

A world map with a light blue background and darker blue outlines for continents. Overlaid on the map are several vertical, semi-transparent blue bars of varying heights, creating a bar chart effect. The bars are positioned across the Americas, Europe, Africa, Asia, and Australia.

SEACEN/World Bank Regional
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Supervisors on AML/CFT

Domestic and International Cooperation
Involving Supervisors

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Domestic and International Cooperation Involving supervisors

- 1 • The participation of several authorities in the fight against money laundering requires domestic and international cooperation
- 2 • Close cooperation with Tracfin
- 3 • Regular contacts with judicial authorities
- 4 • Cooperation with other domestic organizations
- 5 • Cooperation with foreign authorities
- 6 • Active participation in international cooperation

1 • The participation of several authorities in the fight against money laundering requires domestic and international cooperation

1.1. National arrangements in the fight against Money laundering involve three main areas : Enforcement, Preventive measures and Financial Intelligence Unit

- **Law Enforcement**

- Prosecution and repression of money laundering offences falls within the responsibility of the Police authorities and the Judiciary.
- Supervisors will not be considered as law enforcement authorities with regard to the fight against money laundering since their mission is mainly directed towards the implementation of preventive measures.

- **Preventive measures**

- Preventive measures requires the participation of financial institutions (FI)
- The authorities responsible for the supervision of financial institutions ensures the involvement of FI in the fight against money laundering

- **The Financial Intelligence Unit**

- Acts as a link between law enforcement authorities and authorities in charge of preventive measures
- Analyses reports from professionals and transmits them to the relevant law enforcement authorities

The international nature of the fight against money laundering also requires close cooperation between the relevant national authorities. (See Point 5)

2 • The Commission Bancaire maintains close cooperation with Tracfin

2.1. Information provided by Tracfin is essential to assess money laundering risks

- Identification of money laundering trends
 - Identification of vulnerable businesses or techniques
 - Cooperation on the FATF exercise on typologies
- Information on credit institutions' compliance with AML obligations
 - Compliance with vigilance obligations
 - Compliance with reporting obligations (STRs, Files on complex transactions)
- Information on specific transactions
 - STRs filed by the Commission Bancaire
 - Request for further due diligence on transactions
- Assistance provided on the supervision of Bureaux de change
 - Cooperation with the French Customs

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2 • The Commission Bancaire maintains close cooperation with Tracfin

2.2. Modalities of the cooperation between the Commission bancaire and Tracfin

- Cooperation between the Commission bancaire and Tracfin is provided for in L.563.5 of the Monetary and Financial Code.
 - Legal cooperation does not require the conclusion of a MOU or an exchange of letters (as opposed to the cooperation with Siccfin)
 - On going exchange of information, formal requests, exchange of trainees, joint presentation to foreign authorities
 - Explore possibilities to exchange personnel
- Regular meetings are held with the Commission Bancaire
 - Assistance provided to the Commission bancaire in the conduct of disciplinary proceedings related to money laundering
 - Meetings with the Legal and Off-site Supervision departments to prepare the inspection annual program for credit institutions, investment firms and bureaux de change
 - Meetings with inspectors (annual meeting with the Inspection / visits prior to an on-site inspection)

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3 • Regular contacts with judicial authorities

3.1. Transmission of information required by law

- **Situations in which information has to be reported**
 - Obligation to refer cases that could constitute crimes and misdemeanors and that come to its knowledge in the performance of its duties to the Public Prosecutor's office on the basis of Article 40 of the Criminal Procedure Code. This article applies to cases that could constitute money-laundering offenses.
 - Since 1990, the law also requires the Commission Bancaire to notify the head of the prosecution department when it engages disciplinary proceedings in cases that could constitute a failure to report suspicious transactions.
 - Since the new Economic Regulations Act of 15 May 2001 came into force, the CB notifies the prosecutor of all disciplinary proceedings engaged in cases that could constitute failures to comply with AML requirements.
 - The Commission Bancaire also has the obligation to respond to judicial requisitions
- **Facts and figures**
 - The number of cases referred to the judicial authorities has increased steadily
 - The Commission Bancaire ranks second among government agencies for the number of cases referred.
- **Modalities for reporting**
 - Necessity to assess the conditions provided by law so as to verify that professional secrecy is not violated.
 - Prohibition to provide information to the Bank.

3 • Regular contacts with judicial authorities

3.2. Consultations and coordination of respective missions

- **Consultations provided by the General Secretariat of the Commission bancaire**
 - Regular consultation meetings are held with the Paris Public Prosecutor's office to strengthen co-operation between the various authorities involved in the fight against money-laundering.
 - Expertise from the agents of the general Secretariat of the Commission bancaire is often requested during the course of preliminary police investigations to give advice on their knowledge of financial transactions.
- **Coordination between on-site examinations and Preliminary Police investigations**
 - Examination need careful timing.
 - Inspectors must be careful in their assessments when a Police investigation is conducted in parallel.

3 • Regular contacts with judicial authorities

3.3. Exchange of personnel and training

- Secondment of a specialist by the Commission Bancaire to act as a special assistant to the Financial Section of the Paris Public Prosecutor Office.
- Recruitment of a magistrate as legal advisor
- Participation in regular training seminars for the Gendarmerie and the Central Office for fighting Serious Financial Crimes (L'Office Central de Répression de la Grande Délinquance Financière).
- Lectures at the National School for Judges

4 • Cooperation with other Domestic Authorities

4.1. Cooperation with other Domestic Supervisors

- **Cooperation with the Commission in charge with the supervision of Insurance companies (ACAM)**
 - Authorization provided by law to exchange information for the needs of their respective mission
 - Modalities of cooperation provided for in a “Chart”
 - Participation of respective Presidents in each other’s board
 - Joint meetings
 - Joint examinations
- **Cooperation with the Financial Market Authority**
 - Scope of AML supervision between the two authorities
 - Coordination of sanctions imposed on investment firms (non bis in idem)

4 • Cooperation with other Domestic Authorities

4.2. Cooperation with other authorities and professional organizations

- **Cooperation with the French Customs for supervision of bureaux de change**
 - Role and prerogatives of the French Customs
 - Participation in the conduct of the Commission Bancaire annual examination program
 - Feed back provided by the Commission Bancaire on follow-up letter and disciplinary procedures
- **Cooperation with the Commission Informatique et Libertés -CNIL- (French Data Protection Authority)**
 - Respective objectives of both institutions need to be reconciled
 - Cooperation on a unique authorization process
- **Cooperation with professional organizations**
 - The Commission Bancaire issues guidance through professional organization (internal report framework/ AML Questionnaire)
 - Regular meetings are held with the industry to learn about their difficulties to implement AML laws and regulations and answer their questions

5 • Cooperation with foreign authorities

5.1. Cooperation with authorities located in the European Union or the EEA

According to Article L.613-12 of the Monetary and Financial Code:

- when a supervisor located in the EU or EEA requests that some information be verified, the Commission Bancaire must respond to the demand by conducting an on-site inspection on its behalf or allowing the authority to conduct the inspection.
- Reciprocally, the Commission bancaire can conduct a mission in a branch or subsidiary of a French institution located in an EU or EEA country.
- When useful to its missions, the Commission bancaire can exchange information with an authority located in the EU or EEA

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5 • Cooperation with foreign authorities

5.2. Cooperation with authorities located in a non EU or EEA country

- According to Article L.613-13, the Commission Bancaire can conclude conventions with non EU authorities when the authority :
 - Exercises similar missions
 - Is subject to professional secrecy
- Conventions concluded in accordance of Article L.613-13 can provide the following forms of cooperation:
 - Extension of on-site inspections to a branch or subsidiary of a French credit institution, investment firm or financial holding company located in the other authority's jurisdiction
 - Conduct by the Commission Bancaire, on behalf of the other authority, of an on-site inspection in a branch or a subsidiary of institutions supervised by this authority. The law allows for joint missions.
 - The conditions in which information useful to the exercise of their respective missions can be transmitted, exchanged or received.
- According to Article L.613-20, the Commission Bancaire can exchange information with foreign supervisors when the following conditions are met:
 - Reciprocity
 - Equivalent protection of professional secrecy

5 • Cooperation with foreign authorities

5.3. Issues with regard to cooperation with foreign authorities

1. Identification of counterparts may be difficult
 - Scope of supervision differs from one organization to another.
 - Cooperation should concern authorities carrying out equivalent missions
 - Foreign law enforcement authorities (Police and Judicial authorities) should use specific mechanisms provided by law such as conventions on judicial assistance.
2. Conditions required to cooperate with another competent authority need to be assessed
 - Reciprocity
 - Equivalent protection of professional secrecy
 - Useful to the exercise of its missions
3. Modalities of cooperation are documented in formal instruments
 - Memorandum of understanding
 - Letters of intent
 - Conventions

6 • Active participation in international cooperation

The *Commission Bancaire* is closely involved in all of the international initiatives aimed at removing obstacles to the fight against money laundering.

6.1. Participation to the works of the Basel Committee

- The *Commission Bancaire's* representatives on the Basel Committee have played a decisive role in the creation and animation of a Working Group that has developed a detailed set of know-your-customer principles to be observed for the purposes of fighting money laundering and which go far beyond the previous prudential requirements.
 - As a result, a document entitled "Customer Due Diligence for Banks" (October 2001) was published, which highlights the need to reinforce co-operation between supervisors.
 - Other documents are worth mentioning (essential elements of a statement of cooperation between banking supervisors (may 2001), General Guide to account opening and customer identification (February 2003), Consolidated Risk management (October 2003)

6 • Active participation in international cooperation

6.2. Participation to the works of the FATF and the IFIs

- The representatives of the General Secretariat of the *Commission Bancaire* participate in all aspects of the work carried out by the French delegation to the FATF, which is headed by representatives of the Treasury.

- As part of the close co-ordination between these two institutions in the fight against money laundering, the General Secretariat of *Commission Bancaire* is responsible for drafting proposals relating to the supervision of financial undertakings.

- The General Secretariat of the Commission Bancaire (SGCB) representatives participate as financial experts in the mutual evaluation surveys of the FATF member countries.

- The SGCB representatives were also members of the groups evaluating non-cooperative countries and territories, which involves analysis of their financial and legal framework in force in the relevant countries or territories.

- The SGCB representative also participated to AML assessments conducted by the International Financial Institutions and took an active part in the development of a common methodology for assessing AML/CFT national frameworks.

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Secrétariat général de la Commission bancaire

