

Ayman M Al-Sayari: Speech - conference of the latest developments in AML/CTF and combating proliferation financing

Speech by His Excellency Mr Ayman Al-Sayari, Governor of the Saudi Central Bank, at the conference of the latest developments in AML/CTF and combating proliferation financing, Riyadh, 22 November 2024.

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In the name of Allah, the Most Gracious, the Most Merciful

Your Excellencies and distinguished guests,

I am pleased to welcome you to the Kingdom of Saudi Arabia. Interestingly, the Conference of the "Latest Developments in Combating Money Laundering, Financing Terrorism and the Proliferation of Arms", held on the sidelines of the MENAFATF 39th Plenary Meeting & Meetings coincides with the 20th anniversary of the establishment of the MENAFATF.

As we commemorate today's momentous occasion, I would like to congratulate all members, the presidency, and staff of the MENAFATF and commend the ongoing efforts and concrete developments during the past years and the active role of the MENAFATF in combating money laundering, financing terrorism, and the proliferation of arms.

At this conference, organized by the MENAFATF in cooperation with SAMA, we seek to highlight the latest developments in international standards and their implementation mechanisms to raise the level of awareness and commitment and to contribute to enhancing the knowledge of specialists in AML/CTF, Challenges facing the international community and governments are significant and complex, given the accelerated development of money-laundering, financing terrorism, and the proliferation of arms, in addition to the multiplicity of their methods.

Obviously, these crimes result in various adverse effects, including economic, social, and security aspects, and they are not limited to the countries in which they occur, but extend to other countries.

To address these challenges, countries are endeavoring to strengthen their legislative and regulatory frameworks to cope with the latest developments and changes. Countries are also keen to implement the international standards and requirements issued in this regard, drawing on the relevant international standards and requirements to combat money laundering, financing terrorism, and the proliferation of arms issued by the FATF. Despite these efforts, these crimes continue to find a haven in countries with weak legislation and oversight, in addition to high rates of crime and corruption.

This conference is an opportunity to exchange expertise and learn about the best practices used in combating these crimes, for example, the lessons learned from

mutual assessments, countries' experiences in regulating virtual assets, mechanisms to enhance international cooperation in asset recovery, and other topics that will have significant positive implications for countries' efforts in this area.

This conference also reaffirms the Kingdom of Saudi Arabia's desire to consolidate and overcome obstacles and difficulties countries face in implementing international standards and requirements. In this regard, I commend the efforts carried out by the concerned entities in Saudi Arabia through specialized standing committees to enhance the effectiveness of combating and raising Saudi Arabia's commitment to international requirements.

Committees in Saudi Arabia have worked to assess the risks of money laundering and financing terrorism associated with virtual assets and the activities of virtual assets service providers, and to identify appropriate measures to reduce the risks associated with them, in line with international standards in this regard and in accordance with international best practices, to ensure a balance between sector development and associated risk mitigation. The Anti-Money Laundering Permanent Committee and the Saudi Central Bank have followed up on and discussed developments, emerging threats, and updates to international standards to strengthen and improve the combating system.

The Kingdom of Saudi Arabia is one of the countries supporting the objectives of the Financial Action Task Force (FATF) under the Mexican Presidency, which aims to strengthen efforts to combat financial flows that fuel money laundering and financing terrorism crimes, and enhance the integrity and stability of the international economy and its sustainable growth.

The Kingdom is also actively participating in discussions currently underway in FATF to ensure that cross-border transfers are more efficient, transparent, and inclusive without prejudice to due diligence requirements and measures.

In this context, we affirm Saudi Arabia's support for financial inclusion initiatives through the implementation of financial sector development program projects, one of the Saudi Vision 2030 programs, which focused on the use of fintech in the innovation of products and services, thereby promoting financial inclusion and economic empowerment of all segments of society without overlooking the application of the necessary preventive measures. This is to mitigate the risks of money laundering and financing terrorism, and ensuring a balance between the integrity and development of the banking sector. The Kingdom also supports qualitative initiatives related to enhancing the understanding of financing terrorism and the proliferation of arms risks. National committees in Saudi Arabia have taken concrete steps to strengthen combating such crimes.

The Kingdom has endeavored to be one of the first countries to support the establishment of the Middle East and North Africa Financial Action Task Force (MENAFATF), which seeks to meet international requirements, strengthen its legislative frameworks to comply with the FATF's 40 recommendations, and enhance the effectiveness of the combating laws and regulations in line with the requirements of the 11 direct results, which are considered one of the main determinants of a comprehensive framework of policies, for combating financial crimes.

Today, after 20 years of the MENAFATF group's establishment, we witness the nearing end of the second round of mutual assessments of member countries, aimed at measuring countries' commitment to international standards and address shortcomings within a reasonable period of time. In the past, the Group has contributed to raising awareness and understanding international requirements more deeply at the regional level, taking into consideration the cultural values, constitutional frameworks and legal laws and regulations of each country.

Going forward, we affirm the Kingdom's continued support for MENAFATF to achieve its objectives.

Finally, I would like to express my gratitude to all who contributed to this conference, which will enable professionals and practitioners in this field to familiarize themselves with global best experiences and practices, promote the building of technical and knowledge capacities to protect and prevent the global financial system from financial crimes.

In closing, I would like to express my gratitude and appreciation to participants and attendees of this critically important event.