

ME faces complex challenges in fighting fin crime: Seetharaman

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DOHA

DOHA Bank CEO R Seetharaman has participated in the US-MENA PSD 2019 hosted by the Union of Arab Banks and the Federal Reserve Bank of New York, in New York, the bank said in a statement on Wednesday.

The event was held under the theme "The challenges and opportunities for MENA banks - understanding and meeting US regulatory expectations and the expectations of their correspondents."

Seetharaman gave insight into risk-based approach to sanctions compliance. He said, "In the global fight against financial crime, each world region faces unique challenges, and those faced by the Middle East are some of the most complex.

"Rightly, compliance with AML/CFT legislation is a priority for banks, payment service providers and other NFIs (non-financial institutions) in the Middle East. By deploying a risk-based approach to client classification, financial institutions can determine the correct level of due diligence on a case-by-case basis, enabling them to tap into a wider market."



Doha Bank CEO R Seetharaman speaks at the US-MENA PSD 2019, in New York recently.

He said 63 percent of financial institutions in the MENA region expect to make more technology investments over the next two years.

"Technology support is vital in implementing risk-

based approach to sanctions compliance. The potential of emerging, new technologies, in the form of Artificial Intelligence (AI), Robotics Process Automation (RPA) and block chain needs to be leveraged to

further automate routine AML and KYC processes and reduce associated regulatory cost pressures."

Seetharaman highlighted the key challenges facing financial institutions in the Middle East. He said "Growing influence and scrutiny by Financial Action Task Force (FATF), rising size and number of fines, customer due diligence challenges and the disruption of FinTech and RegTech firms are the major challenges faced by the regional financial institutions."

Seetharaman highlighted on reforms brought by Qatar.

He said "In June 2017, the US and Qatar signed an agreement aimed at combating the financing of terrorism. In 2017 a legal framework on local classifications was established to identify persons and entities involved in the financing of terrorism.

"In order to make Qatar's anti-money laundering and counter-terrorist financing system (AML/CFT) the most effective and robust in the region, the National Anti-Money Laundering and Terrorist Financing Committee (NAMLC) has signed a memorandum of understanding (MoU) with Washington based Financial Integrity Network (FIN) to be

its principal advisor in 2017.

"Qatar Central Bank (QCB), Qatar Financial Markets Authority (QFMA) and Qatar Financial Centre Regulatory Authority (QFCRA) have each issued guidance to their financial institutions addressing critical areas of compliance with the regulatory anti-money laundering and combating terrorism financing (AML/CFT) rules and requirements in 2018."

In September 2019, QCB announced the issuance of Law No. 20 of 2019 on issuing a law on combating money laundering and terrorism financing to replace combating money laundering and terrorism financing law promulgated by Law No. 4 of 2010.

Seetharaman said, "The new law reflects Qatar's continued commitment to combating money laundering and terrorist financing in all its forms, in accordance with the latest international standards adopted by major international organisations including Financial Action Task Force (FATF).

"On the whole Qatar has zero tolerance over non-compliance with Anti Money Laundering/ Counter Terrorism Financing."