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AZERBAIJAN

CASE STUDY

Azerbaijan Joins Fight on Financial Crime

Bankers learn to implement new anti-money laundering and terror financing law



Photo: Amanda Fong, USAID Azerbaijan

On October 5th, 2010, bankers, post office workers, and wire transfer service representatives from northwestern Azerbaijan participate in a USAID-supported training by the Financial Monitoring Service to socialize the financial crime law across the country.

The Central Bank of Azerbaijan is working hard to modernize the country's financial sector. In 2009, an important milestone was achieved when USAID assisted it in drafting legislation that met international standards in combatting serious financial crime. The Anti-Money Laundering and Combating the Financing of Terrorism bill was successfully passed and established a Financial Monitoring Service (FMS) that was charged with enforcing the new financial sector requirements.

A well-functioning regime to combat financial crime is a necessity in today's global marketplace. However, this was not achieved with the mere passing of the law. The FMS was faced with the challenge of enforcing legislation that was poorly understood by the majority of the country's bankers, especially those outside of the capital city of Baku.

With assistance from USAID, the FMS has undertaken a series of trainings to socialize the new law, both in Baku and around the country. The second such training was held on October 5th, 2010, in the regional city of Sheki in northwestern Azerbaijan. Thirty representatives attended from institutions that provide financial services in this region, such as banks, post offices, and money transfer services. Three representatives of the FMS, including Mr. Rauf Kerimov, Head of the Analytical Department, trained participants on key aspects of the new legislation, such as recognizing suspicious transactions, fulfilling new "know-your-customer" requirements, understanding the link between money laundering and criminal or terrorist activity, and discerning when to report transactions to the national authorities. Mr. Kerimov described aggressive plans to continue trainings in all major cities of Azerbaijan.

Participants in Sheki expressed great relief to have gained an understanding of what is required of them under the new law. Mr. Abdullali, Head Accountant of Gunay Bank's Sheki branch, stated, "Today we learned about very strict identification requirements for customers and their representatives. Now we understand our responsibility. We did not realize the seriousness of these procedures. It is very important for Azerbaijan to have such a fight against money laundering."

Due to this work, on October 22, 2010 Azerbaijan was removed from the inter-governmental Financial Action Task Force's watch list, just ten months after its first Financial Monitoring Service was created.

Telling Our Story

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