



Da Afghanistan Bank
Financial Transactions and Reports Analysis
Center of Afghanistan

2024 ANNUAL REPORT





ABOUT US

The Financial Transaction and Reports Analysis Center of Afghanistan (FinTRACA) is a national financial intelligence unit established under the Anti-Money Laundering and Proceeds of Crime Law.

It collaborates with law enforcement agencies, regulators, and other international counterparts to protect Afghanistan's financial system from money laundering and terrorist financing. The Center collects, analyzes, and disseminates financial information, leading to investigations, prosecutions, and convictions by the criminal justice system.



VISION

TO BECOME A CENTER OF EXCELLENCE IN FIGHTING AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN THE COUNTRY BY MAINTAINING INTERNATIONAL BEST PRACTICES.



MISSION

TO SAFEGUARD THE FINANCIAL SYSTEM OF AFGHANISTAN FROM MONEY LAUNDERING, TERRORIST FINANCING AND OTHER PREDICATE OFFENSES IN COLLABORATION WITH LAW ENFORCEMENT AGENCIES, REGULATORS, PROSECUTORS AND OTHER INTERNATIONAL COUNTERPARTS.

2024 HIGHLIGHTS.....	5
REPORTING ENTITIES.....	6
RECEIPT OF SUSPICIOUS TRANSACTION REPORTS.....	7
RECEIPT OF LARGE CASH TRANSACTION REPORTS.....	8
EXCHANGE OF COMPLIANCE ANALYTICAL REPORTS WITH SUPERVISORY BODIES.....	9
CASH AND BNIS REPORTS.....	9
NON-BANKING FINANCIAL SECTORS.....	10
• SIZE OF THE MSPCOS IN AFGHANISTAN	10
• HAWALA AND CURRENCY EXCHANGE REPORTS OF MSPCOS	10
• DIGITALIZATION OF MSPCOS' SUSPICIOUS TRANSACTION REPORTING PROCESS	12
DAB USD AUCTION REPORTS	12
DATA COLLECTION SOURCES	13
ANALYZED CASES AND DESSIMINATIONS	14
RECIPT OF FEEDBACK FROM LEAS.....	16
NATIONAL COOPERATION.....	18
MEMORANDUMS OF UNDERSTANDING (MOUS).....	19
INTERNATONAL COOPERATION	19
ENFORCEMENT.....	20
FREEZINGS	20
FINTRACA WATCH-LIST	20
HIGH LEVEL COORDINATION COMMISSION (HLCC).....	22
COMPLIANCE COORDINATION COMMITTEE.....	22
DNFBPS.....	23
IMPLEMENTING TECHNOLOGICAL INITIATIVES	23
CAPACITY BUILDING PROGRAMS	24
PRIORITIES FOR THE FY YEAR 1404 (2025).....	25
ACRONYMS.....	26

MESSAGE FROM THE DIRECTOR GENERAL

I am pleased to present FinTRACA's 2024 Annual Report, outlining our Center's key activities and achievements in combating money laundering, terrorist financing and related crimes. FinTRACA is committed to safeguarding Afghanistan's financial system from money laundering and terrorist financing by enforcing laws, fostering cooperation among various institutions and promoting transparency within financial system of the country.

This year, FinTRACA received a total of 639 STRs, reflecting a 15.1% increase compared to 2023. While FinTRACA acknowledges that various factors can influence the number of STRs filled, the 15.1% increase is largely attributed to capacity building programs provided by FinTRACA to commercial banks and MSPCOs. These initiatives have significantly improved their detection capabilities.

The Center also analyzed 110 cases, with 53 identified as having sufficient grounds for investigation, which were subsequently disseminated to law enforcement agencies.

A key event was the 8th meeting of the HLCC held on August 20, 2024. The HLCC is essential for monitoring the implementation of AML/CFT regime of the country, facilitating inter-agency coordination and cooperation.

On September 19, 2024, we held the tenth meeting of the Compliance Coordination Committee, which addressed important compliance issues within the banking sector. The committee plays an important role in strengthening the AML/CFT framework within the banking sector, coordinating AML/CFT efforts, addressing compliance deficiencies, and ensuring effective implementation of UNSCR resolutions.

Additionally, FinTRACA re-signed four MOUs to strengthen our cooperative efforts against money laundering and other related financial crimes.

In our efforts to address the DNFBPs sector, we conducted comprehensive surveys in the gold and car dealership sectors across Kabul, Balkh, Herat and Kandahar provinces of Afghanistan. These surveys provided valuable data that will inform future strategies. A joint committee with Ministry of Justice was also established to develop mechanisms for combating money laundering in these sectors.

Despite facing challenges due to the suspension of international relationships following the political changes in 2021, FinTRACA has initiated efforts to re-establish its international relations with the international AML/CFT organizations and counterpart agencies.

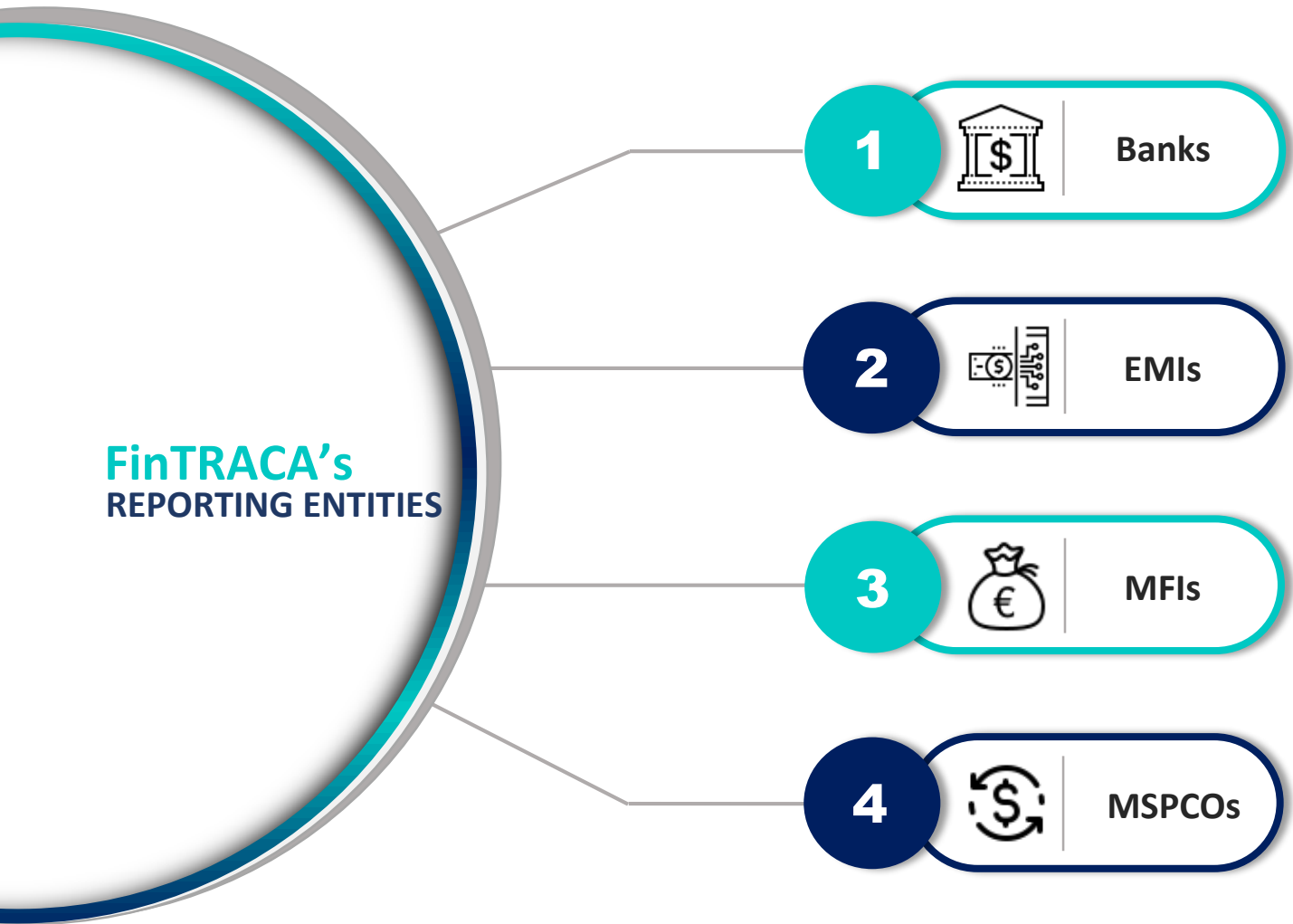
Technological improvements were prioritized this year, with several initiatives launched to enhance operational efficiency and compliance. These initiatives included a comprehensive database for monitoring MSPCOs' contract reports, document management system (DMS) and an inventory management system. The establishment of the HubLink Portal has also centralized access to essential online tools, thereby improving operational capabilities.

In conclusion, I extend my sincere gratitude to all FinTRACA employees and partner agencies for their continued support and dedication throughout 2024. We also look forward to the continued commitment, cooperation, and partnership of our national and international partner agencies in 2025.

2024 HIGHLIGHTS



REPORTING ENTITIES

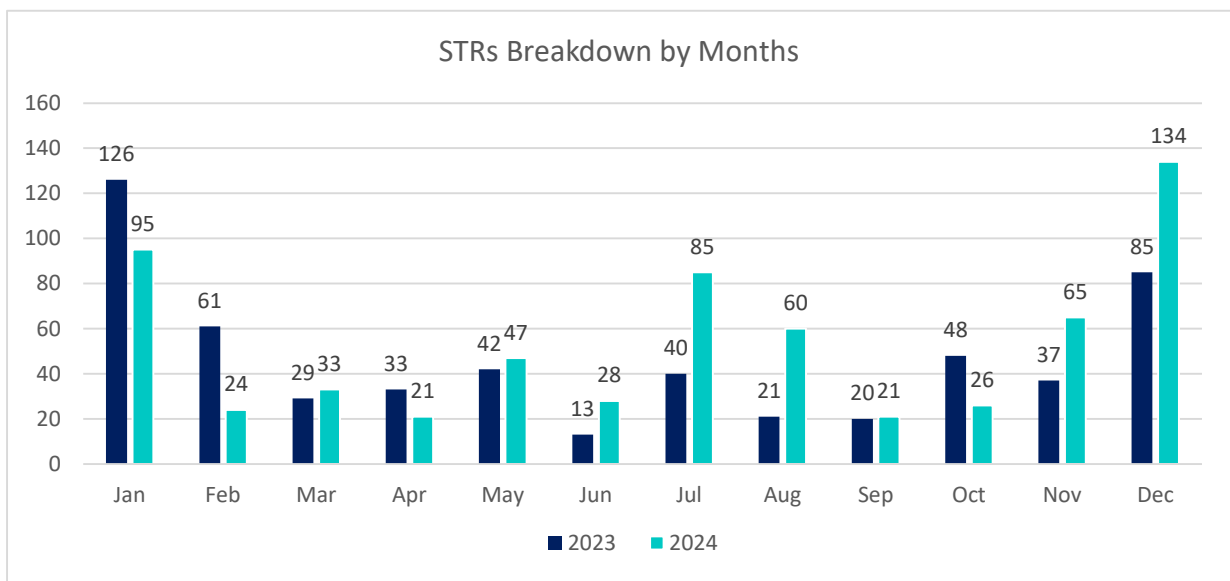


RECEIPT OF SUSPICIOUS TRANSACTION REPORTS

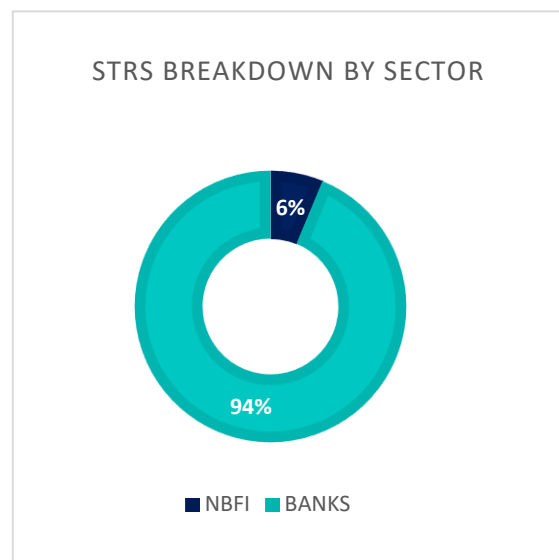
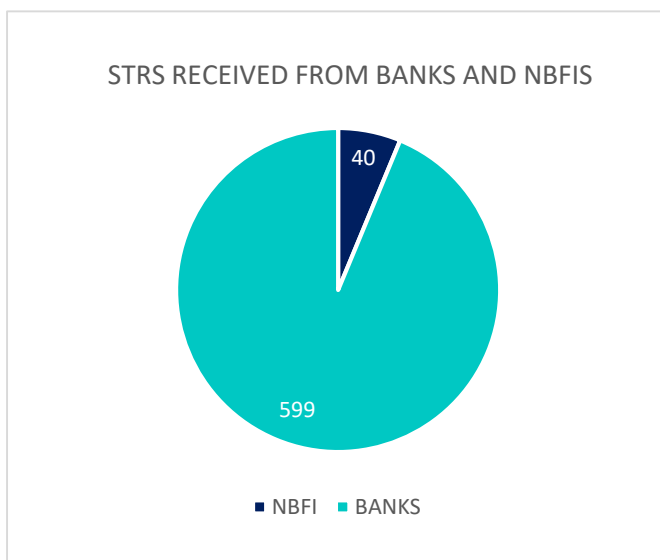
Under the provisions of Article #18 of the AML-PC law, reporting entities are mandated to file STRs when there are reasonable grounds to suspect involvement in money laundering, terrorist financing, or other related crimes.

These reports must be submitted as soon as practicable, and no later than three working days after suspicion arises. In addition, any further information that could assist in analysis or legal proceedings must be provided without delay.

FinTRACA received a total of 639 STRs in 2024, which shows an increase of 15.1% compared to the previous year. The charts below provide a detailed breakdown and statistics of STRs for the year 2024.



All of the above reports have been thoroughly checked and reviewed before being assigned for analysis.



In 2024, a total of 109 Suspicious Transaction Reports (STRs) were returned to reporting entities due to insufficient initial analysis and other technical issues. These reports were subsequently resubmitted to FinTRACA after the necessary corrections were made.

Additionally, FinTRACA implements a comprehensive approach to ensure the quality of Suspicious Transaction Reports (STRs). This approach leverages various communication methods, including official letters, emails, telephone calls, meetings, and training programs to deliver essential instructions and guidance to reporting entities.

The aim of these efforts is to strengthen compliance, increase the accuracy and effectiveness of STRs, and to ensure that submitted reports fulfill the necessary criteria.

RECEIPT OF LARGE CASH TRANSACTION REPORTS

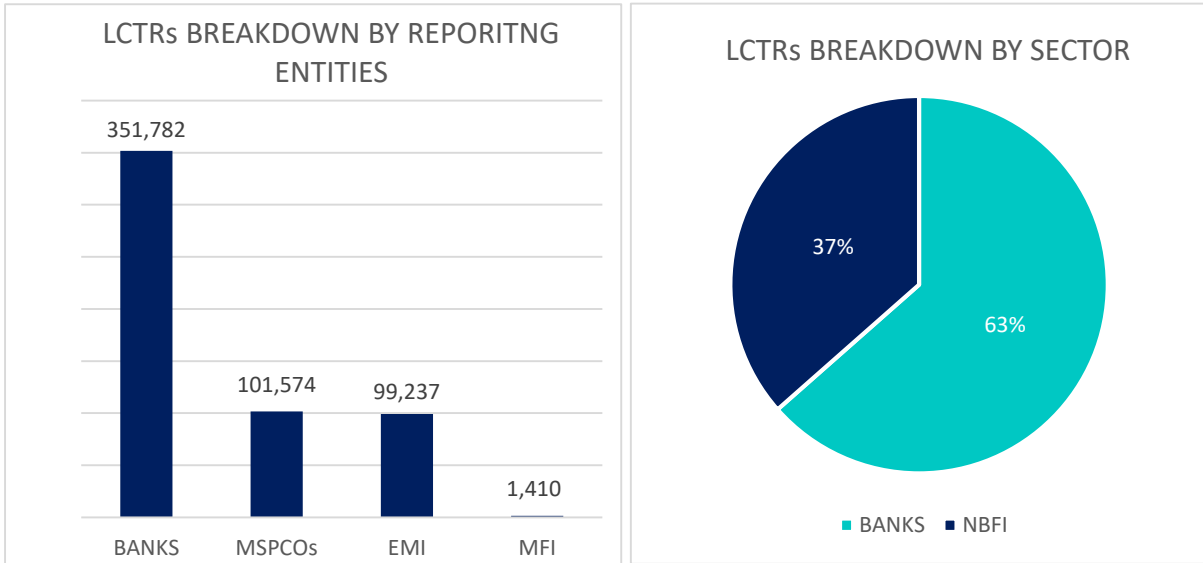
Pursuant to Article #17 of the AML-PC law of Afghanistan, reporting entities are required to submit LCTRs to FinTRACA. A large cash transaction is any cash transaction exceeding the threshold specified in the relevant regulations.

These reports must be submitted no earlier than the first business day of the month and no later than the fifth business day of the month following the month in which the transaction took place.

The specific reporting thresholds for banks and NBFIs are provided in the table below.

REPORTING ENTITY	REPORTING THRESHOLDS (AFN)
Banks	1,000,000
MSPCOs	500,000
MFIs	200,000
EMIs	50,000

The graph and chart below illustrate the breakdown of the LCTRs received from the reporting entities by FinTRACA in 2024.



If any LCTR is returned by the system of FinTRACA due to technical issues, the reporting entity is required to resubmit the report to the Center by 15th of the following month. This ensures compliance with reporting requirements and maintains the integrity of financial supervision.

EXCHANGE OF COMPLIANCE ANALYTICAL REPORTS WITH SUPERVISORY BODIES

To improve cooperation, FinTRACA regularly shares compliance analytical reports with the BSFSD of Da Afghanistan Bank (DAB). These reports assess how well commercial banks follow rules for reporting large cash transactions (LCTRs) and suspicious transactions (STRs). The reports cover several important areas, including identifying and addressing technical issues in LCTRs and STRs submissions, updating KYC forms, collecting and verifying the required documents for LCTRs, conducting risk assessment and implementation of international sanctions lists.

In 2024, FinTRACA provided a total of 12 compliance analytical reports to BSFSD of DAB. This collaboration highlights FinTRACA’s commitment to improving strong regulatory practices within banking sector of Afghanistan.

CASH AND BNIS REPORTS

The Regulation Governing the Reporting and Control of Physical Transfers of Currency, Bearer Negotiable Instruments, Gold, Other Precious Metals, or Precious Stones through the Borders of Afghanistan is currently under amendment. The implementation of this regulation has been delayed due to some challenges over the past few years.

In 2024, FinTRACA, in collaboration with the General Directorate of Customs and other relevant agencies, initiated efforts to amend this regulation to align it with the country’s current economic situation and the recently established threshold by the government

authorities for cross-border physical transfer of cash. The draft amendment has been prepared and submitted to the relevant agencies for further processing.

By amending this regulation, the General Directorate of Customs will be able to record reports related to the movement of physical currency at international airports and border crossings. These reports will then be provided to FinTRACA for analysis and further processing.

It is worth mentioning that, under the recently set threshold, individuals are prohibited from carrying more than USD 5,000 through international airports and more than USD 500 through the land borders of the country while traveling abroad.

It is expected that amending this regulation will further strengthen control over cross-border cash flows, ensure compliance with international standards and support national economic objectives.

NON-BANKING FINANCIAL SECTORS

- **SIZE OF THE MSPCOS IN AFGHANISTAN**

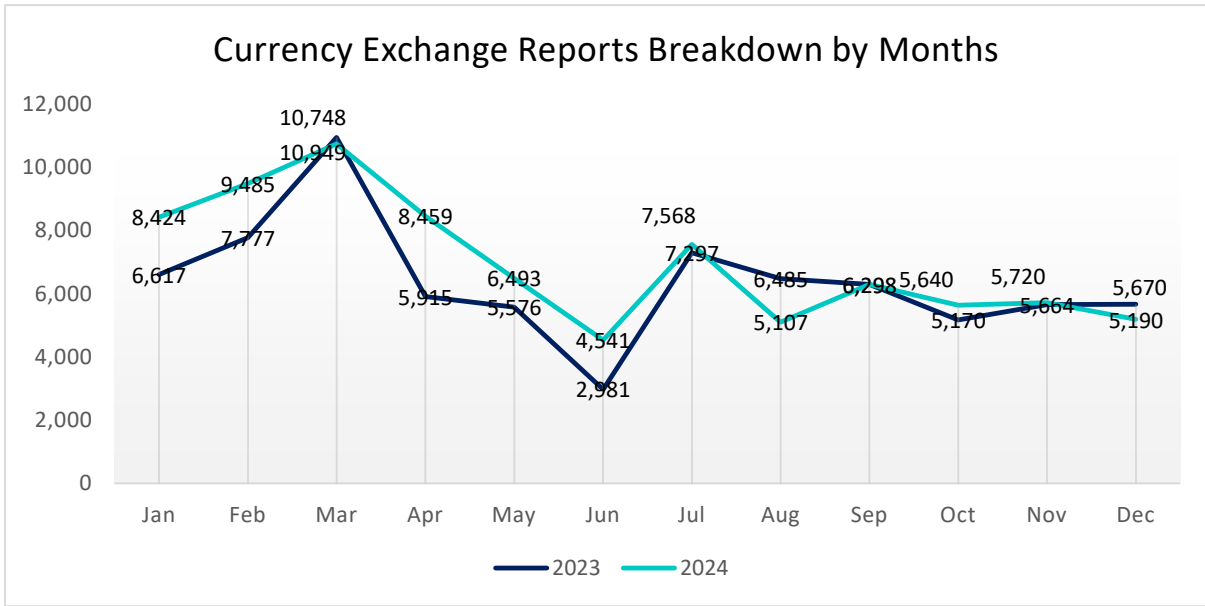
In 2024, DAB issued licenses to 132 MSPCOs, and 556 branches of these MSPCOs were also registered by DAB. Additionally, FinTRACA created user accounts in the online Hawala Reporting Portal for all MSPCOs and their affiliated branches. This portal allows them to submit LCTRs on a monthly basis, including Hawala (remittances), currency exchange, and DAB USD auction.

- **HAWALA AND CURRENCY EXCHANGE REPORTS OF MSPCOS**

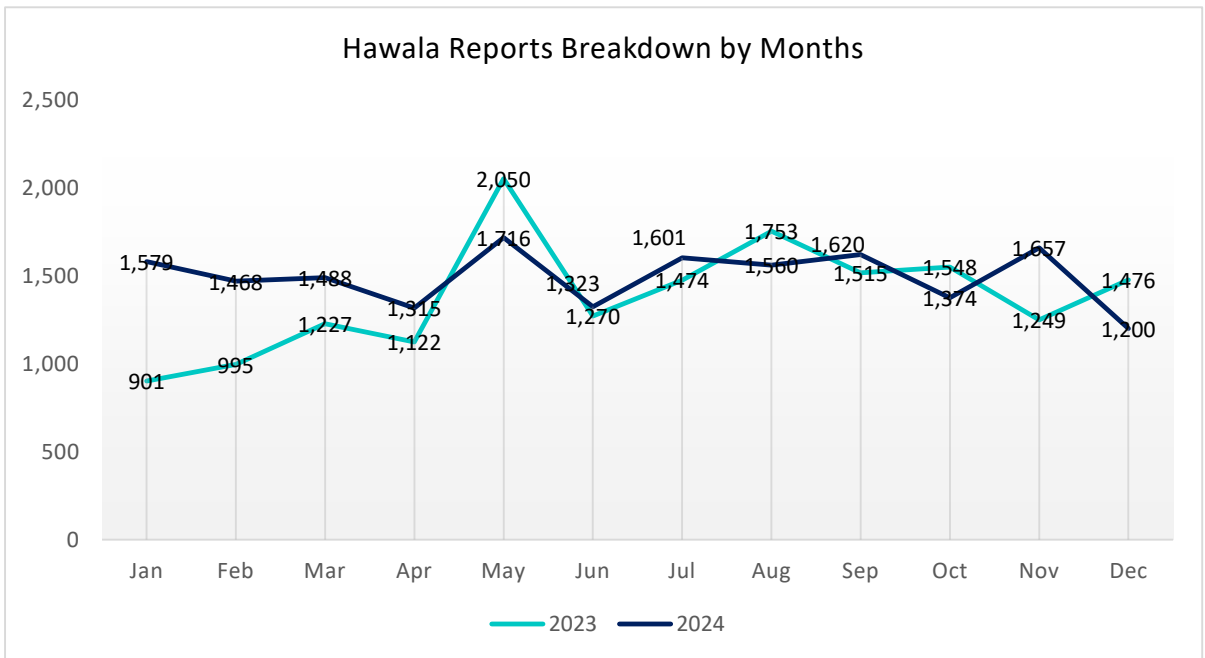
As per Article 17 of the AML-PC law and Article 6 of the MSPCOs law of Afghanistan, all licensed MSPCOs are required to submit LCTRs related to currency exchange and hawala transactions to FinTRACA. The threshold for reporting LCTRs is AFN 500,000 or its equivalent in other currencies.

In 2024, a total of 836,73 currency exchange reports were submitted to FinTRACA by MSPCOs. The statistics reveal that the total number of currency exchange transactions reported to FinTRACA in 2024 increased by 8.5% compared to the previous year.

The graph below illustrates breakdown of the currency exchange reports based on months.



FinTRACA also received a total of 17,901 hawala (remittance) reports from MSPCOs in 2024. The statistics further reveal that the total hawala transactions reported to FinTRACA increased by 7.4% compared to the previous year. The graph below displays hawala reports breakdown by months



- **DIGITALIZATION OF MSPCOS' SUSPICIOUS TRANSACTION REPORTING PROCESS**

The transition from a paper-based to a fully digitalized system for suspicious transaction reporting has revolutionized operation across the MSPCOs nationwide. This new electronic system enhances the speed, reliability, and accessibility of transactions, ensuring smoother workflows and improved compliance with reporting standards throughout all zones of country.

As a part of this initiative, the required reporting form software and encryption tools were installed on MSPCOs' computers, ensuring secure data transmission.

To ensure the system effective use, professional training sessions were conducted in all operational zones. These sessions provided step-by-step guidance on accurately completing the STR form, encrypting forms before submission, and securely transmitting encrypted reports to FinTRACA.

The training has equipped users with the necessary skills to operate the system efficiently, fostering a smooth transition to the digital platform.

This development demonstrates a strong commitment to modernizing operations and enhancing data security in STR reporting within MSPCOs.

DAB USD AUCTION REPORTS

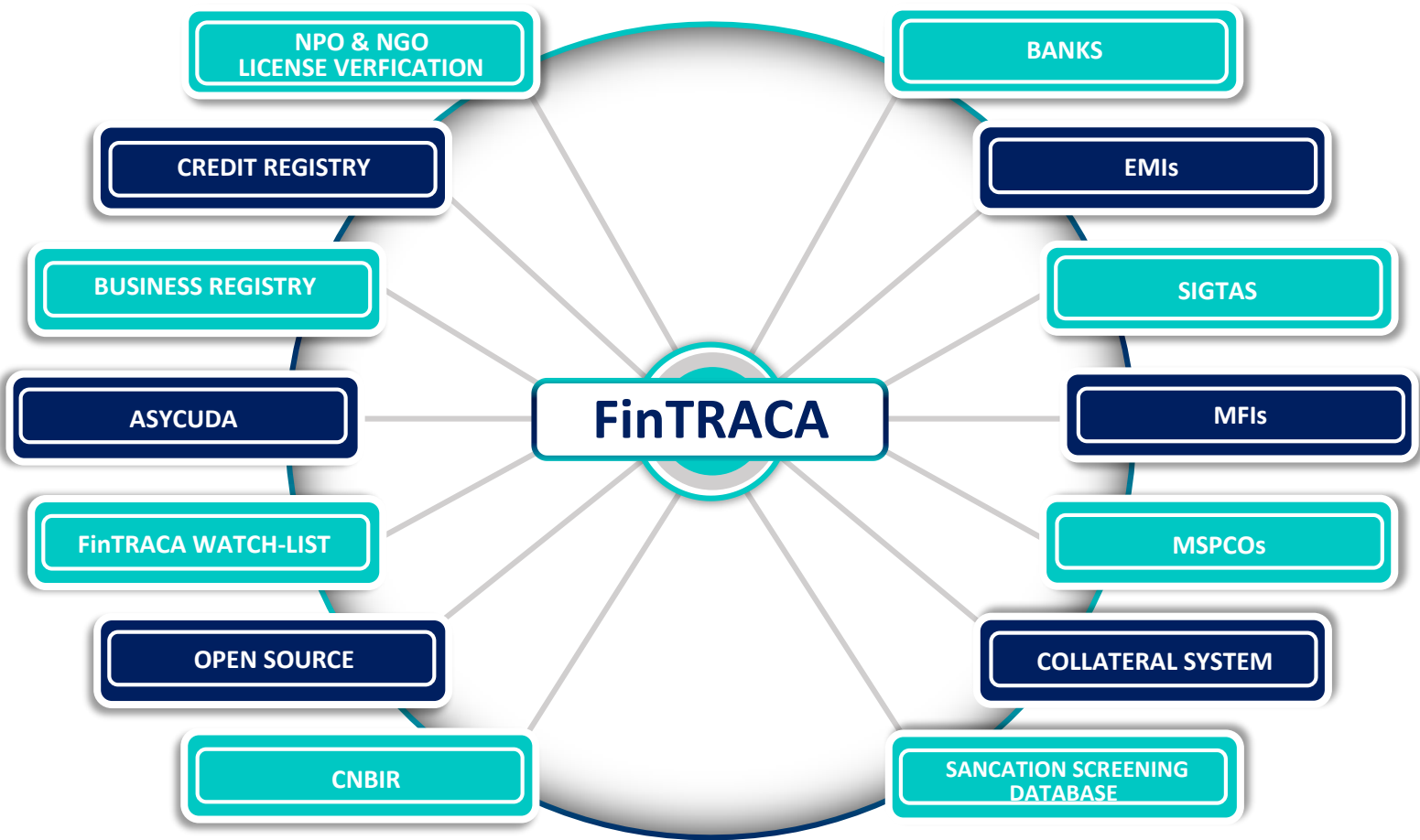
DAB plays an effective role in stabilizing the Afghani currency through its foreign exchange auctions, primarily involving U.S. dollars. These auctions are essential for managing market liquidity and mitigating inflationary pressures.

Under Article #5 of the AML-PC, MSPCOs are required to electronically report all USD auction transactions to FinTRACA.

There is no specific threshold for reporting auction transactions. Given the significance of U.S. banknotes and their impact on the values of the AFN, all amounts transacted during the DAB's auctions must be reported.

In 2024, a total of 4,810 reports related to these auctions were submitted to FinTRACA, highlighting the importance of the regulatory compliance in Afghanistan's financial system.

DATA COLLECTION SOURCES



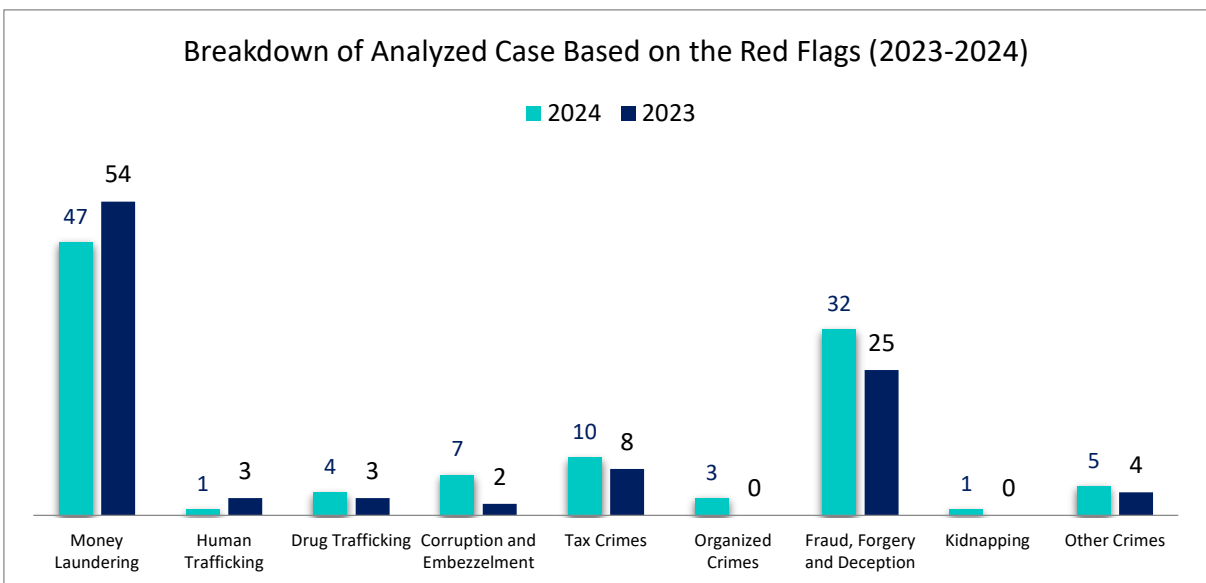
ANALYZED CASES AND DESSIMINATIONS

In 2024, FinTRACA analyzed a total of 110 cases, consisting of 11 proactive and 99 reactive cases.

These cases involved suspicions of various offences, including money laundering, human trafficking, drug trafficking, organized crime, corruption and embezzlement, tax crimes, deception and fraud, bank fraud transactions, forgery, and other related offenses.

The table below provides details of the cases analyzed by FinTRACA in 2024.

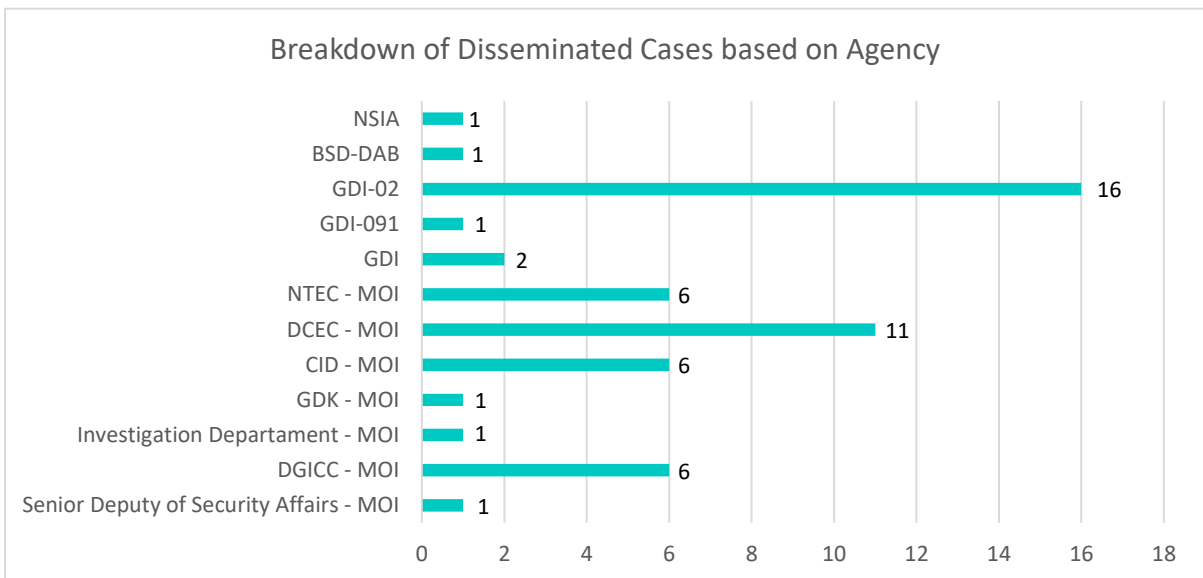
NO	Red Flags/Predicate Offences	Total Cases	Type of Cases	No. of Individuals and Legal Entities	Total No. of Involved STRs
1	Money Laundering	47	1 Proactive	16	2
			46 Reactive	236	94
2	Human Trafficking	1	Reactive	2	1
3	Drug Trafficking	4	1 Proactive	21	8
			3 Reactive	5	3
4	Corruption and Embezzlement	7	1 Proactive	3	0
			6 Reactive	43	11
5	Tax Crimes	10	Reactive	94	62
6	Organized Crimes	3	Reactive	19	4
7	Fraud, Forgery and Deception	32	7 Proactive	27	2
			25 Reactive	100	44
8	Kidnapping	1	Proactive	2	0
9	Other Crimes	5	Reactive	23	8
Total		110	11 Proactive and 99 Reactive	591 Individual and Legal Entities	239 STRs/SARs



Out of 110 cases analyzed by FinTRACA in 2024, 53 cases were identified as having valid grounds for suspicions of money laundering and other predicate offences. Detailed analytical reports of the mentioned cases, which include relevant facts, analytical results, and supporting documents, were disseminated to law enforcement agencies for investigation, documentation and further legal action.

Table below presents total cases that were disseminated to law enforcement agencies by FinTRACA in 2024.

No	No. of Cases	Law Enforcement & Related Agencies
1	1	Senior Deputy of Security Affairs - MOI
2	6	Directorate General of Intel and Countering Crimes (DGICC) – MOI
3	1	(General Department of Investigation) DGICC – MOI
4	1	(General Department Countering Kidnapping Crimes) DGICC – MOI
5	6	General Directorate of Crime Investigation Department (CID) - MOI
6	11	Directorate of Combating Economic Crimes (DCEC) – MOI
7	6	Directorate of Technical Detection and Operation – NTEC (MOI)
8	2	General Directorate of Intelligence (GDI)
9	1	(Directorate of Intelligence 091) - GDI
10	16	(Directorate of Intelligence 02) - GDI
11	1	BSFSD- DAB
12	1	National Statistics and Information Authority (NSIA)
Total Disseminated Cases		53 Cases



Additionally, FinTRACA also provided response to 42 requests for information related to disseminated cases and collaborated closely with relevant law enforcement agencies to develop and enhance the investigation process.

The table below illustrates total requests responded by FinTRACA related to disseminated cases in 2024, categorized by agency.

No.	Agencies Name	Total Requests Responded
1	Directorate General for Combating Economic Crimes (DCEC) - MOI	14 Requests
2	Directorate of Technical Detection and Operation – NTEC (MOI)	12 Requests
3	General Directorate of Crime Investigation Department (CID) - MOI	6 Requests
4	Directorate General of Intel and Countering Crimes (DGICC) – MOI	3 Requests
5	General Directorate of Intelligence (GDI)	4 Requests
6	Non-Banking Supervision Department (NBSD) - DAB	2 Requests
7	Supreme Court	1 Request
Total executed requests of additional information		42 Requests

In 2024, FinTRACA focused significantly on improving case documentation and outcomes by collecting information from the various relevant domestic agencies. This approach aimed to enhance the analysis of cases. These requests are important because they help to collect diverse data and encourage cooperation between agencies.

The table below shows the number of requests made by FinTRACA in 2024, categorized by agency

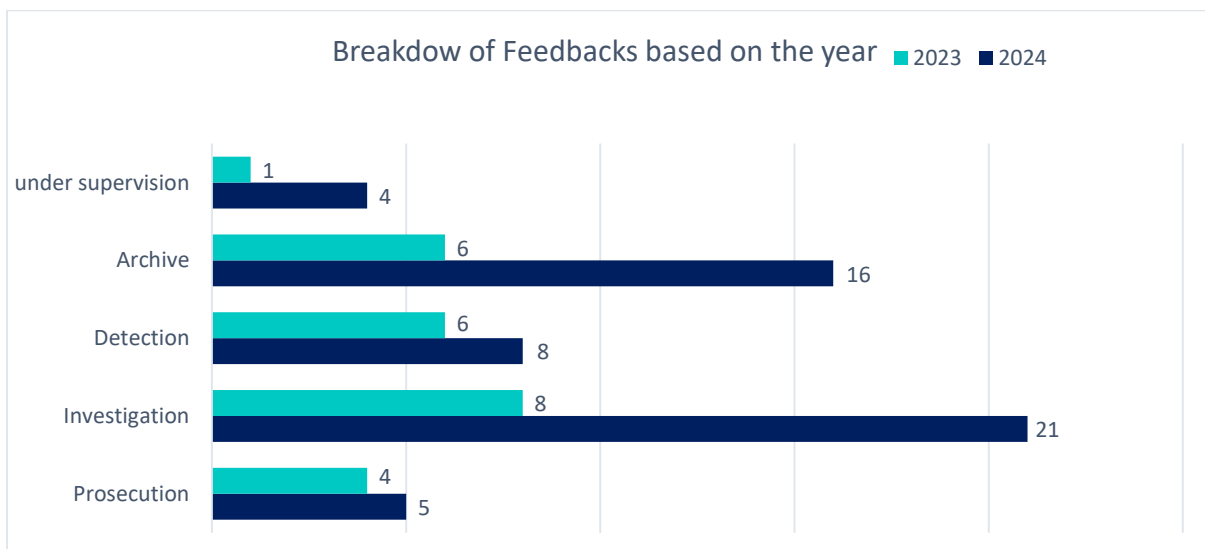
No. Requests		Total Requests
1	Directorate of Public Relations, Directorate General of Cohesion- MOJ	1
2	General Directorate of Staff Affair, DAB	2
3	Certified Professional Accountants (CPA) /Afghanistan, MoF	5
4	General Directorate of Business Registry & Intellectual Property,	3
5	National Statistics and Information Authority (NSIA)	6
6	Directorate of Non-Governmental Organizations (NGOs),MoEC	2
7	Afghanistan Customs Department, MoF	1
8	Ministry of Commerce & industry	2
9	Ministry of Higher Education	1
10	Ministry of Education	1
Total		24

RECIPT OF FEEDBACK FROM LEAS

In 2024, law enforcement agencies provided feedback on the 54 disseminated cases. Based on the received feedback, several cases have been archived by law enforcement agencies, while most remain in various stages of detection, investigation, or transfer to judicial authorities.

The table below provides details of the feedbacks received from LEAs based on the status of cases.

Name of Agency	No. of Feedbacks	Status of Cases
Directorate of Technical Detection and Operation – NTEC (MOI)	20	7 Cases Archived
		2 Cases under Detection
		10 Cases Transferred for Investigation
		1 Case Transferred for Prosecution
Supreme Court	1	Under Prosecution
General Directorate of Crime Investigation Department (CID) - MOI	6	2 Cases Archived
		4 Caseu under Investigation
General Directorate of Intelligence (GDI)	3	1 Case under Investigation
		1 Case under Detection
		1 Case under Investigation
General Directorate of Intelligence (GDI-02)	7	2 Cases Archived
		1 Case under prosecution
		4 Cases under Detection
General Directorate of Intelligence (GDI-091)	7	3 Cases Archived
		3 Cases under Investigation
		1 Case under Detection
Directorate General for Combating Economic Crimes (DCEC) - MOI	4	1 Case Archived
		3 Case under Investigation
Directorate General of Intel and Countering Crimes (DGICC) – MOI	1	transferred for Prosecution
Non-Banking Supervision Department (NBSD) -	1	Under Supervision
BSFSD- DAB	3	Under Supervision
Anti-Drugs Ministerial Secretary - MOI	1	Archived
Total		54



NATIONAL COOPERATION

In 2024, FinTRACA received a total of 62 domestic requests for financial intelligence information from LEAs. Of these domestic requests, FinTRACA responded to 61. The legal basis for the exchange of financial intelligence information is provided in Article #28 of the AML-PC law, as well as the domestic memorandums of understanding (MOUs) signed with these agencies.

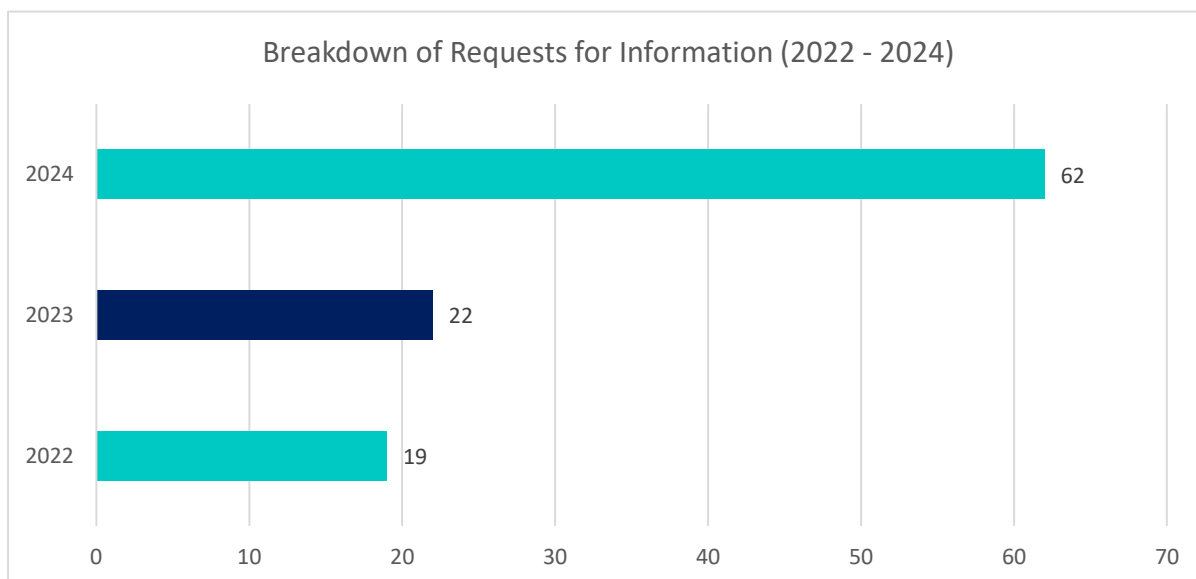
The primary aim of exchanging financial intelligence information with LEAs is to foster national cooperation in prevention of money laundering through effective information sharing.

The table below illustrates the total financial intelligence information requests received by FinTRACA in 2024:

No Requests	Name of Agency	Total Requests Received
1	General Directorate of Intelligence (GDI)	35
2	Ministry of Interior (Police)	27
Total Executed Domestic Requests of Information		61
Total Assigned Request of Information		1

PREDICATE OFFENCES RELATED TO UPON REQUEST DISCLOSURES

PREDICATE OFFENCE	YEAR				
	2020	2021	2022	2023	2024
Money Laundering	7	8	6	4	4
Terrorist Financing	78	81	1	3	2
Asset Registration & Verification	37	40	-	1	-
Corruption & Bribery	85	130	2	-	5
Drug Trafficking	48	31	-	-	1
Tax Crime	2	-	-	1	1
Fraud	2	-	4	9	24
Kidnapping and Hostage	1	1	1	1	1
Extortion	-	-	-	-	-
Forgery	5	4	1	1	4
Robbery and Theft	-	2	1	-	3
Wired Fraud	1	-	-	-	4
Murder, Grievous Bodily Injury	2	-	-	-	-
Human Trafficking	5	-	-	-	3
Smuggling	2	-	-	1	1
Other	39	58	3	1	9
TOTAL	314	355	19	22	62



MEMORANDUMS OF UNDERSTANDING (MOUS)

As per the decision of the 6th High-Level Coordination Commission (HLCC), FinTRACA Should re-review and re-sign the previously signed MOUs with law enforcement and other government agencies for the exchange of information related to the fight against money laundering.

In 2024, FinTRACA successfully re-signed the following MOUs with the agencies listed in the table below:

No	Name of Agency	Types of MOUs	Re-signing Date
1	Ministry of Interior Affairs and FinTRACA	Bilateral	4/10/2024
2	Directorate General Revenues and FinTRACA	Bilateral	3/03/2024
3	Directorate general of border police, Custom Department, Economic Directorate of the General Intelligence Directorate and FinTRACA	Quadrilateral	13/03/2024

This re-signed MOUs is expected to enhance cooperation in the exchange of information on money laundering and other associated predicate offences.

INTERNATONAL COOPERATION

The AML-PC law provides the legal basis for international cooperation in combating money laundering and financing of terrorism.

However, following political changes in 2021, FinTRACA's memberships with various international organizations were suspended.

In light of these challenges, FinTRACA has initiated concerted efforts to re-establish its international relationships. This includes sending official correspondences to relevant organizations.

ENFORCEMENT

Under the provisions of Article #24 of the AML-PC law and applicable regulations, FinTRACA is authorized to implement compliance enforcement measures. These measures include issuing warning letters, revocation and suspension of business licenses, as well as removing of staff or administrators of reporting entities.

The table below displays the enforcement actions taken against the violating reporting entities in 2024.

No.	Issuance of warning letter	Suspension of Licenses	Revoked Licenses
1	1	3	1

FREEZINGS

Based on Article #4 of the AML-PC law of Afghanistan, Freezing is a financial state where transactions are deferred or restricted by a competent authority, preventing the transfer, alteration, conversion, disposition, or movement of funds or property.

In 2024, FinTRACA implemented the freezing of 41 corporate and individual bank accounts. The total amounts frozen in these accounts amounted to AFN 64,555,825 and USD 56,438. These actions were taken in connection with investigations into money laundering, fraud and forgery.

The legal basis for FinTRACA to freeze bank accounts is provided in Article #37 of the AML-PC law. FinTRACA conducted these freezes either proactively or at the request of LEAs, including GDI and MOI.

The table below illustrates the total amount frozen by FinTRACA in 2024.

Year	Frozen Accounts	Frozen Amounts	
		Frozen Amounts	Frozen Amounts
2024	41	AFN 64,555,825	USD 56,438

FINTRACA WATCH-LIST

The FinTRACA Watch-List serves as supporting surveillance tool designed to assist reporting entities and other relevant agencies in the implementation of EDD measures. It helps in identifying high-risk subjects where irregularities are witnessed and potential risks for money laundering and other predicate offenses exist.

The legal basis for the establishment of this database is the legal powers designated to FinTRACA in accordance with the Article #32 and #24 of AML-PC law and annex (iii) of the AML/CFT RPMR.

FinTRACA regularly releases the list of high-risk subjects to reporting entities and other relevant agencies in order to remain alert of the evolving threats of money laundering and other predicate offenses.

The table below presents statistics of the FinTRACA Watch-List, based on the designated subjects shared with reporting entities and other relevant agencies.

CATEGORY	2023	2024	GRAND TOTAL	PERCENTILE
Individuals	101	146	347	79.5%
Legal Entity	40	49	89	20.4%
Total No. of Subjects	141	195	436	100%

Breakdown of Suspicion Types of the Subjects Listed in the FinTRACA Watch-List in 2024

Red Flags	No. of Subjects	Percentile
Money Laundering	64	33%
Money Laundering & Tax Crimes	34	17%
Money Laundering & Forgery	26	13%
Money Laundering, Unlicensed MSP/FXD	1	0.50%
Corruption and Bribery & Tax Crimes	32	16%
Drug Trafficking	1	0.50%
Forgery	6	3%
Fraud	28	14%
Human Trafficking	2	1%
Kidnapping, Illegal Restraint and Hostage-taking	2	1%
TOTAL	196	100%

Action Taken by Reporting Entities against Listed Subjects in 2024.

Action Taken	No. of Subject	Percentage
High Risk Classification	445	80.8%
Filing STRs	39	7.6%
Closed Bank Accounts	48	8.8%
No Credit of Bank Accounts	12	2.6%
TOTAL	544	100%

During 2024, FinTRACA delisted 18 subjects from the Watch-list, including 17 natural persons and 1 legal entity.

The delisting of the subjects from FinTRACA-Watch-List is carried out solely based on the feedbacks received from law enforcement agencies and other relevant authorities. These authorities evaluate and conclude that the subjects no longer have any obligations or responsibilities associated with their respective agencies.

HIGH LEVEL COORDINATION COMMISSION (HLCC)

FinTRACA coordinated the 8th meeting of the High-Level Coordination Commission (HLCC) on August 20, 2024. This meeting was held at the Supreme Council Hall of Da Afghanistan Bank (DAB), under the chairmanship of Acting Governor of DAB and was attended by deputy ministers and high-ranking representatives of member agencies.

HLCC is responsible for supervising the implementation of the anti-money laundering and countering financing of terrorism (AML/CFT) regime. It is also tasked with establishing an effective inter-governmental agency coordination mechanism among 8 member ministries and other relevant government agencies to enhance collective efforts of the country to combat the financing of terrorism, money laundering, and other predicate offenses.

The aim of these meetings is to coordinate the efforts of the LEAs and other relevant government agencies for combating all types of financial crimes, including money laundering and other predicate offenses.

COMPLIANCE COORDINATION COMMITTEE

On September 17, 2024, the Compliance Coordination Committee, chaired by the Director General of FinTRACA, held its 10th meeting at the Supreme Council of the Da Afghanistan Bank. The meeting was attended by key members, including senior officials from the Banking Supervision and Financial Services Department of DAB, the Risk & Compliance Department of DAB, ABA, and chief compliance officers from commercial banks.

During the meeting, the committee discussed various compliance-related issues and identified several areas for improvement. One of the primary recommendations was to digitize all know-your-customer (KYC) forms for both individuals and legal entities, which would enhance efficiency. Additionally, the committee emphasized the need for strengthening coordination with government agencies such as the General Directorate of Customs, NSIA, and the Ministry of Industry and Commerce to improve customer document verification.

To further strengthen compliance efforts, the committee recommended increasing capacity-building programs for the commercial banks' compliance officers. Timely updates of the KYC forms were also considered essential to ensure accuracy and relevance. Furthermore, it was decided that accounts belonging to exchange and money service companies that have ceased operations or had their licenses suspended or revoked should be closed promptly.

The committee highlighted the importance of strengthening controls within commercial banks to address existing vulnerabilities and called for effective implementation of risk assessments across the banking sector. It was also noted that individual accounts should not be used for commercial purposes, a measure aimed at enhancing regulatory compliance. Lastly, improving the quality of suspicious transaction reports and large transaction reports was highlighted as a crucial step in safeguarding the integrity of the banking system.

DNFBPS

DNFBPs are particularly vulnerable to money laundering and other financial crimes due to their inherent characteristics and involvement in high-value transactions. Entities such as gold and precious stone dealers, real estate agents, car dealers, accountants, notary offices, and NGOs can be exploited to disguise illicit funds.

FATF recommendations and Article #5 of AML-PC law emphasize the need for robust regulation of DNFBPs within the national AML-CFT framework. In Afghanistan, the AML-PC law mandates DNFBPs to identify and report suspicious activities to FinTRACA. Therefore, the DNFBPs division was established as a separate section within the structure of FinTRACA, starting operation in 2023 to oversee this sector and ensure compliance with reporting requirements.

In 2024, FinTRACA implemented the following initiatives to address the DNFBPs sector:

- 1)** A descriptive and an analytical survey was conducted on gold and precious stone sellers in Balkh, Herat, and Kandahar provinces. This involved discussions with provincial authorities in Balkh, Herat, and Kandahar provinces, as well as their relevant directorates of Industry and Commerce, Justice, Municipalities, Finance, and Mining and Petroleum, and gold selling associations (unions). Based on the data collected from the provinces, a research plan has been presented to cover the gold sellers' sector, which was approved by the Executive Board of DAB. Consequently, a section has been created within the Non-Banking Financial Institutions Supervision Department (NBFISD);
- 2)** A similar survey was conducted on the car dealership sector in Kabul province, involving coordination with five associations and provincial authorities and relevant directorates;
- 3)** A joint committee was established with officials from the Legislative Department of the Ministry of Justice to develop a mechanism for combating money laundering in the car dealerships sector. Meetings were held regarding this matter to ensure effective collaboration; and
- 4)** Participating in working committees at the national level in order to make sure that DNFBPs are integrated into broader national strategies aimed at combating ML and other financial crimes.

IMPLEMENTING TECHNOLOGICAL INITIATIVES

In 2024, FinTRACA implemented several technological initiatives aimed at improving operational efficiency and compliance. A key development was the creation and launch of a comprehensive database and interface for monitoring MSPCOs Contract Reports. This system is specifically designed to support compliance with FinTRACA, ensuring transparency and accountability in the financial aid process.

Additionally, FinTRACA launched a new document management system (DMS) to streamline document handling. This system is designed to store, organize, and retrieve documents

efficiently, reducing paperwork and saving time. The DMS enhances operational efficiency by facilitating faster approvals and enabling seamless document sharing. This development represents a step forward in improving workflow management and optimizing organizational productivity.

FinTRACA also developed an inventory database to efficiently track equipment and supplies. This system provides a streamlined approach to monitoring stock levels, usage, and maintenance schedules, ensuring accurate and efficient management of resources.

Moreover, the HubLink Portal was established to centralized access to essential online tools and resources in one convenient location. Designed for simplicity and ease of use, the portal enables employees to work more efficiently by minimizing the time spent searching for necessary tools and links.

These initiatives collectively exemplify FinTRACA,s commitment to leveraging technology to achieve operational excellence and to strengthen compliance with regulatory requirements.

CAPACITY BUILDING PROGRAMS

In 2024, FinTRACA organized capacity building programs for the staff of commercial banks, MSPCOs and law enforcement agencies. These capacity building programs are crucial for addressing evolving financial crime challenges.

The table below presents the details of capacity building programs provided by FinTRACA in 2024

NO	Training Course	No. of Participants	Location	Date
1	Reviewing LCTRs and STRs reporting Legal Requirements	15	Training Center of DAB, Kabul	25 June 2024
	Identifying suspicious Transactions and Activities			
	Filing STRs and LCTRs			
	Importance of FinTRACA Watch-List Implementation			
2	Introduction of FIU	30	MOI, Kabul	2024
	Money Laundering and Importance of Information Exchange			
	Investigating Financial Crimes			
3	Introducing and Identifying Indicators of STRs	936	Training Centers of DAB in Regional Zones	2024
	Explaining the electronic Reporting Process			
	Installing PGP Software for MSPCOs			
	Securing Reports and Confidentially Submitting them to FinTRACA			

Participation in IMCTC seminars, symposia, and workshops

The IMCTC is an intergovernmental counterterrorism alliance established in Saudi Arabia in 2015 to consolidate the efforts of Muslim countries in counterterrorism activities. The IMCTC works to counter terrorism in the areas of ideology, communication, counterterrorism financing, and military.

In 2018, Afghanistan became a member of the IMCTC.

Representative of FinTRACA and member of the delegation of Afghanistan at IMCTC participated in the following seminars, symposiums, presentations, and other relevant programs held at IMCTC during 2024.

NO	Title of Program	Type of programs	Date	Location
1	Future Perspective for Countering Terrorism through Digital Technologies	symposium	2024	Riadh, Saudi Arabia
2	Female Violent Extremism's Protection	symposium	2024	Riadh, Saudi
3	Your Awareness, Your Safety	Online Program	2024	Riadh, Saudi
4	Nuclear, Chemical and Biological Warfare	Presentation	2024	Riadh, Saudi

PRIORITIES FOR THE FY YEAR 1404 (2025)

1

INITIATING THE THE AML/TF NRA PROCESS

2

CAPACITY BUILDING PROGRAMS FOR FINTRACA STAFF

3


PROVIDING CAPACITY BUDLIDING PROGRAM TO REPORTING ENTITIES

4

STRENGTHING INTER-AGENCY COLLABORATION

ACRONYMS

AFN	Afghani
USD	The United States Dollar
ABA	Afghanistan Banks Association
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
AML/CFT RPMR	AML/CFT Responsibilities and Preventative Measures Regulation
AML-PC LAW	Anti-Money Laundering and Proceeds of Crime Law
ARD	Afghanistan Revenue Department
BNI	Bearer Negotiable Instrument
BSFSD	Banking Supervision and Financial Services Department
DAB	Da Afghanistan Bank (Central Bank of Afghanistan)
DNFBP	Designated Non-Financial Businesses and Professions
EMI	Electronic money institution
FATF	Financial Action Task Force
FinTRACA	Financial Transactions and Reports Analysis Center of Afghanistan
LCTR	Large Cash Transaction Report
MOF	Ministry of Finance
MOI	Ministry of Interior
MOU	Memorandum of Understanding
MFI	Electronic Money Institution
NBSD	Non-Banking Financial Institution Supervision Department
MSPCO	Money Service Provider Companies
GDI	General Directorate of Intelligence
NSIA	National Statistics and Information Authority
STR	Suspicious Transaction Report
NTEC	National Target Exploitation Center
EDD	Enhanced Due Diligence
LEAs	Law Enforcement Agencies
NBFIs	Non-banking Financial Institutions
IMCTC	The Islamic Military Counter Terrorism Coalition
AML/TF	Anti-money laundering/ terrorist financing



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