



Independent Joint Anti-Corruption  
Monitoring and Evaluation Committee

No.

June 3, 2014

National Assembly  
Islamic Republic of Afghanistan

Dear Esteemed Members of the National Assembly:

**Re: Suggestions to enhance the draft *Anti-Money Laundering Law* to improve  
the fight against corruption in Afghanistan**

MEC welcomes the submission of the draft *Anti-Money Laundering Law* to the National Assembly as a further step in the effective fight against money laundering and corruption, however significant changes are needed to turn it into an effective instrument against corruption. The draft law criminalizes money laundering, establishes provisional enforcement measures that may be taken, allows for the confiscation of money and assets, and applies preventive measures for the financial sector and other designated sectors in the fight against money laundering.

Despite this progress, MEC still has some important suggestions to strengthen the law.

Firstly, additional terminology related to anti-money laundering should be added, including definitions for "connected transactions", "cash transactions", "shell banks", "property", and "cash", among others.

Secondly, the article on restrictions on anonymous accounts should be extended to cover other means that may enable the, directly or indirectly, hiding of a client's identity, such as savings books or signatory savings books.

Thirdly, lack of coordination between Government authorities and the absence of coordinated policies to fight money laundering hinders efforts to address this problem in Afghanistan. FinTRACA should be given explicit authority to establish mechanisms for cooperation with other Government institutions, regulators, supervisors, reporting entities, and law enforcement authorities.

Fourthly, the article on recordkeeping requirements is too narrow and does not specify the particular information that must be recorded and the specific content of the recorded data. Moreover, the draft law would greatly benefit from addition of an article on recordkeeping by FinTRACA, specifying additional requirements about operational information as well as details about orders on temporary suspension (freezing) of transactions.

Finally, a wider range of special investigative techniques need to be set-out in the law such as controlled/monitored delivery, the use of undercover agents, and electronic surveillance.



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The draft law omits specific provisions on special investigative techniques that are present in the Anti-Corruption Law currently in force. These existing provisions should not be removed.

MEC welcomes the opportunity to present its suggestions to the National Assembly as convenient.

Yours Sincerely,

Dr. Rashed Behroz  
Executive Director  
Independent Joint Anti-Corruption Monitoring  
and Evaluation Committee