

Message from the Director: Egmont Plenary

June 4, 2009

FinCEN Director James H. Freis, Jr. recently attended the annual plenary meeting of the Egmont Group, held in Doha, Qatar. The Egmont Group is an international network of financial intelligence units (FIUs) from more than 100 jurisdictions. Its goal is to provide a forum for FIUs around the world to improve support to their respective governments in the fight against money laundering, terrorist financing, and other financial crimes. During the meeting, FinCEN signed three MOUs with the FIUs of Bermuda, Serbia, and Ukraine, which will further improve cooperation between each of these nations and the United States in the global effort to fight financial crimes.

FIUs were created as countries around the world developed systems to address the global threats of money laundering and illicit finance. They offer law enforcement agencies around the world an important avenue for information exchange. As the FIU of the United States, FinCEN recently elevated its Office of International Programs to become its own division within the bureau to bring significant efficiency to its international operations.

Also during the plenary, Director Freis discussed the concept of SAR sharing as a way to help promote the incentives of transnationally active institutions to manage risks in an efficient way. The goal of these efforts is to make it more difficult for criminals to commit geographic regulatory arbitrage and get away with their nefarious deeds. An excerpt from his remarks follows:

“The national implementation of market integrity principles, established by the Financial Action Task Force (FATF), has led to the compartmentalization of information. We have inadvertently created a system that has led to inefficiencies and duplications of cost because institutions have to create separate systems of collecting SARs that are walled off between different entities even though they are part of the same corporate family. Those impediments are preventing the institution from protecting itself and ultimately, financial markets.

FinCEN is working to break down those impediments by taking a more enterprise-wide view of fraud risk management and anti-money laundering activities. FinCEN released new guidance for U.S. entities to promote the ability to share across affiliates within a common ownership structure. This guidance is a first step to raise awareness and remove some of the impediments that are preventing nations across the globe from fulfilling some of the FATF principles designed to protect corporations, institutions and financial markets. The ultimate aim is to allow SAR information to be shared between all affiliates of a global corporate entity no matter where they are around the world.”

Upon conclusion of the plenary meeting, the Egmont Group issued a [press release](#) to note its accomplishments. For more information on the Egmont Group and FinCEN’s

international activities, visit <http://http://www.egmontgroup.org/> or <http://www.fincen.gov/international/> .