Da Afghanistan Bank
Financial Transactions and Reports
Analysis Center of Afghanistan

2025 ANNUAL REPORT

ANNUAL REPORT 2025

ABOUT US

The Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) is the country's financial intelligence unit (FIU), established in accordance with the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) framework of Afghanistan and aligned with international standards. It works in close collaboration with law enforcement agencies (LEAs), regulatory bodies, and international counterparts to safeguard Afghanistan’s financial system against money laundering and terrorist financing. The Center is responsible for the collection, analysis, and dissemination of financial intelligence, thereby supporting investigations, prosecutions, and convictions within 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.

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MESSAGE FROM THE DIRECTOR GENERAL

I am pleased to present the Annual Report of The Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) for 2025. This report reflects our continued commitment to safeguarding the integrity of Afghanistan's financial system and advancing our collective fight against money laundering and terrorist financing.

Over the past year, we made significant strides in strengthening compliance and cooperation with reporting entities. The detailed sections of this report provide a comprehensive overview of reporting trends, analytical outcomes, and enforcement actions.

Internationally, FinTRACA reaffirmed its dedication to constructive engagement, initiating efforts to re-establish official communications with global partners including the Eurasian Group (EAG), the Asia/Pacific Group (APG), and the Egmont Group in order to rebuild trust and align our framework with international standards.

Nonetheless, challenges remain. We continue to face capacity constraints, evolving typologies, and the need for stronger inter-agency coordination. Yet, through resilience and innovation, FinTRACA has expanded its analytical capabilities, strengthened partnerships with both domestic and international counterparts, and invested in technology to ensure more effective monitoring.

Looking ahead, our priorities will focus on; enhancing the quality and timeliness of reporting, expanding training and outreach to reporting entities, deepening cooperation with law enforcement and international partners, and leveraging technology to improve data analysis and risk detection.

I extend my sincere gratitude to the staff of FinTRACA, the leadership of Da Afghanistan Bank, and our national and international partners. Together, we will continue to safeguard Afghanistan's financial system and foster sustainable economic growth.

Sincerely,

Director General - FinTRACA

Ahmad Rahimi

2025 FINTRACA YEAR IN REVIEW

259 STRs Received from Banks

33 STRs Received from NBFIs

292 Total STRs Received

440,928 LCTRs Received from Banks

184,858 LCTRs Received from NBFIs

2 LCTRs Received from DNFBPs

625,788 Total LCTRs Received

125 Subjects Included in FinTRACA Watch-List

327 Subjects Delisted from FinTRACA-Watch-List

92 Domestic Requests Received

92 Domestic Requests Responded

40 Frozen Bank Accounts

3 Trainings

36 Revoked MSPCOs Licenses

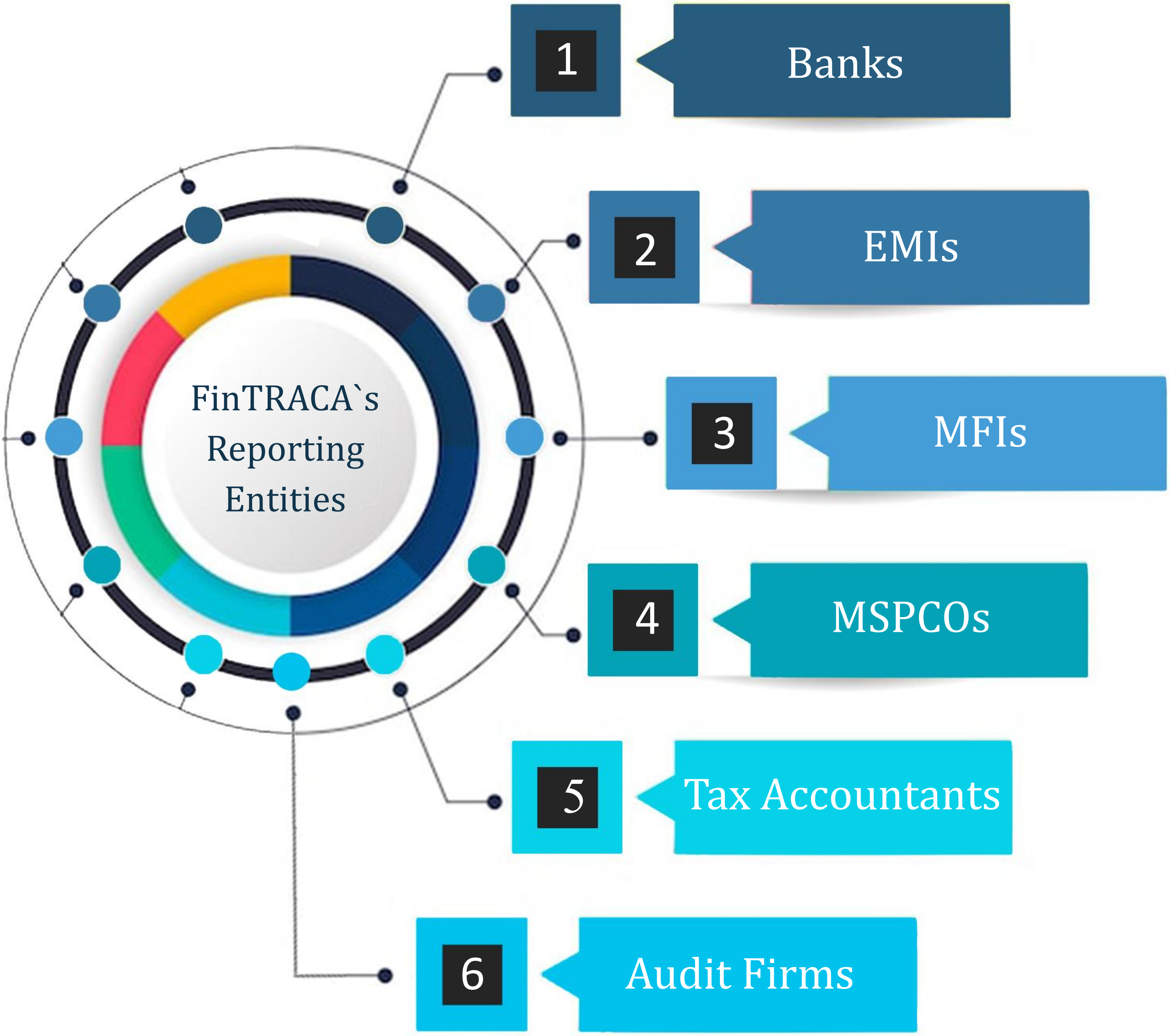
104 Suspension of MSPCOs Licenses

113 Analyzed Cases

56 Disseminated Cases to LEAs

9 Compliance Analytical Reports

REPORTING ENTITIES



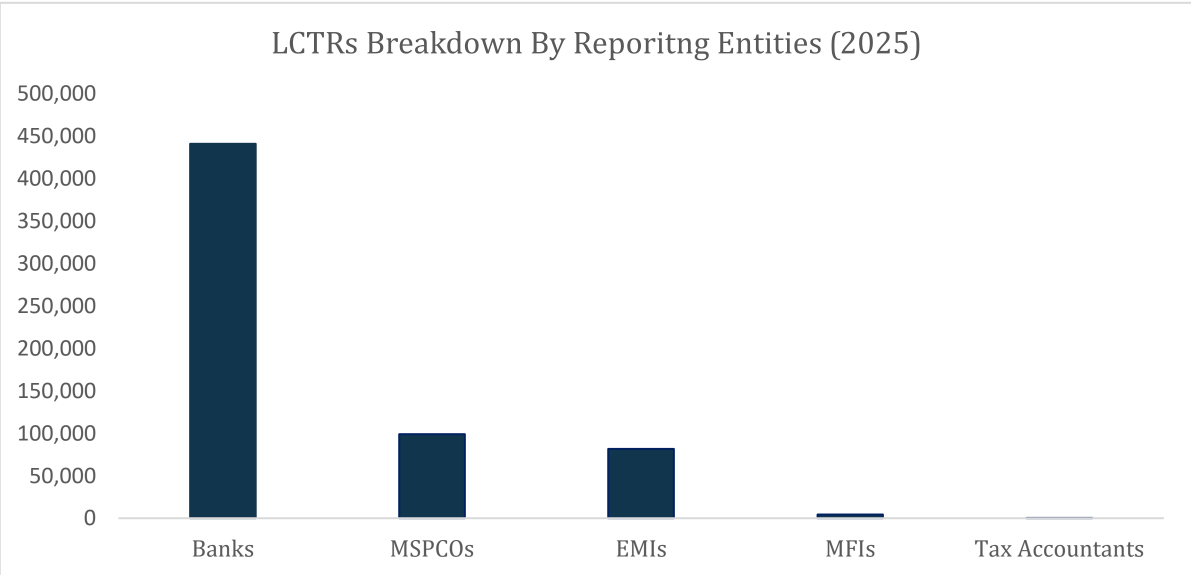
LARGE CASH TRANSACTION REPORTS

Pursuant to Afghanistan's Anti-Money Laundering and counter the Financing of Terrorism (AML/CFT) framework, reporting entities are required to submit large cash transaction reports (LCTRs) to Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) within the designated timeframe. This obligation applies to any cash transaction exceeding the threshold stipulated in the relevant regulations.

The specific reporting thresholds for Banks, Non-banking Financial Institutions (NBFIs), and Designated Non-Financial Businesses and Professions (DNFBPs) are provided in the table below.

REPORTING ENTITY	REPORTING THRESHOLDS AFGHANI (AFN)
Banks	1,000,000
Money Service Provider Companies (MSPCOs)	500,000
Microfinance Institutions (MFIs)	200,000
Electronic money institutions (EMIs)	50,000
Tax Accountants	100,000
Audit Firms	200,000

FinTRACA received a total of 625,788 LCTRs from Reporting Entities. The charts below illustrate the breakdown of the LCTRs received from the reporting entities.



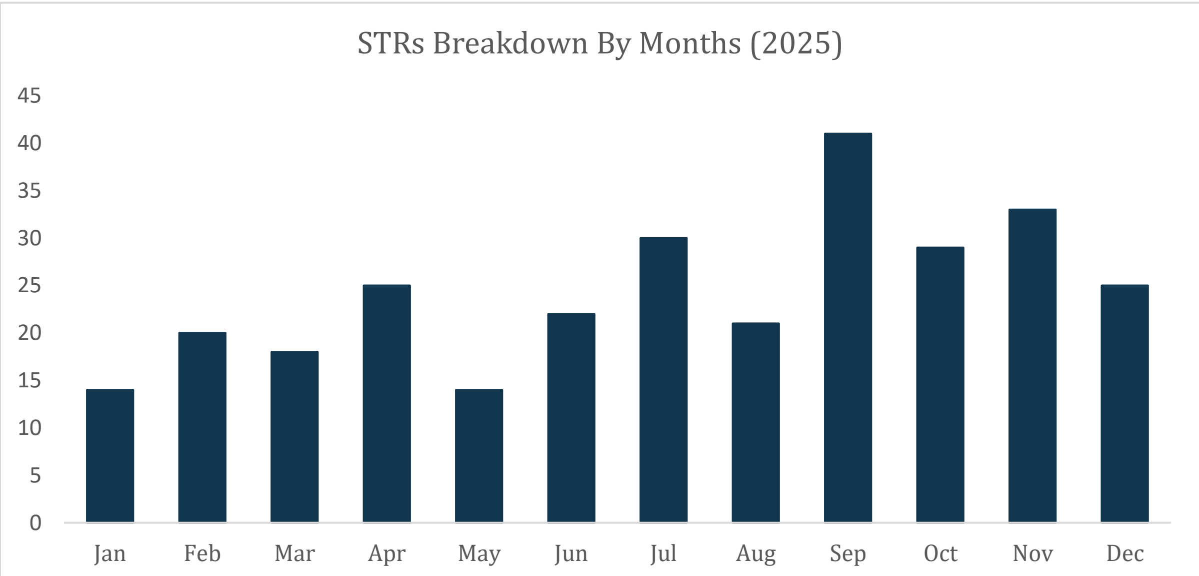
SUSPICIOUS TRANSACTION REPORTS

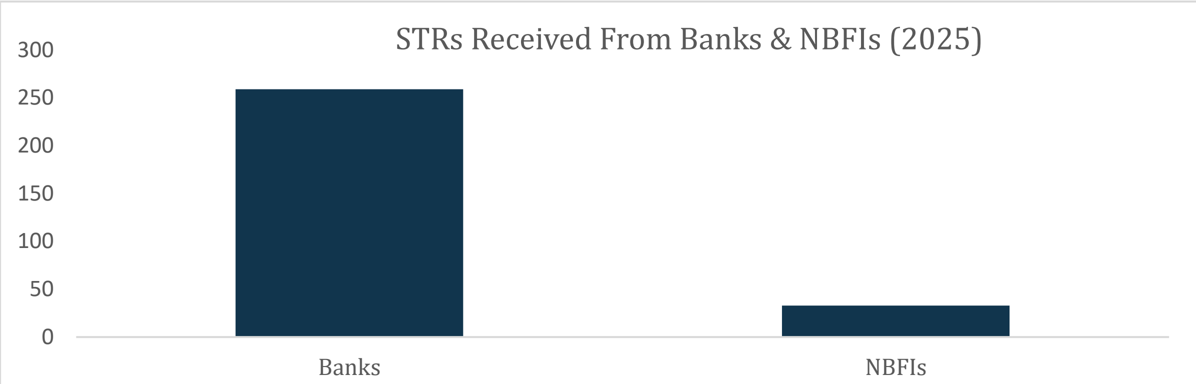
In accordance with the AML/CFT framework of Afghanistan, reporting entities are required to submit suspicious transaction reports (STRs) to the FinTRACA whenever, there are reasonable grounds to suspect links to money laundering, terrorist financing, criminal proceeds, or other predicate offenses. This statutory mandate establishes reporting entities as the first line of defense against illicit financial flows.

To ensure effectiveness, STRs must be filed promptly, and no later than three working days after suspicion arises. Reporting entities are also required to provide any additional information necessary to validate suspicions or assist in analytical and legal proceedings.

FinTRACA received a total of 292 STRs, reflecting the continued diligence of reporting entities in identifying and reporting suspicious financial activities.

The consistent flow of STRs also highlights the increasing maturity of the compliance culture within Afghanistan's financial sector, where reporting entities are not only meeting statutory requirements but are actively contributing to the detection and disruption of money laundering, terrorist financing, and related predicate offenses. The charts below provide a detailed monthly breakdown and statistical overview of STRs.





To ensure data integrity, all reports undergo a mandatory quality check prior to analysis. 81 STRs were returned to reporting entities due to insufficient grounds and technical deficiencies. After the necessary corrections, they were resubmitted and accepted for analysis.

EXCHANGE OF COMPLIANCE ANALYTICAL REPORTS WITH SUPERVISORY BODIES

FinTRACA regularly exchanges compliance analytical reports with the Banking Supervision and Financial Services Department (BSFSD) of Da Afghanistan Bank (DAB) to strengthen regulatory oversight and enhance transparency in Afghanistan's banking sector.

These reports provide a detailed assessment of how effectively commercial banks comply with their obligations to report LCTRs and STRs.
They also cover key compliance metrics, including data integrity verification, timeliness of report submission, risk assessment practices by commercial banks, Know Your Customer (KYC) remediation, adequacy of supporting documents, rigorous screening against international sanctions lists, and staff training programs.

FinTRACA delivered nine (9) compliance analytical reports to the BSFSD. This collaboration not only highlights FinTRACA's commitment to regulatory synergy but also serves as a vital tool for mitigating financial crime risks within the Afghan banking sector.

CASH AND BEARER NEGOTIABLE INSTRUMENT (BNIS) REPORTS

Pursuant to Order No. 4088, issued on January 27, 2025, by the Office of the Prime Minister of the Islamic Emirate of Afghanistan, no individual is allowed to carry more than five thousand United States Dollar (USD) 5,000 in physical cash through international airports, and more than five hundred USD 500 through land borders of the country.

In line with the above-mentioned Order, FinTRACA, in collaboration with the General Directorate of Customs of the Ministry of Finance (MOF) of Afghanistan, General Directorate of Border Police of Ministry of Interior (MOI), General Directorate of Intelligence, has developed a new declaration framework for the registration and reporting of physical transfers of currency, BNIs, gold, other precious metals, and precious stones.

In addition, FinTRACA, in cooperation with the General Directorate of Customs and other relevant law enforcement agencies (LEAs), has prepared a draft procedure for governing the reporting and control of physical transfers of currency, BNIs, gold, precious metals, and precious stones across Afghanistan's borders. This procedure is currently under review by the relevant agencies.

The framework is intended to strengthen oversight of cross-border cash flows, ensure compliance with international standards, and support national economic objectives.

NON-BANKING FINANCIAL SECTORS

Size of The MSPCOs In Afghanistan

DAB issued licenses to 152 Money Service Provider Companies (MSPCOs) and registered 345 of their branches. Additionally, FinTRACA created user accounts for all MSPCOs in the online Hawala Reporting Portal. This portal enables them to submit LCTRs and monthly activity reports covering Hawala (remittances), currency exchange, and DAB USD auctions. The licensing process formally integrates these entities into the regulated financial sector, bringing them within DAB's regulatory purview.

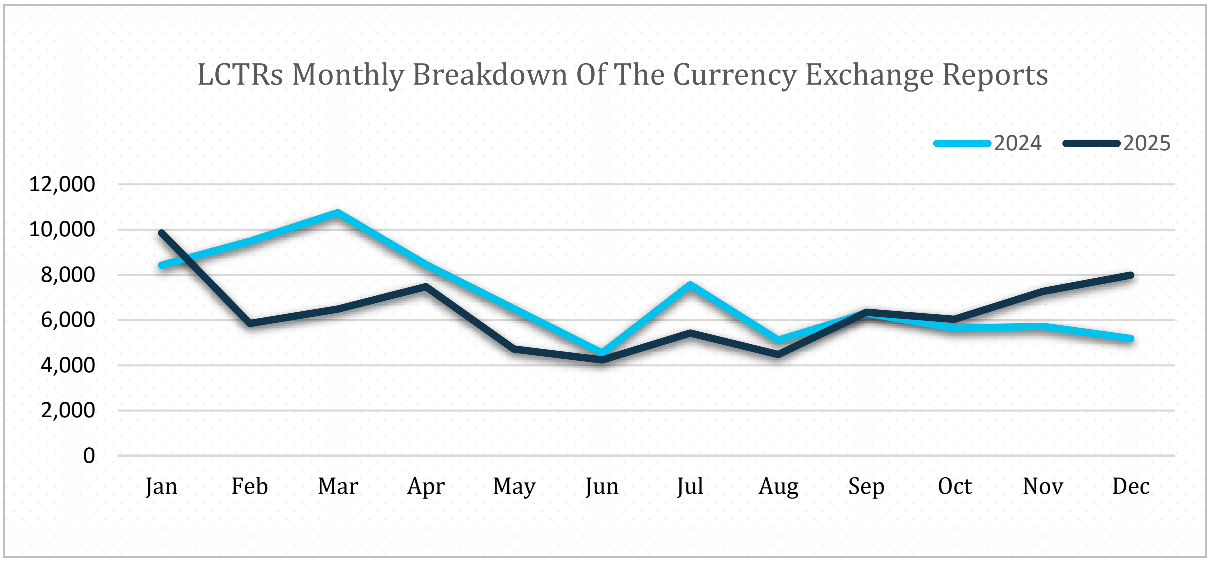
Hence, registration in FinTRACA's portal operationalizes this oversight, enabling the Center to conduct effective off-site supervision. This ensures that all licensed MSPCOs adhere to statutory AML/CFT reporting obligations, particularly regarding the transparency of large cash flows and the traceability of funds.

Hawala & Currency Exchange Reports of MSPCOs

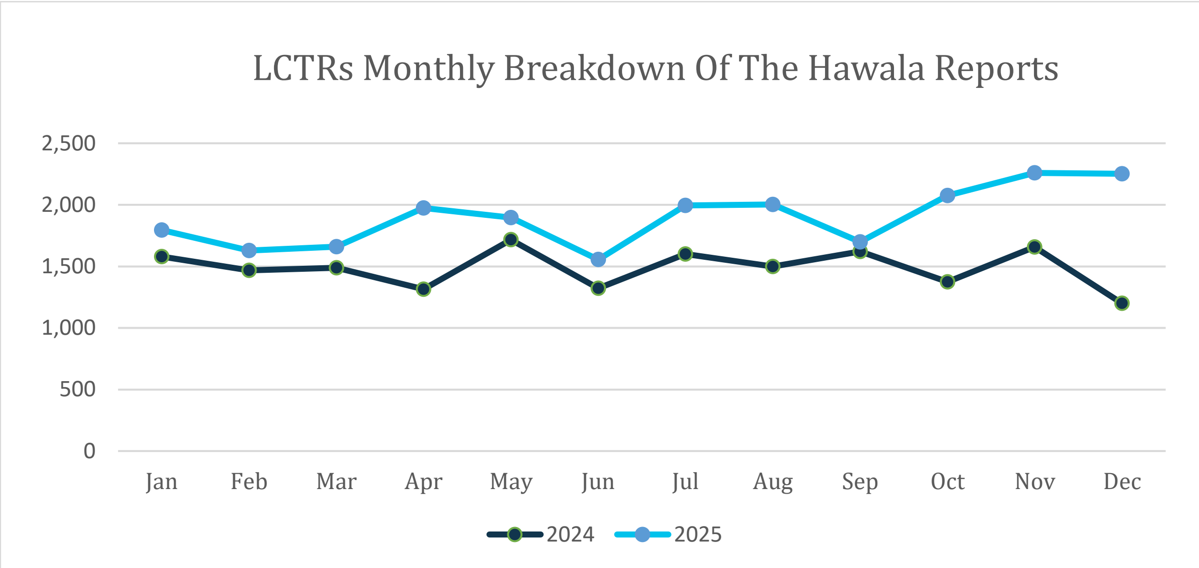
As per Article 17 of the Anti-Money Laundering and Proceeds of Crime Law (AML/PC Law) and Article 6 of the MSPCOs Law of Afghanistan, all licensed MSPCOs are required to submit LCTRs related to currency exchange and Hawala transactions to FinTRACA. The threshold for reporting LCTRs is five hundred thousand AFN 500,000 or its equivalent in other currencies.

In 2025, MSPCOs submitted a total of 76,138 LCTRs to FinTRACA.

The chart below illustrates LCTRs monthly breakdown of the currency exchange reports.



FinTRACA also received a total of 22,789 LCTRs related to Hawala transactions from MSPCOs. The chart below illustrates LCTRs monthly breakdown of the Hawala reports.



DAB USD Auction Reports

DAB utilizes foreign exchange auctions as a monetary policy instrument. In line with Afghanistan's AML/CFT principles, MSPCOs are required to electronically report all auction-related transactions to FinTRACA. Unlike LCTRs, however, there is no specific threshold for submitting DAB USD auction reports to FinTRACA.

A total of 3,177 reports related to DAB USD auctions were submitted to FinTRACA, highlighting the importance of regulatory compliance in Afghanistan's financial system.

DATA COLLECTION SOURCES

ANALYZED CASES & DISSEMINATIONS

FinTRACA analyzed a total of 113 cases, comprising 18 proactive and 95 reactive cases. These cases involved suspicions of money laundering, and wide range of predicate offences including human trafficking, kidnapping and hostage-taking, drug trafficking, organized crime, corruption and bribery, embezzlement, tax crimes, deception and fraud, bank-related fraudulent transactions, forgery, theft, robbery, and other related offenses.

The table below illustrates details of the cases analyzed in 2025.

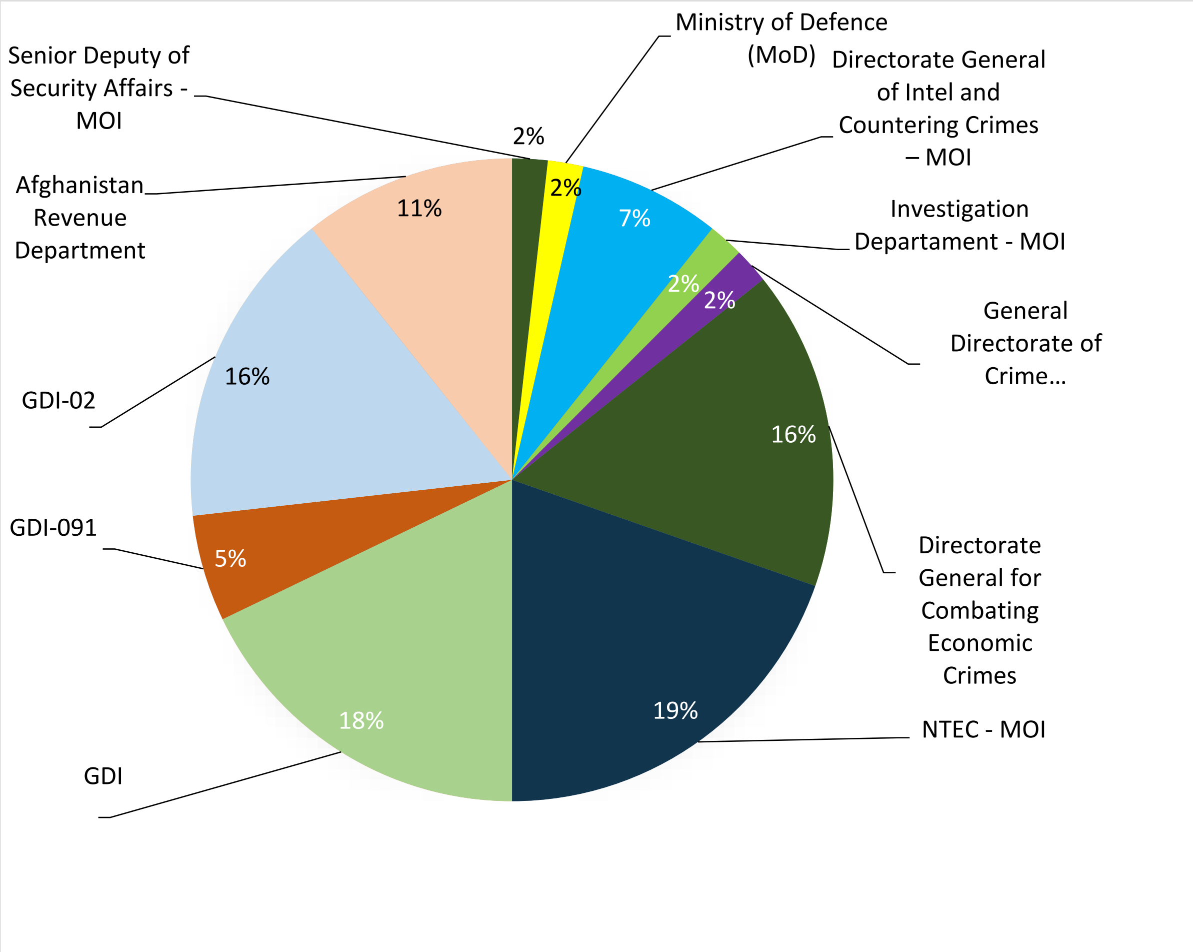
No	RED FLAGS/PREDICATE OFFENCES	Number of Cases	Type of Cases	Number of individuals and legal entities involved	Total number of involved STRs
1	Money Laundering	4	Proactive	15	0
		52	Reactive	270	116
2	Human Trafficking	1	Reactive	1	1
3	Drug Trafficking	3	Reactive	5	3
4	Embezzlement	1	Proactive	14	0
5	Corruption and Bribery	8	Reactive	22	9
6	Bank-related Fraudulent Transactions	3	Proactive	14	5
		1	Reactive	4	0
7	Fraud	12	Reactive	35	13
		5	Proactive	9	0
8	Tax Crimes	5	Reactive	17	7
		4	Proactive	20	1
9	Forgery	6	Reactive	18	6
		1	Proactive	4	1
10	Kidnapping	1	Reactive	11	5
11	Other Crimes	2	Proactive	14	0
		4	Reactive	10	4
Total		**113**	**18 Proactive and 95 Reactive Cases**	**483 Individual and Legal Entities**	**171 STRs/SARs**

Among the analyzed cases, 56 were identified as having reasonable grounds for suspicion of money laundering and other predicate offences. Consequently, comprehensive analytical reports comprising findings, analytical conclusions, and supporting documents were disseminated to relevant LEAs for investigation and further legal action.

The table below illustrates the total number of cases disseminated to LEAs.

No	No. of Cases	Law Enforcement & Related Agencies
1	1	Senior Deputy of Security Affairs – MOI
2	1	Ministry of Defense (MoD)
3	4	Directorate General of Intel and Countering Crimes – MOI
4	1	(General Department of Investigation) – MOI
5	1	General Directorate of Crime Investigation Department – MOI
6	9	Directorate of Combating Economic Crimes – MOI
7	11	National Target Exploitation Center – NTEC (MOI)
8	10	General Directorate of Intelligence (GDI)
9	3	(Directorate of Intelligence 091) – GDI
10	9	(Directorate of Intelligence 02) – GDI
11	6	Afghanistan Revenue Department – MOF
	Total 56	

DISSEMINATED CASES TO LEAs



Additionally, FinTRACA responded to 42 requests for information regarding previously disseminated cases, maintaining close collaboration with LEAs to support and enhance the investigation process.

The table below illustrates the total number of requests responded to by FinTRACA, related to disseminated cases and categorized by agency.

No.	Agency Name	Total Requests Responded
1	Directorate General for Combating Economic Crimes – MOI	22
2	National Target Exploitation Center NTEC – MOI	12
3	General Directorate of Crime Investigation Department – MOI	3
4	Directorate General of Intel and Countering Crimes– MOI	1
5	General Directorate of Intelligence	4
Total executed requests of additional information		**42**

FEEDBACK FROM LEAs

Law Enforcement Agencies provided feedback on 82 disseminated cases. This feedback relates to cases disseminated at different points in time. According to the responses, several cases were archived by the respective authorities, while the majority remain at various stages of detection, investigation, or referral to judicial authorities.

The table below illustrates details of the feedback received from LEAs based on the status of cases.

LEAs	Number of Feedback	Status of Cases
National Target Exploitation Center NTEC – MOI	6	Archived
	3	Under Detection
	10	Under Investigation
Supreme Court	1	Prosecuted
	1	Acquittal
General Directorate of Crime Investigation Department– MOI	3	Archived
	1	Under Investigation
	1	Under Prosecution
General Directorate of Intelligence	1	Under Investigation
	1	Under Detection
	2	Under Prosecution
	6	Archived
General Directorate of Intelligence (GDI-02)	6	Archived
	3	prosecution
	1	Under Investigation
General Directorate of Intelligence (GDI-091)	2	Archived
Directorate General for Combating Economic Crimes– MOI	12	Archived
	6	Under Investigation
	7	Under Detection
Directorate General of Intel and Countering Crimes– MOI	2	under Prosecution
	1	under Investigation
	1	Archived
General Directorate of Crime Investigation Department	1	Under Prosecution
BSFSD – DAB	4	Under Supervision
Total	**82**	

NATIONAL COOPERATION

FinTRACA received 92 requests for financial intelligence from LEAs, encompassing a total of 118 subjects.

FinTRACA responded to all requests. The legal basis for this exchange is provided in Article 28 of the AML/PC Law, as well as the domestic Memorandums of Understanding

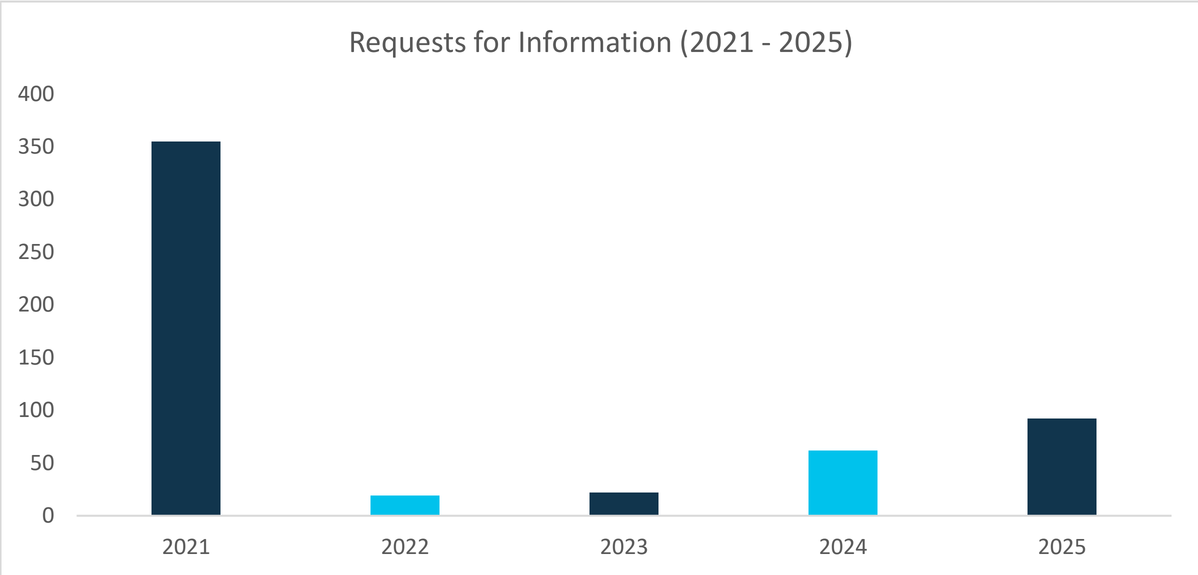
(MoUs) signed with relevant agencies. The primary objective of exchanging financial intelligence with LEAs is to foster national cooperation in combating Money Laundering and Terrorist Financing (ML/TF).

The table below illustrates the requests for financial intelligence received.

No	Agency Name	Total Requests Received
1	General Directorate of Intelligence	57
2	Ministry of Interior	35
Total Executed Domestic Requests		92

PREDICATE OFFENCES RELATED TO UPON REQUEST DISCLOSURES

PREDICATE OFFENCE	YEAR				
	2021	2022	2023	2024	2025
Money Laundering	8	6	4	4	1
Terrorist Financing	81	1	3	2	-
Asset Registration and Verification	40	-	1	-	-
Corruption and Bribery	130	2	-	5	7
Drug Trafficking	31	-	-	1	4
Counterfeiting Currency	-	-	-	-	4
Tax Crime	-	-	1	1	1
Fraud	-	4	9	24	44
Kidnapping and Hostage	1	1	1	1	-
Extortion	-	-	-	-	1
Forgery	4	1	1	4	4
Robbery and Theft	2	1	-	3	1
Wired Fraud	-	-	-	4	2
Human Trafficking	-	-	-	3	7
Smuggling	-	-	1	1	4
Other	58	3	1	9	12
TOTAL	**355**	**19**	**22**	**62**	**92**



INTERNATONAL COOPERATION

Money laundering and terrorist financing are often conducted across borders through complex financial networks, and effective Preventive measures are not possible without the exchange of information, technical cooperation, and coordination among the Financial Intelligence Units (FIUs) of countries and relevant international organizations. Accordingly, international relations and cooperation are of vital importance for identifying suspicious transactions, tracing illegal financial flows and payments, preventing the misuse of the national financial system, and enhancing analytical capacities. Such cooperation also facilitates the application of international best practices, improvement of working methodologies, and strengthening of the global community's confidence in Afghanistan's anti–money laundering and counter–terrorist financing (AML/CFT) regime.

Within the framework of its legal mandate, FinTRACA has consistently tried to maintain effective cooperation with the Financial Intelligence Units of regional and international countries, relevant international institutions, and related organizations involved in combating money laundering and terrorist financing.

Understanding the importance of constructive engagement with the international community—particularly counterpart foreign institutions and authorities—the Center has undertaken necessary efforts to recover working relationships, strengthen technical cooperation, and create opportunities for the re-establishment of relations and active contribution within cooperation frameworks with relevant international organizations. To demonstrate, despite the fact that following the return to power of the Islamic Emirate of Afghanistan, the Center's relations with international organizations were suspended or restricted for various reasons, the Center has utilized different channels to restore these relations. In this regard, in addition to diplomatic channels through the Ministry of Foreign Affairs, official correspondence has been also sent to relevant international organizations such as the Eurasian Group, the Asia/Pacific Group, and the Egmont Group of Financial Intelligence Units with the aim of reviving relations and cooperation.

These efforts are being pursued with the objective of rebuilding mutual trust, aligning the country's AML/CFT system with international standards, and creating an appropriate platform for sustainable and effective cooperation.

FinTRACA reaffirms its commitment to effectively combating money laundering and terrorist financing, while ensuring the implementing international standards and recommendations. In this context, the center identifies the strengthening of the legal framework, the enhancement of its staff's technical and professional capacities, and continuous cooperation with relevant national and international institutions as key priorities. Through constructive engagement, FinTRACA strive to enhance the transparency of Afghanistan's financial system and protect it against misuse for financial crimes.

ENFORCEMENT ACTIONS

Pursuant to the provisions of Article 24 of the AML/PC Law and other applicable regulations, FinTRACA, as the competent authority, is empowered to impose enforcement and deterrent measures.

These measures include corrective and disciplinary actions, such as issuance of formal warnings, the suspension or revocation of business licenses, and the removal of directors or senior officials of financial institutions. Accordingly, to ensure legal compliance and maintain financial stability, the following enforcement actions have been implemented as part of the national AML/CFT regime.

The table below illustrates the enforcement actions taken against the violating reporting entities.

No.	Issuance of warning letter/Regulatory Notifications, and Instructions to Banking Institutions	Suspension of MSPCOs Licenses	Revoked MSPCOs Licenses
1	28	104	36

FROZEN BANK ACCOUNTS

According to Article 3 of the AML/PC law, freezing refers to the prohibition of transferring, converting, disposing of, or moving funds or property.

The legal authority for FinTRACA to freeze these accounts is established under Article 37 of the AML/PC Law. FinTRACA carried out these actions either independently or at the request of LEAs, including the GDI and the MOI.

The table below illustrates details of total amount frozen.

Year	No. of Frozen Accounts	Frozen Amounts		
2025	40	AFN 119,570,953	USD 2,924,848	EUR 127

The above measures were taken in connection with investigations into Money Laundering (ML), fraud, and robbery and other predicate offences.

FINTRACA WATCH-LIST

The FinTRACA Watchlist is a supporting surveillance tool established under the legal powers designated to FinTRACA in accordance with Articles 32 and 24 of the AML/PC Law and Annex III of the AML/CFT Responsibilities and Preventative Measures Regulation (AML/CFT RPMR). It serves as a vital tool for combating money laundering, terrorist financing, and predicate offences.

This Watchlist includes individuals and entities suspected of involvement in money laundering, terrorist financing, and predicate offences.
Reporting entities are required to screen their customers and transactions against this Watchlist. Where matches or potential risks are identified, Enhanced Due Diligence (EDD) measures must be applied to ensure compliance and mitigate threats.

FinTRACA regularly disseminates the updated list of high-risk subjects to reporting entities and relevant agencies to ensure they remain vigilant against the evolving threats of ML/TF.

The table below presents statistics of the 2025 FinTRACA Watch-List, based on the designated subjects shared with reporting entities and other relevant agencies.

CATEGORY	2025
Individuals	94
Legal Entity	31
Total No. of Subjects	**125**

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

Red Flags	No. of Subjects
Money Laundering	43
Money Laundering and Tax Crimes	9
Corruption and Bribery	22
Money Laundering and Fraud	5
Tax Crimes	11
Corruption and Bribery and Tax Crimes	5
Organized Crime	2
Forgery	9
Fraud	8
Terrorist Financing	9
Kidnapping, Illegal Restraint and Hostage-taking	2
TOTAL	**125**

FinTRACA also delisted 327 subjects from its Watchlist, comprising 297 individual persons and 30 legal persons. The delisting process is carried out exclusively on the basis of official feedback received from LEAs and other relevant authorities. Such actions are taken only after confirmation that the subjects are no longer under investigation or required for legal proceedings.

HIGH-LEVEL COORDINATION COMMISSION (HLCC) WORKING COMMITTEE

The 4th session of the Working Committee of the HLCC on Combating Money Laundering and Terrorist Financing was convened on August 6, 2025 at FinTRACA. The meeting was chaired by the Director General of FinTRACA.

The primary objective of this session was to ensure the effective implementation of the AML/PC Law and to operationalize the strategic decisions made by the HLCC members. In addition, the meeting focused on fostering robust inter-agency coordination among relevant government bodies to combat financial crimes, trace illicit proceeds, and comprehensively strengthen the national AML/CFT regime.

These regular committee engagements are instrumental in enhancing strategic cooperation, ensuring a unified government response, and facilitating the execution of the HLCC decisions.

COMPLIANCE COORDINATION COMMITTEE

FinTRACA convened the 11th Compliance Coordination Committee meeting at the Supreme Council Hall of DAB On December 30, 2025. The session was chaired by Director General of FinTRACA, and was attended by representatives from FinTRACA, the Banking Supervision and Financial Services and the Risk and Compliance departments of DAB, the Afghanistan Banks Association (ABA), as well as chief compliance officers from commercial banks.

The primary objective of the meeting was to address challenges in the banking sector and ensure proper implementation of AML/CFT rules and regulations.

The committee focused on specific measures to strengthen the national AML/CFT regime. Key discussions included the standardization of Know Your Customer (KYC) forms and ensuring data consistency between digital banking systems and physical records. Additionally, the committee addressed the need to improve the accuracy and quality of LCTRs and STRs. The meeting also covered measures to prevent fraud and ensured the enforcement of UNSCR 1267 and 1988 sanctions lists, along with the FinTRACA Watch-List.

In closing, the head of the committee emphasized that strict compliance with AML/CFT regulations is vital to protect the banking sector. All participants agreed to work together more closely to improve coordination, strengthen compliance practices, and safeguard the integrity of Afghanistan's financial system.

DNFBPs

Designated Non-Financial Businesses and Professions are particularly vulnerable to money laundering and terrorist financing 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.

The Financial Action Task Force (FATF) recommendations and Article #5 of the AML/PC law emphasize the importance of 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. To address this, the DNFBPs division was established as a separate section within FinTRACA in 2023.

Key Initiatives

Expansion of Coverage

- **Audit Firms (Chartered Accountants)**

  Chartered accountants are highly trained professionals qualified to provide regulated financial services, including auditing, taxation, financial reporting, and business consulting, under national or international accounting bodies. Audit firms consist of licensed individuals and legal entities authorized by the Ministry of Industry and Commerce and the Ministry of Finance (MoF) to operate as external auditors. Currently, 27 active audit firms and chartered accountants have been brought under FinTRACA's regulatory coverage.

- **Tax Accountants**

  Accountants are individuals or legal entities licensed by the Ministry of Finance (MoF) to provide services such as tax assessment, planning, compliance with laws and regulations, auditing, consulting, client management, maintaining transactions and records, representing clients in their absence, using systems to record and pay taxes, preparing financial plans and balance sheets, and implementing tax laws. According to FATF recommendations, this sector is considered vulnerable and high-risk for money laundering, corruption, fraud, and other financial crimes, and therefore requires strict supervision. A total of 137 tax accountants has been brought under FinTRACA's coverage. Notably, 2 LCTRs and 37 CTRs were received in the last quarter.

Strengthening Oversight and Reporting

- Participation in national-level working committees to ensure the integration of DNFBPs into broader AML/CFT strategies.
- Development of procedures and manuals for gold dealers, audit firms, accountants, and consultancies to ensure proper reporting of LCTRs and STRs.
- Establishment of a database system to cover NGOs, property dealers, car dealerships, charitable foundations, defense lawyers, accountants, gold dealers, and consulting companies.

Collaboration and Consensus Building

- Formation of a technical committee with the Ministry of Economy, resulting in consensus on statistical data sharing and mandatory registration of NOGs sector.
- Preparation of a tripartite agreement with the Ministry of Justice to formalize the obligations of DNFBPs in relevant sectors for reporting to FinTRACA and GDI.

- Engagement with the Ministry of Commerce and Industries to obtain directives for the registration and reporting of consultancies.

KEY TECHNOLOGICAL INITIATIVES

FinTRACA undertook several technological initiatives to accelerate its transformation into a paperless organization. These efforts were aimed at enhancing operational efficiency, strengthening internal processes, and advancing FinTRACA's broader digital and administrative objectives.

A major achievement during the year was the development and launch of an online portal for real estate dealers. This platform enabled dealers to electronically submit LCTR. This initiative improved reporting efficiency, reinforced regulatory compliance, and supported the organization's transition away from paper-based operations.

Another key initiative was the introduction of an online portal for tax advisors, and authorized persons. This system facilitated secure registration and reporting, streamlined submission processes, and improved data accuracy. It also enhanced coordination between reporting entities and FinTRACA, further advancing the organization's digital transformation objectives.

CAPACITY - BUILDING PROGRAMS

In an effort to strengthen the national AML/CFT regime, FinTRACA conducted targeted capacity building programs for the staff of Risk and Compliance Department of DAB, commercial banks, EMIs, MFIs and DNFBPs.

These sessions were designed to enhance their understanding of regulatory obligations, specifically focusing on the quality and accuracy of LCTRs, the detection of suspicious transactions, and Red Flags of Money Laundering and Terrorist Financing, Detection, Prevention and Compliance.

As financial crime challenges continue to evolve, these programs play a vital role in ensuring the sector remains vigilant and compliant.

The table below illustrates the details of capacity building programs.

NO	Title of the Training Program	No. of Participants	Location	Date
1	Red Flags of Money Laundering and Terrorist Financing: Detection, Prevention and Compliance	10	DAB Training Center	10 Sep, 2025
2	AML/CFT Compliance: Effective Filing of STR to Strengthen Financial Crime Prevention	90	Afghanistan Institute of Banking and Finance, Kabul	5 Nov, 2025
3	**Training Program Topics for Tax Accountants and Audit Firms:** • FinTRACA Introduction; • Introduction of AML/CFT fundamentals; • The Sector's Role and Contribution in Countering Financial Crimes; • Identifying and Reporting LCTRs, CTRs and STRs; and • Introduction to the Online Reporting Portal.	137	Training Centers of DAB, Kabul	1 Nov to 6 Nov ,2025

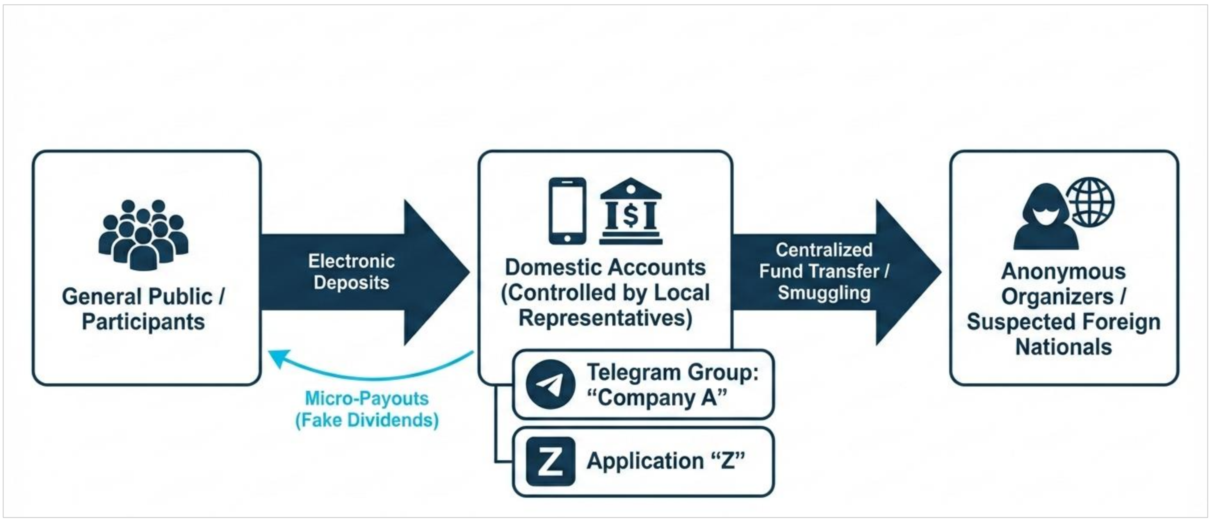
CASE STUDIES

Case 1: Misuse of Social Media and Mobile Applications for a Cyber-Enabled Fraudulent Investment Scheme

An STR from Reporting Entity X flagged unusual patterns of small, frequent electronic payments made to multiple individuals without a clear business purpose. Further analysis uncovered a fraudulent network operating primarily through Telegram. Using the name of an unregistered entity called "Company A," the anonymous organizers—suspected to be foreign nationals—lacked any legal or physical presence in Afghanistan. Instead, they relied on local representatives to manage their operations on the ground.

Targeting individuals with limited financial literacy, these local facilitators used deceptive tactics to attract participants. To make the scheme look like a real business, they initially distributed small financial rewards in exchange for watching 15-second promotional videos on a specific application ("Z"). These small payouts were falsely presented as real investment profits, encouraging victims to confidently deposit larger amounts of money into domestic accounts controlled by the facilitators. To handle this growing network, the organizers used a dedicated mobile application to manage user profiles and collect the incoming funds.

Ultimately, the business model generated no real income. Operating as a ponzi scheme, it relied entirely on the continuous flow of new money from new recruits to pay earlier participants. Recognizing the high risk that the organizers would suddenly disappear with the collected money once participation peaked, FinTRACA disseminated a comprehensive intelligence report to a relevant law enforcement agency for immediate legal action. While the full financial impact is still under assessment, preliminary findings indicate that hundreds of individuals have already transferred varying amounts, and active interventions are ongoing to prevent large-scale financial losses.

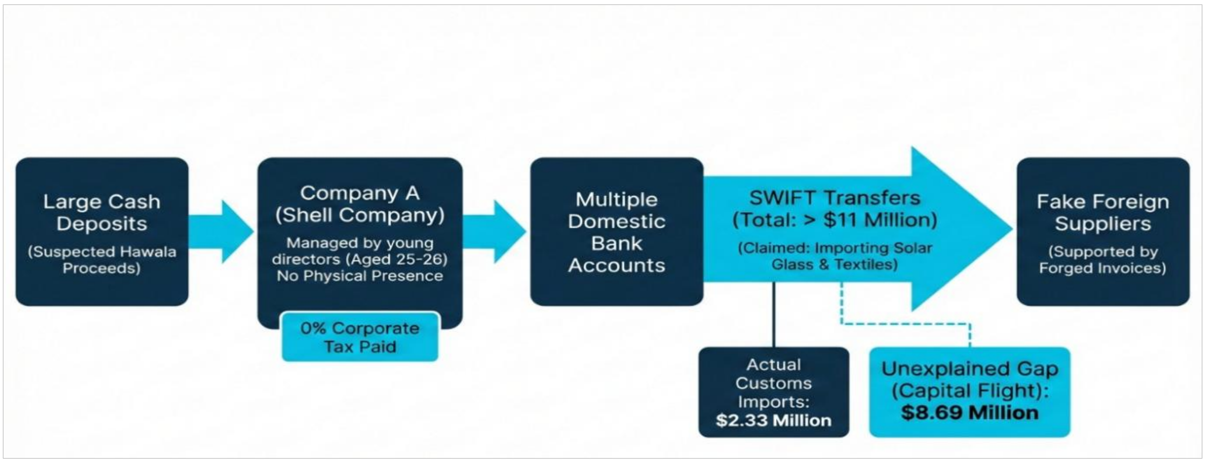


Case 2: Trade-Based Money Laundering, Capital Flight, and Tax Evasion through a Shell Company

FinTRACA initiated an analysis of the following multiple suspicious transactions reports regarding large international transfers made by "Company A." Initial analysis revealed that the company was a shell entity with no genuine physical office, providing different and inconsistent addresses to various banks. Furthermore, the company was managed by two young individuals, aged 25 and 26, whose age and lack of business background raised immediate red flags about their ability to legitimately conduct multi-million-dollar trade activities.

Between 2020 and 2023, the directors opened numerous accounts across several domestic banks. The scheme operated through a clear pattern, the directors regularly deposited massive amounts of physical cash into these accounts, and immediately wired the funds abroad via SWIFT. They claimed these transfers were for importing solar panels and textiles. However, while their total international transfers exceeded USD 11 million during this period, customs records showed the company only imported USD 2.33 million worth of goods, leaving an unexplained gap of over USD 8.69 million. Further examination of their trade documents uncovered forged invoices from foreign suppliers that did not actually exist. Additionally, despite moving millions of dollars, the company paid no corporate taxes over the three years. This entire pattern strongly indicated that company A was merely a front created to move money offshore, likely laundering the proceeds of informal money exchange networks (Hawala) under the disguise of legitimate international trade.

Recognizing the clear evidence of trade-based money laundering, capital flight, tax evasion, and document forgery, FinTRACA disseminated a comprehensive intelligence report to relevant LEAs for immediate legal action. According to the feedback received from the reporting banks, the primary suspects have already fled Afghanistan; however, the case remains under active investigation by authorities.

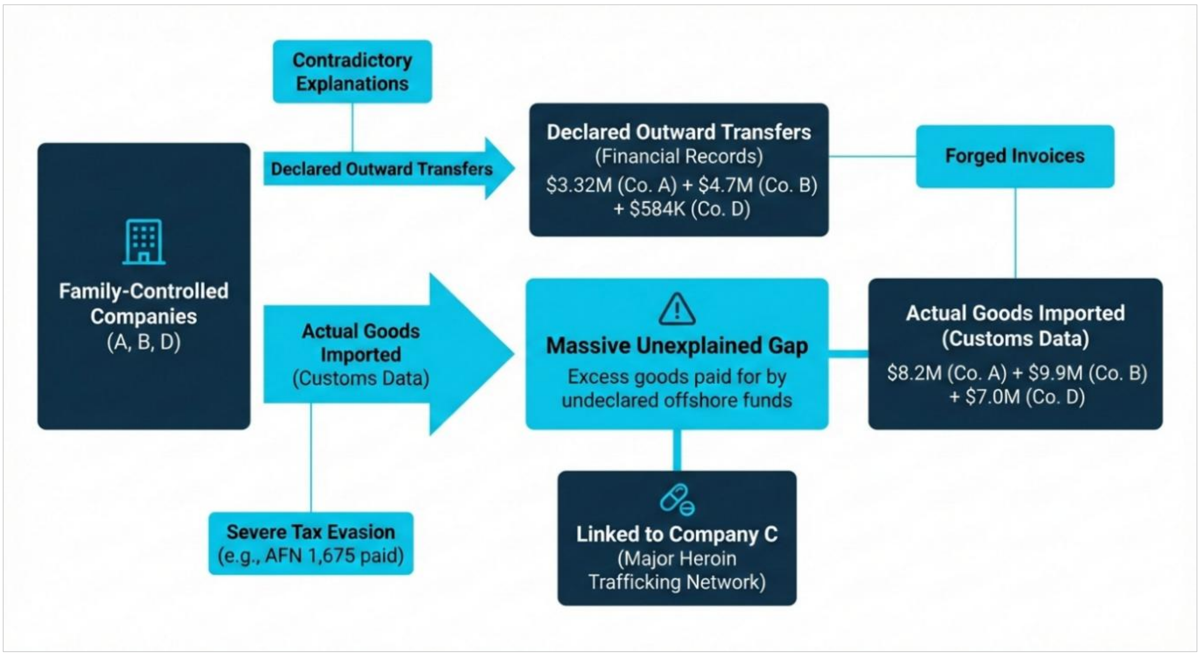


Case 3: Family-Controlled Network Laundering Drug Proceeds through Trade Mis invoicing and Tax Evasion

FinTRACA launched a major analysis into Companies A, B, C, and D following multiple STRs that highlighted irregular international transfers and forged trade documents. Initial analysis revealed a coordinated network. Companies A, B, and D were entirely operated by members of the same extended family. The most critical red flag emerged when investigators linked Company C to a massive international drug trafficking case, where nearly 3,000 kilograms of heroin were seized by international authorities. Financial records showed that the family network (specifically Company A) had direct, unjustified financial ties to Company C, strongly suggesting they were using formal business structures to launder narcotics proceeds.

The family network utilized a sophisticated trade-based money laundering (TBML) scheme, primarily relying on extreme financial discrepancies between the money they sent abroad and the goods they actually imported. Over several years, Companies A, B, and D officially transferred millions of dollars to foreign accounts, claiming the funds were for importing commodities like fertilizer, cement, and wheat. However, official customs data revealed that the value of the goods they actually brought into the country was drastically higher than the money they officially transferred out. For example, Company A transferred $3.32 million but imported $8.2 million in goods, while company B sent $4.7 million but imported $9.9 million. Company D showed a similar pattern, importing $7 million worth of goods after sending only $584,789. This massive gap indicated that the excess imports were paid for using undeclared, illicit offshore funds—likely drug money seamlessly integrated into the legal market.

To support these illicit operations, the family members actively deceived financial institutions and regulators. They provided contradictory explanations for their transfers; in one instance, company A claimed USD 44,000 payment to company C was a "loan," before later changing the story to "fertilizer imports." When banks requested supporting documentation, the companies submitted forged invoices featuring repeated formats and fake computer-generated stamps, and often refused to cooperate further. Furthermore, despite handling multi-million-dollar trade volumes, the companies demonstrated severe tax evasion. Notably, company B declared a mere AFN 1,675 in income tax for an entire year. The network also routed millions to foreign money service providers already under investigation for financial crimes. Recognizing the overwhelming evidence of trade mis-invoicing, drug trafficking connections, forgery, and tax evasion, FinTRACA disseminated a comprehensive intelligence report to relevant LEAs for immediate legal action and deeper investigation into the family's illicit network.



The names of the persons and entities mentioned in the above cases are fictitious, but the cases themselves are real.

PRIORITIES FOR THE YEAR 2026

1. **Execution of the DNFBPs Reporting framework**
2. Developing and Updating FinTRACA's Internal Procedures
3. Enhancing and Upgrading Reporting Systems for greater Efficiency and Accessibility
4. Providing Capacity-Building Program to LEAs and Reporting Entities

ACRONYMS

AFN	Afghani
ML/TF	Money Laundering/ Terrorist Financing
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
BNI	Bearer Negotiable Instrument
BSFSD	Banking Supervision and Financial Services Department
CTRs	Cash Transaction Reports
DAB	Da Afghanistan Bank (Central Bank of Afghanistan
DNFBPs	Designated Non-Financial Businesses and Professions
EMIs	Electronic money institutions
EDD	Enhanced Due Diligence
EUR	Euro
FATF	Financial Action Task Force
FinTRACA	Financial Transactions and Reports Analysis Center of Afghanistan
HLCC	High-Level Coordination Commission
LCTRs	Large Cash Transaction Report
LEAs	Law Enforcement Agencies
MOF	Ministry of Finance
MOI	Ministry of Interior
MOU	Memorandum of Understanding
MFIs	Microfinance Institutions
MSPCOs	Money Service Provider Companies
GDI	General Directorate of Intelligence
STRs	Suspicious Transaction Reports
NTEC	National Target Exploitation Center
NBFIs	Non-banking Financial Institutions
USD	The United States Dollar

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