



The Egmont Group

Summary¹ Strategic Plan 2014 – 2017

¹ The following is a *Summary* of the Egmont Group of Financial Intelligence Unit's Strategic Plan 2014-2017. The *Implementation* mechanisms are still under development by the Egmont Group of Financial Intelligence Units.

Foreword

The Egmont Group of Financial Intelligence Units (Egmont Group) is an organisation which leverages the capabilities of its membership to exchange information to fight money laundering, terrorism financing and other major crimes. This Egmont Group Strategic Plan sets out how it will be tackling its responsibilities and objectives over the 2014-2017 period.

The definition, functions and essential attributes of a FIU are set out within the text of the Financial Action Task Force (FATF) Recommendation 29 and the Interpretative Note to Recommendation 29 (INR.29). The INR.29 also states that the FIUs should apply for the membership of the Egmont Group.

Egmont Group member FIUs operate within the context of their national legislation and respective frameworks for combating money laundering, terrorism financing and other serious offences, and often play a vital role in the detection, identification, investigation, prosecution and confiscation of the proceeds of crime.

While existing and functioning as state agencies, Egmont Group member FIUs are nevertheless required to be operationally independent, thus allowing them to effectively examine potential criminal proceeds whatsoever the underlying offence and regardless of the organisation that takes the investigative lead.

All Egmont Group member FIUs are required to meet the Egmont Group definition of an FIU to serve as a national centre for the receipt and analysis of suspicious transaction reports and other information relevant to money laundering, associated predicate offenses and terrorist financing, and for the dissemination of the results of that analysis

This Strategic Plan provides a focus for the organisation and seeks to place the Egmont Group on a trajectory to service its members, play an important role in the wider AML/ CFT environment and consolidate a platform for the future development of FIUs. The outcomes it seeks to achieve will be expressed in the activities of the formal Egmont Group structures, including the Working Groups and the Regional bodies once these have been established. These structures will deal with the most pressing issues for members, as well as consider and develop appropriate responses to new and emerging threats and trends. Amongst these are the potential for the abuse of virtual currencies, cybercrime, the ability to process ever-increasing volumes of data and to promote better understanding for FIUs of illicit financial flows, including from transnational organised crimes.

I thank all Heads of FIUs and the members of the Egmont Committee and others who have contributed so much to the development of this plan.

Murray Michell
Chair, Egmont Group

Introduction

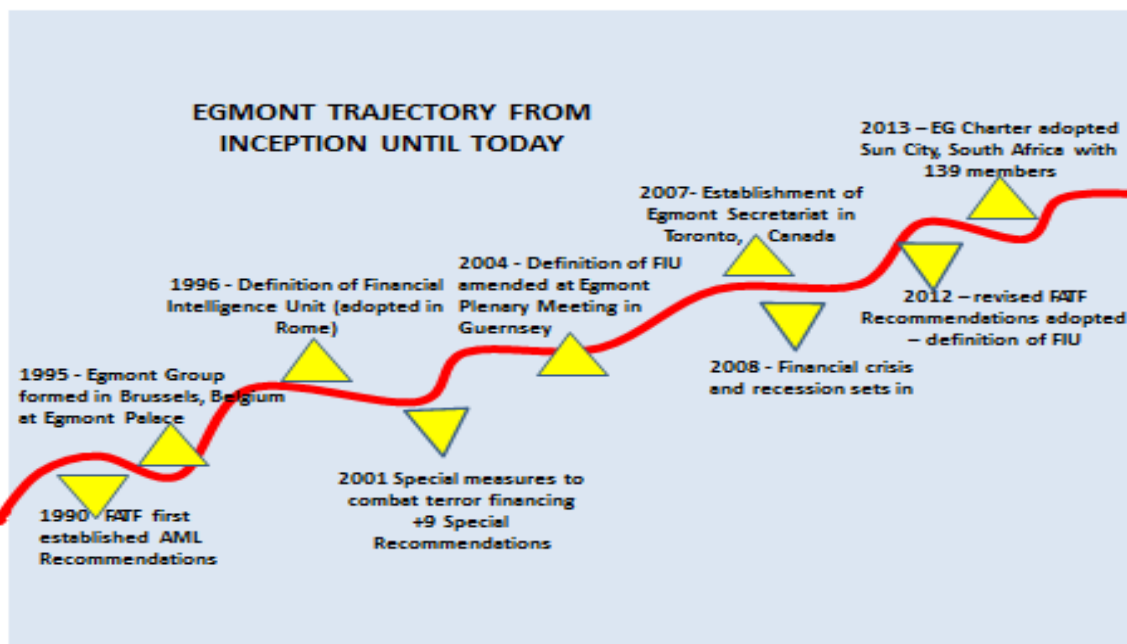
Background to this Strategic Plan

At its Annual Meeting held in July 2013 in Sun City, South Africa, the Egmont Group Heads of Financial Intelligence Units initiated a process to develop a new strategic plan for the Egmont Group. This was intended to provide the Egmont Group with a set of consolidated strategies to achieve predetermined, measurable outcomes in the areas relevant to it.

This decision was taken after the approval by the HoFIUs of revised Egmont Group foundational documents which will provide it with its guiding principles for the future: the “Egmont Group Charter”, the “Principles of Information Exchange Between FIUs”, and “Operational Guidance for FIU Activities and the Exchange of Information”.

Recognising the areas of mutual interest and the opportunities for cooperation, the HoFIUs approved the “Egmont Group of Financial Intelligence Units Partnership with Observers and International AML/CFT Partners” which will further enhance the Egmont Group’s collaboration, cooperation and coordination with its AML/CFT partners.

This strategic plan acknowledges the present status of the Egmont Group and the environment in which it finds itself. The road ahead also needs to be seen in the context of the Egmont Group’s history - the diagramme below sets out key aspects of the historic journey that has brought the organisation to where it is today and points to its future.



The Strategic Plan Development Process

A decision was taken in Sun City that, in the development of this strategic plan, it will be important to ensure that views and opinions from all relevant stakeholders currently represented in the Egmont Group are taken into account. This includes firstly, the responses by Heads of FIUs which were gathered, analysed and synthesized and, where appropriate, reflected in this strategic plan. The Egmont Committee has met on several occasions to provide guidance and direction. A reference Group met in Budapest for additional perspectives, and key external stakeholders were also asked to contribute. Thus the development of this 2014-2017 Strategic Plan has sought to be fully inclusive and to ensure that the Egmont Group continues to have meaning and relevance in the world today.

While being in no way final or definitive, the responses from HoFIUs and others reflect the wide range of challenges and issues facing member FIUs. They also recognise that the Egmont Group can provide a solid platform for the work of FIUs to be taken forward and for the recognition of financial intelligence as a key component in the fight to combat money laundering, associated predicate offences and terrorist financing. Among the responses provided, members identified several issues of particular importance, including for example:

- That the Egmont Group is accorded recognition for the high level of expertise of its members and the integrity of financial intelligence provided;
- The need to provide a framework for a model FIU, recognising the varying capabilities of FIUs;
- The need for Egmont Group to focus on enhancing the analytical, operational as well as strategic capabilities of member FIUs, in line with the expectations of the revised FATF standards.
- The need for closer cooperation amongst members in order to share information, as well as with law enforcement and regulatory authorities;
- The impact of new and developing technology;
- New forms of currency and payment methods as well as the growing role of cyber-crime;
- Challenges associated with the receipt and collection of large volumes of data and the need to process this information quickly and efficiently;
- The need for Egmont Group to provide an effective platform for exchange of information in a reliable and secure manner so as to conform to highest international standards.
- The need for the Egmont Group to be a vibrant and active part of its eco-system comprising inter alia the FATF, FSRBs and other important stakeholders in AML/CFT.

The Egmont Committee has not fully examined this Strategic Plan in the context of its impact on the existing Egmont Group organisational infrastructure, such as the number of working groups and their mandates. This matter will be examined by the Egmont Committee over the coming months and a proposal will be presented to the HoFIUs for consideration that may well advocate that the Working Groups and the Egmont Group Secretariat should be reformed. The Egmont Committee will focus this work on determining how the Egmont Group can be best constituted to meet the objectives of this Strategic Plan and how the Egmont Group Secretariat can be best capacitated and aligned to support these objectives.

The Egmont Group Charter

The 'Egmont Group of Financial Intelligence Units Charter' (Charter) is the key governing document for Egmont as it highlights the statement of purpose, organisation and structure of the Egmont Group, and what its members resolve to do. This Charter is a binding document on all Egmont Group members. The Charter was approved by the Egmont Group Heads of FIUs at Sun City, South Africa, on 5th July 2013.

The Preamble of the Charter, in its resolutions, sets out that the members of the Egmont Group will:

- 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.

One of the key features of the 2014-17 Strategic Plan is the development of a closer partnership and alignment of strategic direction with the FATF and FATF Style Regional Bodies (FSRBs). This closer partnership will result in greater synergies in the areas of training, projects, including typologies, and capacity building, and a better understanding of the process for, and requirements of, mutual evaluations. The closer partnership with FATF is already reflected in the informal joint FATF-FIU meeting that has become a regular feature in the margins of the FATF meetings.

Key Result and Strategic Focus Areas

For the Egmont Group to move forward as an organisation, the resolutions by the members in the Charter will be implemented through specific strategies. Based on the input from Egmont Group member FIUs, key issues for the Egmont Strategic Plan were identified. These issues have been categorized to achieve results in two important areas. These are identified in the Strategic Plan as the Key Result Areas (KRAs).

The Key Result Areas form the foundation for the Strategic Plan and will guide the Egmont Group in achieving its objectives and in performing work that will improve the Egmont Group's operational efficiency and effectiveness.

The two KRAs are:

KRA 1 - Enhance Effective Information Exchange between FIUs.

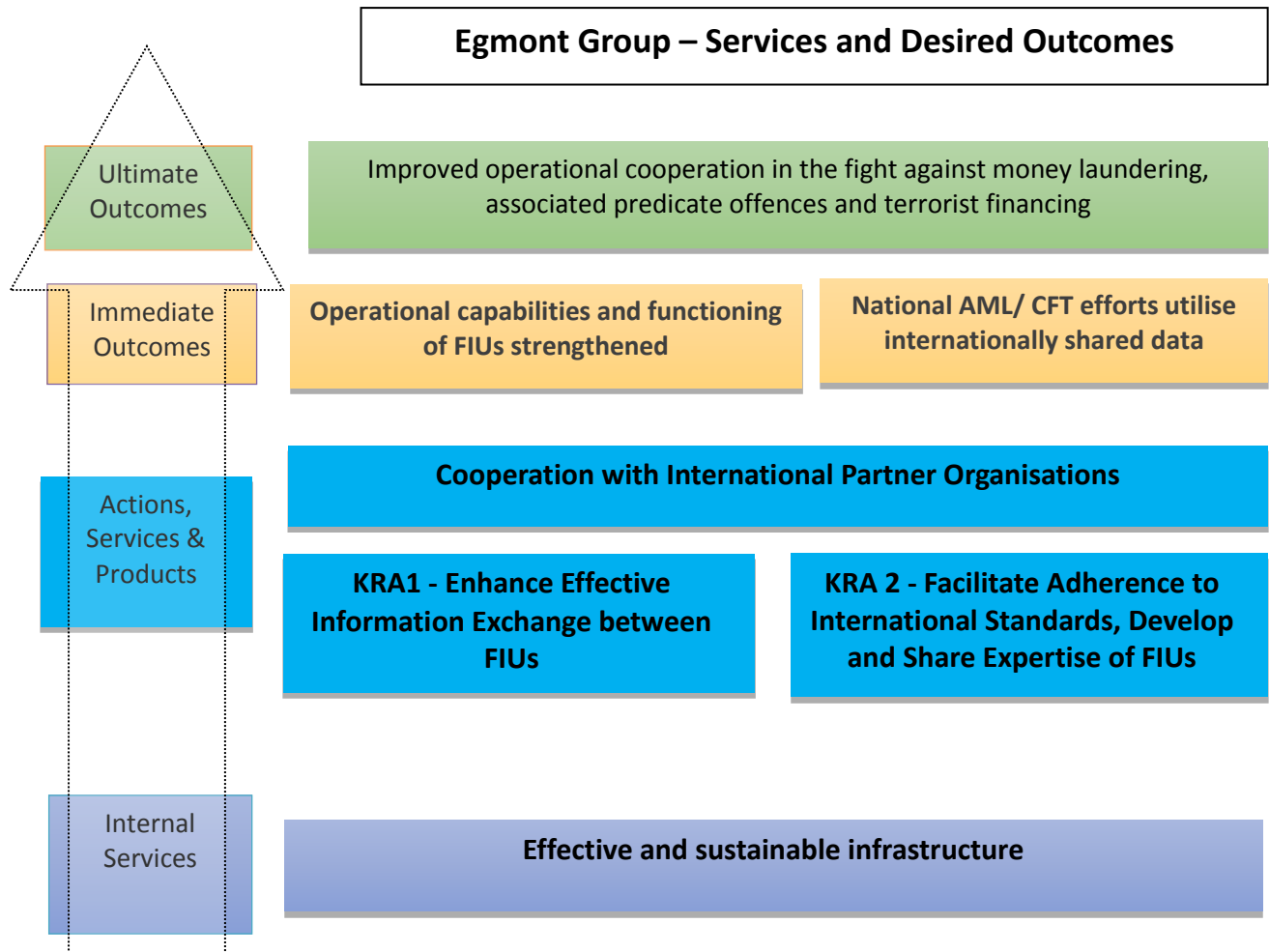
KRA 2 - Facilitate Adherence to International Standards, Develop and Share Expertise of FIUs.

The achievement of this strategy is dependent on two additional strategic focus areas namely;

- **Cooperation with International Partner Organizations**

- **Effective and sustainable infrastructure**

The following diagram provides a pictorial view of the desired outcomes of and services to be provided by the Egmont Group as expressed in the Strategic Plan 2014-17.



The Egmont Group’s Strategic Plan will be implemented by a number of sub strategies that could be thematic or regional. Within these sub strategies a degree of flexibility is envisaged so that particular regional issues can be examined and addressed. In June 2014, the Egmont HoFIU mandated a Task Team to be formulated to develop an implementation mechanism for this strategic plan as well as a governance and infrastructure review of the Egmont Group in order to develop a more effective and efficient organization to assist its members meet their *Charter* obligations as well as implement this strategic plan. Egmont HoFIU agreed to have this work conducted between June 2014 and January 2015 to determine the priorities, the more specific activities to be undertaken and the resources to be dedicated to implementation of the Egmont Group Strategic Plan (2014 – 2017).