



## PRINCIPALS IN TAJIKISTAN

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*This press release is issued by the Principals' Group in Tajikistan – a coordination body of Ambassadors and representatives of donors and International Financial Institutions who participate in regular coordination meetings with a rotating chairperson on topics of national interest. Those represented by this joint press release include AKDN, EBRD, EC, France, IMF, Iran, Japan, Russia, Sweden, Switzerland, UK, UN and USA. The current chairman of the Principals' Group is Graeme Loten, British Ambassador.*

### **PRESS RELEASE**

30 March 2007

## Fighting Anti-money Laundering and Financing Terrorism

The Principals' Group met in Dushanbe on March 14, 2007 to discuss how to provide effective assistance to help Tajikistan improve its efforts to address the rising risks of money laundering and terrorist financing. These risks are becoming of greater concern as the Tajik economy is liberalized and growth occurs in the private and financial sectors. Tajikistan does not yet meet many of the international obligations required by international conventions<sup>1</sup> to prevent and detect money laundering and terrorist financing.

A presentation by Cari Votava, an anti-money laundering and counter-terrorist financing expert representing the World Bank and United Nations Office of Drugs and Crime, who is based in Almaty, Kazakhstan, indicated that in the past two years other Central Asian countries have stepped up their efforts to implement anti-money laundering and countering the financing of terrorism (AML/CFT) measures.

As a result, it is likely that existing criminal groups will soon be looking for other countries in which to launder proceeds of criminal activities, where risks of detection will be lower. Therefore, the Principals' Group agreed that now is the appropriate time to help Tajikistan build capacity in relevant governmental bodies and adopt and amend appropriate laws to fully meet its international AML/CFT obligations.

Last year, international organizations, including the World Bank, the UNODC, the IMF, and other members of the international community have supported the efforts of Tajik officials in drafting an AML/CFT law which would enable Tajikistan to meet some of its international obligations. The next important steps necessary for building an effective AML/CFT system are to bring in line with the international standards the criminal provisions regarding money

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<sup>1</sup> Tajikistan has ratified the UN Convention Against Trafficking of Narcotics & Psychotropic Substances, the UN Convention for Suppression of Terrorist Financing, and the UN Convention Against Transnational Organized Crime. Tajikistan has signed, but not yet ratified the UN Anti-Corruption Convention.

laundering and the financing of terrorism and the adoption of an AML/CFT law which sets forth preventive measures and reporting requirements for financial and non financial institutions pursuant to the FATF Recommendations and provides a legislative basis for creating a financial intelligence unit. A mechanism for freezing terrorist assets should be established pursuant to the United Nations Security Council Resolutions 1267 and 1373. Finally the Tajik system should be enhanced to provide legal tools necessary to enable Tajik officials to participate in international information exchanges and cross-border criminal investigations and prosecutions since most crimes of this nature are cross-border in nature.

The AML/CFT technical assistance and training programs offered by international organizations and donor states focus on technical and practical aspects of implementation of recognized international standards and best practices which have improved effectiveness in prevention and deterrence of organized criminal activities in many other countries.

In this regard, the Principals' Group recommends that Tajik policy makers and officials act expeditiously to:

- give serious consideration to the rising threats of money laundering and terrorist financing facing Tajikistan,
- forward the draft AML/CFT law to Parliament for consideration and implementation;
- grant necessary approvals to allow delivery of the necessary AML/CFT training, technical assistance and capacity building programs being offered by international organizations and donor countries to Tajik officials,
- take other reasonable measures to enable Tajikistan to participate fully in the international community's global fight against money laundering and terrorism by full implementation of all international AML/CFT obligations so Tajik officials can also contribute their experience and ideas to the enhancement of international standards and best practices in this field.