Expert Roundtable: Improving the Regulation of Somali Remittances
29-30 May 2013
Hilton Hotel – Nairobi, Kenya

AGENDA

Meeting Objective: To follow-up on the Roadmap agreed upon during the Expert Group Meeting held in Vienna on 20-22 March 2013 on Somali money or value transfer services (MVTS), and to serve as a platform for participants to identify current regulatory challenges, review practical obligations such as Know Your Customer (KYC) guidelines, and network with regulators and representatives of Somali remittance companies (SRCs). Participants will explore innovative ways to strengthen the Somali MVTS industry and regulations while also supporting the promotion of economic integration in Eastern Africa and the Horn, enhancing common understanding on remittances such as hawalas, and encouraging stabilization efforts in Somalia.

DAY ONE – WEDNESDAY, 29 MAY 2013

8:00–9:00 Registration and coffee

9:00–9:30 Opening remarks

Liat Shetret, Senior Analyst, Center on Global Counterterrorism Cooperation (CGCC)
Trine Banoe, Embassy of Denmark, Kenya
Farah Mohamud, Senior Policy Advisor, Ministry of Finance and Planning, Somalia

9:30–10:45 Session I: Overview and discussion of “Roadmap” progress

Discussions during this session will focus on the progress made toward implementation of the key recommendations proposed during the United Nations Office on Drugs and Crime (UNODC) sponsored March Expert Group Meeting in Vienna in the form of the agreed upon Roadmap. Representatives of the Somali Money Service Association (SOMSA) will provide a status update on the workings of the Association, as well as outline how the Association will interact and cooperate with regulators. Panelists will also address next steps for each of the four broad recommendations of the Roadmap as directed toward regulators, remitters, and law enforcement agencies as a way to shape and inform roundtable discussions.

Moderator: Tu’emay Aregawi Desta, CGCC-IGAD Security Sector Programme (ISSP) Liaison Officer, CGCC

Panelists:

Abdulkadir Daad, Director, Medina Express
Hamid Ibrahim, CEO, Bakaal General Trading
Simon Davis, Director, AML/CFT Compliance Ltd.
Abdirazaq Hassan, Compliance & Finance Manager, Dahabshiil Transfer Services Ltd.
Abdulhakim Hashi, Iftin Express
10:45–11:15  Coffee break

11:15–13:00  Session II: Exploring the regional landscape of financial systems in Eastern Africa and how it affects the sending and regulation of remittances

Discussions will center on factors that are characteristic of the region’s financial system, such as cash economies and mobile money, and how these region-specific factors influence the operations of informal remittance organizations as well as formal money transfer institutions. This session will highlight the regional context and enhance participants’ understanding of the effects it has on the way many people in Eastern Africa perceive informal and formal money transfer institutions, as well as how these perceptions influence the way they choose to send money. Regulators will offer insight into the challenges they face in the effective monitoring, regulation, and oversight of the informal sectors as they relate to the region.

Moderator: Dr. Eliawony J. Kisanga, Executive Secretary, Eastern and Southern African Anti-Money Laundering Group (ESAAMLG)

Panelists:

Dr. Eliawony J. Kisanga, Executive Secretary, ESAAMLG
Abdurahman Sharif, Operations Manager, Muslim Charities Forum
Jackson M. Kitili, Director, Financial Reporting Centre, Kenya
Siyat Ibrahim, Amal Group

Discussion

13:00–14:00  Lunch

14:00–15:30  Session III: Remittance regulatory procedures and the challenges of applying them to the Somali context

This session will focus on effective application of the regulatory procedures, including due diligence processes, KYC regulations, proper identification of Politically Exposed Persons (PEPs) and the processing of suspicious transaction reports (STRs), to Somalia-centered transactions. Regulators will address the challenges they face in terms of regulating transactions to and from Somalia and adhering to regulatory guidelines, while remittance companies will discuss bearing the costs of compliance. Wider group discussions will focus on best practices to address these challenges and exploring ways to better apply these procedures on all ends.

Moderator: Jan Beens, Project Coordinator, AML/CFT Project Kenya, Kenya School of Monetary Studies (KSMS)

Panelists:

Jan Beens, Project Coordinator, AML/CFT Project Kenya, KSMS
Ahmed Abdullahi, Senior Advisor and Liaison with Donor Partners, Ministry of Finance and Planning, Somalia

Discussion

15:30–16:00  Coffee break
16:00–17:00  **Session III continued**

**Moderator:** Jan Beens, Project Coordinator, AML/CFT Project Kenya, KSMS

**Panelists:**

Liat Shetret, Senior Analyst, CGCC
David Lamair, AML/CFT Mentor, Regional Office in East Africa, UNODC

**Discussion**

17:00–17:45  **Session IV: Respecting rule of law and human rights when regulating remittance organizations**

Given the need for increased regulation of global financial flows, a balance must be struck in the Somali context between strengthening regulation of remittance organizations in a way that underwrites and protects the rights of individuals choosing to remit money. During this session panelists will address the importance of human rights-compliant due diligence obligations and rule of law considerations in the creation and implementation of AML/CFT regulatory frameworks, as well as the necessity of ensuring privacy of customers’ information. Discussants will highlight existing frameworks such as the UN Guiding Principles on Business and Human Rights and how these can be incorporated into the operations of regulators as well as those of formal and informal money transfer organizations. Additionally, panelists will provide examples of materials and curricula that could be disseminated to national and international regulators, banks, and SRCs, focused on the discharge of AML/CFT and human rights-compliant due diligence obligations.

**Moderator:** Liat Shetret, Senior Analyst, CGCC

**Panelist:**

Christopher Gitari, Program Associate - Kenya Program, International Center for Transitional Justice (ICTJ)

**Discussion**

17:45–18:00  **Day 1 Concluding Remarks**

Abdulhakim Hashi, Iftin Express & Hashi Money Wiring

19:00–21:30  Dinner for meeting attendees [please bring name badges to the Traveller's Restaurant]
DAY TWO – THURSDAY, 30 MAY 2013

9:00–11:00 Discussion Session V: Identifying effective SRC operational procedures

During this session, delegates will have the opportunity to identify and refine existing operational procedures specific to SRCs that have a positive effect on strengthening the transparency and traceability of operations.

**Moderator:** Clément Gorrissen, Consultant on Illicit Financial Flows, Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML), UNODC

11:00–11:30 Coffee break

11:30–13:00 Discussion Session VI: Increasing mutual understanding and communication between law enforcement agencies, regulators and Somali remittance companies

The moderator will facilitate an interactive discussion between panelists and delegates to identify specific best practices for cooperation between law enforcement officials, regulators and banks as part of Component Three of the Roadmap, which calls for an initiative on both parts to increase engagement between law enforcement and both formal and informal money transfer services. Discussion will focus on guidelines for information requests, cash reporting and STRs.

**Moderator:** Simon Davis, Director, AML/CFT Compliance Ltd.

**Panelists:**

* Mohamed Rage Mohamed, Chief Operations Officer for East African Countries, Amaana Money Transfer Co.
* Tu’emay Aregawi Desta, CGCC-ISSP Officer, CGCC

13:00–14:00 Lunch

14:00–15:45 Working Group Session VII: Recommendations and best practices to inform the draft SOMSA Code of Conduct

A representative of SOMSA will explain the desired purpose of the Code of Conduct and best practices - a document to be shared with the Somali government in advance of the UNODC sponsored meetings in Somalia. Participants will then break into two working groups to draft recommendations to the Central Bank of Somalia and SOMSA.

**Facilitators:**

* Abdulkadir Daad, Director, Medina Express; Steering Committee member, SOMSA
* Hamid Ibrahim, CEO, Bakaal General Trading
* David Lamair, AML/CFT Mentor, Regional Office in East Africa, UNODC

15:45–16:00 Coffee break

16:00–16:45 Discussion Session VIII: Summarizing the findings of the working group drafting sessions

During this moderated discussion, a representative from each working group will summarize their respective group discussions and provide suggested recommendations to the Central Bank of Somalia and SOMSA.
16:45–17:00  **Day 2 Concluding remarks and way forward**

Clément Gorrissen, Consultant on Illicit Financial Flows, GPML, UNODC  
Liat Shetret, Senior Analyst, CGCC