



Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold, Other Precious Metals or Precious Stones through the Borders of Islamic Republic of Afghanistan

Background

Since the beginning of 2016 the Financial Transactions and Reports Analysis Centre of Afghanistan (FinTRACA) along with various partners and the support of the UNODC Global Program against Money-Laundering has sought to increase capacity, and improve guidance, procedures and compliance, in the regulation of Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold, Other Precious Metals or Precious Stones through the Borders of Islamic Republic of Afghanistan.

This addresses a critical element of Afghanistan's action plan with the Financial Action Task Force regarding Recommendation 32.

The Regulation Governing the Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold Other precious metals or precious stones through the border of the Islamic republic of Afghanistan was amended by the cabinet of Afghanistan on the 30th December 2015 and came into force on 14th February 2016.

The regulations state that any person who leaves or enters the Islamic Republic of Afghanistan in possession of currency, bearer negotiable instruments, gold, other precious metals or precious stones which are of a value exceeding 10,000.00 US Dollars or its equivalents in other currencies or arranges for the transportation of such items into or out of the Islamic Republic of Afghanistan through person, cargo, postal service or through any other means, must complete the relevant declaration form and submit that to a customs officer.

Article 12 of The Regulation Governing the Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold Other precious metals or precious stones through the border of the Islamic republic of Afghanistan (for ease the 'cash declaration process'). Requires FinTRACA to develop technical training programs and procedure codes for the training of customs officers.

Progress toward full compliance

FinTRACA with the cooperation and collaboration of UNODC GPML have developed processes to allow for the timely delivery of matters included in Article 12 of the regulations.

The initial phase of the training was delivered by FinTRACA staff to officers from Customs, National Directorate of Security (NDS), Afghan Border police and the Olive Group. This training gave the attendees a good understanding of the regulations and their individual roles as required by law. This training was delivered in Kabul, Herat and Kandahar airports.

In September 2016, the second phase of the training was discussed and a practical skills and awareness course was designed and developed by UNODC for delivery by FinTRACA. This practical skills training is designed to give front line staff from the key partners in Customs, National Directorate of Security (NDS), Afghan Border police and the Olive Group the capability to deal with real life detections of cash to ensure that the best evidence is collected.

RESULT - The skills and knowledge base of staff of competent authorities improved leading to an optimization of evidence is presented to the Attorney General's Office. This has enabled robust decisions relating to the detention of suspected cash and prosecution of offender.

The main elements of the course deal with the enforcement of the cash declaration process. It includes the practical aspects of identifying cash couriers, cash concealments, seizure of suspected articles, forensic awareness and interview skills to assist in dealing with those detained as part of the process.

Twelve members of FinTRACA staff undertook a Train the Trainer event to develop and enhance their skills and knowledge. This event allowed them to familiarise themselves with the material and methodologies used to deliver the training package.

Three members of FinTRACA staff along with the UNODC consultant responsible have delivered this course to the previously outlined partners at Kabul airport, a series of other events are planned to roll out this training across all regions.

RESULT – Since February 2016 there has been an increase in the number of cash declarations taking place from 375 for the month of January 2016 to 661 for the month of December of 2016 (76% increase).

The cash declaration process is now in force at Kabul, Kandahar and Herat airports. In the early part of 2016 the submission of reports to FinTRACA was a manual process in handwritten format, since early October this process now takes place with the Customs authority submitting the reports electronically to FinTRACA. This is a timelier process, allows easier analysis of the information contained within the reports and it also allows for 'real time' searching of records which was previously not possible.

RESULT – Since January 2016 electronic reports submission rests with the competent authority preserving the integrity of information, the legal roles and responsibilities of competent authorities and the efficiency of the process. Timely reporting has improved the quality of investigations.

As part of the project and as a collaboration between UNODC, FinTRACA and Customs a process of designing and producing public information leaflets, notices and posters in Dari, Pashtu and English is underway. *These notices will be supplemented by a series of pictographs that convey the same message in picture form for the information of those who do not read.* The wording for the information has been agreed and several poster designs are being considered with the expectation that draft trial versions will be displayed in and around HKIA by mid-April 2017.

RESULT - Since September 2016 there have been five notable seizures of cash at Kabul airport.

Most involved deliberate tactics to conceal the cash. One detection which is yet to be concluded, involved a passenger who made a cash declaration report to the maximum allowed on outbound flights (20,000 USD) illustrating his knowledge and understanding of the process. This person then however used another passenger to carry a further amount of 21000USD which was not declared. Investigations are ongoing as to the source origin and intended use of all the monies.

Of the concluded operations where more detail is available, on the 7th November 2016 a passenger travelling from HKIA to Dubai, United Arab Emirates was detected carrying a large amount of cash in his trouser pockets and hand baggage to a total of 319,000 EUR. Following a thorough investigation by the competent authorities, which found no link to criminality the subject was subsequently fined 47,850 EUR (15% of the undeclared amount) as prescribed law.

On the 12th December 2016, a passenger travelling from HKIA to Indira Ghandi Airport, Delhi, India was intercepted by customs at the border. The passenger was found to have concealed cash in his shoes, travel bag, trousers and jacket pocket to the value of 28,750 USD. Following a thorough investigation of the passenger and cash no evidence was found to link the cash or the passenger to criminality, the passenger was fined 4310.58USD (15% of the undeclared amount) as prescribed law.

RESULT - The other cases detected which are still subject to investigation involve complex concealments which were detected through though effective and efficient use of the powers embodied in Article 12.

The training provided by FinTRACA as part of their statutory requirements and supported by UNODC. Is contributing to the delivery of an effective cash declaration and detection process. Which now has an impetus which needs to be built upon. ***The results demonstrate FinTRACA's effectiveness, they need to be amplified with a continued increase in building knowledge, capability and capacity for all elements of the competent authorities to enhance their investigations of illicit cross border cash flows.***

To increase the effectiveness of the regime the next elements of the project are:

1. To develop a cadre of trained personnel within FinTRACA who can deliver the training in an effective and timely manner.
2. Continue delivery of the phased training to front line officers.
3. Continue the development of a public awareness campaign to inform the traveller of the duties and requirements under law
4. To develop a series of standard operating procedures to ensure that the best evidence is obtained for presentation to the court.
5. To ensure that all possible intelligence is extracted from every intervention is analysed and disseminated for action.
6. To extend the detection process to provide effective responses at all airports and land borders.
7. To develop and enhance the skills of front line staff to identify intelligence, develop that intelligence and interdict bulk cash smuggling via checked luggage and cargo.