilitate, where practical and appropriate, an annual Regional Group meeting, on the margins of the FATF/FATF Style Regional Body meetings or otherwise, to discuss regional issues and co-ordinate positions and approaches to be pursued at Egmont meetings.
- 14) To attend the meeting of FATF Style Regional Bodies in the margins of Egmont Plenary meeting, to provide the regional perspective.

## 6.6 Secretariat

### A. Secretariat—General

The Egmont Group Secretariat provides strategic, administrative and other support to the structure and overall activities of the Egmont Group. The Secretariat also provides technical advice on AML/CFT to the HoFIU, the Egmont Committee and the Working Groups Chairs, as directed by the same.

### B. Secretariat—Roles and functions

- 1) Maintain the operations and manage the assets of the Secretariat office.
- 2) Provide strategic, planning and research services.
- 3) Provide financial services to support the Egmont Group and Egmont Secretariat.
- 4) Provide a focal point for information about the Egmont Group, including support of the compliance process (through centralized collection, analysis and dissemination of compliance-related information) and the Egmont Group Census compilation.
- 5) Provide administrative services, as available, to support the meetings and project activities of the HoFIU, the Chair of the Egmont Group, the Egmont Committee, the Working Groups and Regional Groups.
- 6) Provide outreach and membership support services.
- 7) Provide event management services and support host FIUs in organizing Egmont meetings.

### **C. Secretariat—The Executive Secretary**

The Secretariat is headed by an Executive Secretary whose appointment is endorsed by the HoFIU. The Chair of the Egmont Group oversees the process for appointment, contract extension or dismissal for cause of the Executive Secretary.

Action taken by the Chair of the Egmont Group in relation to the Executive Secretary may be appealed to the HoFIU.

The Executive Secretary appoints, leads, and manages the Secretariat and its resources consistent with the Egmont Group's Strategic Plan and annual operating budget. The Executive Secretary is authorized to staff the Secretariat as provided by the HoFIU. In consultation with the HoFIU and the Egmont Committee, the Executive Secretary is authorized to fill short-term and long-term skill gaps within the Secretariat through externally funded secondments from members, who meet criteria specified by the Executive Secretary.

## **7. Budget**

The annual budget of the Egmont Group, prepared by the Secretariat and reviewed by the Egmont Committee, is approved by the HoFIU.

At the end of each year, the Secretariat submits a report, reviewed by the Egmont Committee, to the HoFIU on the result of Egmont operations and budget.

### **7.1 Funding of the Egmont Group**

The activities of the Egmont Group are funded by:

- 1) annual contributions of its members;
- 2) additional voluntary contributions from members and observers; and
- 3) voluntary contributions from other sources. Such contributions are subject to AML/CFT and conflict-of-interest screening by the Secretariat and the Egmont Committee before they are considered for endorsement by the HoFIU.

The Secretariat is accountable to the HoFIU and the Egmont Committee for the management of the funds.

### **7.2 Member contributions**

Member contributions finance the cost of the Secretariat to support the activities of the Egmont Group.

#### **A. Member contributions—Annual contributions**

Member contributions are calculated according to a funding formula based on the following principles:

- 1) Every member pays a contribution.
- 2) There are minimum and maximum contributions.
- 3) Member contributions comprise a base amount and an additional amount calculated using a progressive rate approach.
- 4) The progressive rate funding formula is based on a 75/25 ratio of GDP/GDP per capita.

The *Egmont Contribution Matrix*, computed according to the funding formula, is reviewed by the HoFIU every three years and adjusted to account for inflation, depreciation, total membership and full ongoing operational costs as approved by the HoFIU.

Member contributions are collected annually. Members are expected to pay dues in a timely manner.<sup>11</sup>

#### **B. Member contributions—Additional voluntary contributions**

Additional contributions above and beyond annual contributions by members are considered by the Egmont Committee for endorsement by the HoFIU.

### **7.3 Other Contributions**

Only contributions considered by the Egmont Committee and endorsed by the HoFIU may be accepted by the Egmont Group. Such contributions are used to finance and support the projects or training initiatives of the Egmont Group.

## **8. Compliance with the provisions set out in the present Charter**

The Egmont Group maintains high standards for its Members. The *Egmont Group Support and Compliance Process* applies to members who do not comply with the provisions set out in this Charter and the Principles.

## **9. Amendments or revisions**

Any amendment to, or revision of, this Charter may be proposed by the Egmont Committee or the HoFIU. The Charter can be amended by consensus of the HoFIU.

Approved by the Egmont Group HoFIU in South Africa in July 2013.

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<sup>11</sup> Timeliness of payment is described in the Egmont Secretariat's *Financial and Administrative Policies and Procedures*.

## Appendix A: Interpretative Note to the FATF Recommendation 29

### A. General

1. This note explains the core mandate and functions of a financial intelligence unit (FIU) and provides further clarity on the obligations contained in the standard. The FIU is part of, and plays a central role in, a country's AML/CFT operational network, and provides support to the work of other competent authorities. Considering that there are different FIU models, Recommendation 29 does not prejudge a country's choice for a particular model, and applies equally to all of them.

### B. Functions

#### *(a) Receipt*

2. The FIU serves as the central agency for the receipt of disclosures filed by reporting entities. At a minimum, this information should include suspicious transaction reports, as required by Recommendation 20 and 23, and it should include other information as required by national legislation (such as cash transaction reports, wire transfers reports and other threshold-based declarations/disclosures).

#### *(b) Analysis*

3. FIU analysis should add value to the information received and held by the FIU. While all the information should be considered, the analysis may focus either on each single disclosure received or on appropriate selected information, depending on the type and volume of the disclosures received, and on the expected use after dissemination. FIUs should be encouraged to use analytical software to process information more efficiently and assist in establishing relevant links. However, such tools cannot fully replace the human judgement element of analysis. FIUs should conduct the following types of analysis:
  - **Operational analysis** uses available and obtainable information to identify specific targets (e.g. persons, assets, criminal networks and associations), to follow the trail of particular activities or transactions, and to determine links between those targets and possible proceeds of crime, money laundering, predicate offences or the financing of terrorism.
  - **Strategic analysis** uses available and obtainable information, including data that may be provided by other competent authorities, to identify money laundering and the financing of terrorism related trends and patterns. This information is then also used by the FIU or other state entities in order to determine money laundering and the financing of terrorism related threats and vulnerabilities. Strategic analysis may also help establish policies and goals for the FIU, or more broadly for other entities within the AML/CFT regime.

***(c) Dissemination***

4. The FIU should be able to disseminate, spontaneously and upon request, information and the results of its analysis to relevant competent authorities. Dedicated, secure and protected channels should be used for the dissemination.
  - **Spontaneous dissemination:** The FIU should be able to disseminate information and the results of its analysis to competent authorities when there are grounds to suspect money laundering, predicate offences or the financing of terrorism. Based on the FIU's analysis, the dissemination of information should be selective and allow the recipient authorities to focus on relevant cases/information.
  - **Dissemination upon request:** The FIU should be able to respond to information requests from competent authorities pursuant to Recommendation 31. When the FIU receives such a request from a competent authority, the decision on conducting analysis and/or dissemination of information to the authority making the request should remain with the FIU.

**C. Access to information*****(a) Obtaining Additional Information from Reporting Entities***

5. In addition to the information that entities report to the FIU (under the receipt function), the FIU should be able to obtain and use additional information from reporting entities as needed to perform its analysis properly. The information that the FIU should be permitted to obtain could include information that reporting entities are required to maintain pursuant to the relevant FATF Recommendations (Recommendations 10, 11 and 22).

***(b) Access to Information from other sources***

6. In order to conduct proper analysis, the FIU should have access to the widest possible range of financial, administrative and law enforcement information. This should include information from open or public sources, as well as relevant information collected and/or maintained by, or on behalf of, other authorities and, where appropriate, commercially held data.

## **D. Information security and confidentiality**

7. Information received, processed, held or disseminated by the FIU must be securely protected, exchanged and used only in accordance with agreed procedures, policies and applicable laws and regulations. An FIU must, therefore, have rules in place governing the security and confidentiality of such information, including procedures for handling, storage, dissemination, and protection of, as well as access to such information. The FIU should ensure that its staff members have the necessary security clearance levels and understanding of their responsibilities in handling and disseminating sensitive and confidential information. The FIU should ensure that there is limited access to its facilities and information, including information technology systems.

## **E. Operational independence**

8. The FIU should be operationally independent and autonomous, meaning that the FIU should have the authority and capacity to carry out its functions freely, including the autonomous decision to analyze, request and/or disseminate specific information. In all cases, this means that the FIU has the independent right to forward or disseminate information to competent authorities.
9. An FIU may be established as part of an existing authority. When a FIU is located within the existing structure of another authority, the FIU's core functions should be distinct from those of the other authority.
10. The FIU should be provided with adequate financial, human and technical resources, in a manner that secures its autonomy and independence and allows it to conduct its mandate effectively. Countries should have in place processes to ensure that the staff of the FIU maintain high professional standards, including standards concerning confidentiality, and should be of high integrity and be appropriately skilled.
11. The FIU should also be able to make arrangements or engage independently with other domestic competent authorities or foreign counterpart FIUs on the exchange of information.

## **F. Undue influence or interference**

12. The FIU should be able to obtain and deploy the resources needed to carry out its functions, on an individual or routine basis, free from any undue political, government or industry influence or interference, which might compromise its operational independence.