



The Role of the National Committee for Risk Assessment in Combating Money Laundering and Terrorist Financing Crimes

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Abstract:

This study examines the institutional framework developed in Algeria to address money laundering and terrorist financing. It does so by analysing Executive Decree No. 20-398, which established a national committee responsible for assessing the risks associated with money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. The study aims to highlight the nature of the powers granted to this committee, which extend beyond risk assessment to include forecasting, analysis, and evaluation of the level of threat posed. It also clarifies the pivotal role of this body in informing public policy and strengthening institutional coordination among various national stakeholders in anti-money laundering and counter-terrorist financing efforts, thereby unifying these efforts and enhancing their effectiveness. It concludes that establishing such an institutional mechanism reflects the Algerian legislature's commitment to a comprehensive, integrated approach that is consistent with its international obligations.

Keywords: Money Laundering, Terrorist Financing, National Committee, National Risk Assessment Report, National Strategy.

Introduction:

Algeria recognises the strategic importance of combatting money laundering and terrorist financing. Such criminal activities pose a significant threat to financial stability and national security. In order to address these risks, the country's authorities have developed a comprehensive legal and institutional framework that is aligned with international standards. This reflects Algeria's commitment to

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combating terrorist financing and money laundering in accordance with international conventions.

In this context, the country established the Financial Intelligence Unit (FIU) in 2002 and the National Anti-Corruption Agency (NACA) in 2006. The NACA was reorganised in 2020 to become the High Authority for Transparency, Prevention, and the Fight Against Corruption, which is responsible for monitoring and investigating various forms of financial and administrative corruption. Building on this institutional experience, Executive Decree No. 20-398 was issued to establish the National Commission for the Assessment of Risks Related to Money Laundering, Terrorist Financing and the Financing of the Proliferation of Weapons of Mass Destruction.

The Commission's responsibilities include assessing and analysing potential risks, anticipating financial threats and formulating recommendations to inform the development of national policies. The Commission has been granted extensive powers to coordinate the efforts of all relevant stakeholders, including regulatory authorities, financial institutions and banks. This ensures the integration of procedures and the highly effective combatting of financial crimes. This strengthens protection of the national financial system and fosters transparency and accountability.¹

The committee plays a pivotal role as a centralised coordination and consultation body for a wide range of stakeholders, including government authorities, security agencies, regulatory bodies and financial institutions. Practical experience has shown that a joint mechanism of this kind helps unify national efforts, facilitate information sharing, and update periodic assessments of financial risks. This enables the development of preventive and proactive strategies commensurate with the nature and scale of existing threats.

This research aims to examine the legal and regulatory framework governing the committee's work, analyse the tasks assigned to it, and highlight the most significant challenges it may face in performing its duties. The study also seeks to answer a key question regarding the Committee's effectiveness in strengthening the national response to the risks of money laundering, terrorist financing and the proliferation of weapons of mass destruction, which we formulate as follows: How effective is the National Committee's risk assessment in identifying and preventing money laundering and terrorist financing at their earliest stages?

To answer this problem, this study is divided into two topics: the first focuses on the legal framework governing the National Committee, while the second focuses on the Committee's tasks in assessing national risks, using a descriptive and analytical approach.



THE FIRST TOPIC: THE LEGAL FRAMEWORK GOVERNING THE NATIONAL COMMITTEE

The National Commission for the Assessment of Risks Related to Money Laundering, Terrorist Financing, and the Financing of the Proliferation of Weapons of Mass Destruction in Algeria plays a crucial role as the primary mechanism for coordinating national policies and ensuring their compliance with international standards. The Committee's remit is to ensure the coherence of public policies and to strengthen institutional integration among all relevant national stakeholders, including supervisory bodies, financial institutions, and security sectors, within an integrated anti-money laundering and counter-terrorist financing framework.

This Committee was established by Executive Decree No. 20-398, issued in implementation of the provisions of Law No. 05-01. This reflects the Algerian legislature's commitment to establishing an institutional framework capable of fulfilling international obligations, particularly those related to multilateral efforts to combat terrorism and dismantle its financing networks.

This national framework aligns with the international trajectory pursued by Algeria since the early 21st century, notably following the Summit of Heads of State and Government held in Algiers from July 12 to 14, 1999, within the framework of the Organisation of African Unity. This summit marked a significant turning point in the formulation of a unified African strategy to combat terrorism. At this meeting, African leaders emphasised the need to adopt a collective approach based on strengthening preventive measures, intensifying security and judicial cooperation, and exchanging information among member states. It aims to counter ongoing terrorist threats and ensure continental stability.

These criminal activities pose a grave threat to the stability of the financial system and national security. In addressing these challenges, the summit led to the adoption of the African Union Convention on the Prevention and Combating of Terrorism, which established a unified legal framework for the continent, facilitating cooperation among states in the fight against terrorism and the exchange of intelligence. This framework has enabled the formulation of a comprehensive and effective plan to counter terrorism in Africa, which strengthens coordination among member states and ensures an advanced legal and strategic response to security challenges². The International Convention for the Suppression of the Financing of Terrorism is also one of the cornerstones of the international legal framework, as it aims to cut off sources of funding for terrorist acts and strengthen international cooperation to combat them. It was adopted by the United Nations General Assembly on December 9, 1999, as part of the international



community's efforts to effectively and coordinately address this dangerous phenomenon. Therefore³, the establishment of this national committee came somewhat late, by nearly a decade and a half, relative to the promulgation of the amended and supplemented Law No. 05-01.

The study will address the following two subsections: the committee's structure, organization, and its operational and legal mechanisms, with a focus on the role of these elements in ensuring the committee's effectiveness and the efficient execution of its tasks.

FIRST REQUIREMENT: THE COMPOSITION OF THE NATIONAL COMMITTEE

The Minister of Finance chairs this national committee, which comprises 18 other members, as follows:⁴

- Secretary General of the Ministry of National Defense, Vice Chair: Responsible for military coordination within the Committee.
- Secretary General of the Ministry of Foreign Affairs: It also makes sure that countries work together to stop money laundering and terrorist financing.
- Secretary General of the Ministry of the Interior, Local Authorities, and Urban Planning: Oversees the implementation of national policies at the local level.
- Secretary General of the Ministry of Justice: Ensures the legal aspects and judicial proceedings related to financial crimes.
- Secretary General of the Ministry of Post and Telecommunications: Monitors financial channels and communications to prevent their use in illegal activities.
- Secretary General of the Ministry of Commerce: Contributes to monitoring commercial activity to prevent its exploitation for money laundering.
- Secretary General of the Bank of Algeria: Oversees financial and banking compliance to mitigate financial risks.
- Director General of Internal Security: Participates in security investigations related to financial and terrorist crimes.
- Director General of External Security and Documentation: Monitors cross-border financial threats and ensures the exchange of intelligence information.
- Commander of the National Gendarmerie: Oversees law enforcement and monitors suspicious financial activities.
- Director General of the General Directorate of National Security: Ensures the fight against economic and financial crimes at the national level.



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- Director General of the General Directorate of Customs: Monitors international trade to prevent cross-border terrorist financing and money laundering.
- Director General of the General Directorate of Taxes: Monitors financial transactions to detect illegal activities.
- President of the High Authority for Transparency, Prevention, and Anti-Corruption: Leads efforts to combat corruption and promote financial transparency.
- Director General of the Central Anti-Corruption Office: Investigates financial and administrative violations.
- Director General of the National Office for the Fight Against Drugs and Drug Addiction: Curbs the financing of criminal activities resulting from drugs.
- Head of the Financial Information Processing Unit: Collects and analyzes suspicious financial data to submit it to the competent authorities.
- Secretary General of the Ministry of National Defense, Vice Chair: Responsible for military coordination within the committee.
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The National Committee may seek assistance from, or involve in its work, any other body, institution or qualified person.

What is noticeable about the composition of the National Committee is that it includes representatives of the most important financial and security sectors in the state, allowing for coordinated and integrated action in the assessment of money laundering and terrorist financing risks. Furthermore, members of the National Committee include officials from regulatory authorities with legal mandates to combat corruption in general and money laundering and terrorist financing in particular. The Director General of the National Office for Combating Drugs and Drug Addiction is also among these members, because the illicit laundered funds that may be used to finance terrorism, even if they may come from multiple sources, are usually proceeds from drug trafficking. The National Committee is chaired by the Minister of Finance, because that ministry is the primary authority for regulating the movement of capital domestically and ensuring that it is not used for illegal activities.

SECOND REQUIREMENT: THE ORGANISATION AND FUNCTIONING OF THE NATIONAL COMMITTEE

This subsection addresses the organisation of the National Committee in the first branch, then its functioning in the second.

Firstly: Organisation of the National Committee

The Executive Decree stipulated that the National Committee should be furnished with a secretariat, a role to be fulfilled by the Ministry of Finance. It was also stated that the National Committee requires the establishment of two subcommittees. It is imperative that one subcommittee assumes responsibility for



addressing the issues of money laundering and terrorist financing. It is imperative that the other subcommittee assumes responsibility for the financing of weapons of mass destruction proliferation⁵.

1- The Sub-Committee for Combating Money Laundering and Terrorist Financing :

This sub-committee is chaired by a representative of the Ministry of Justice, and consists of:⁶

- One representative from the Prime Minister's Office, responsible for ensuring coordination within the executive branch of the government.
- One representative from the Ministry of National Defense, responsible for supporting efforts related to national security and countering threats.
- One representative from the Ministry of Foreign Affairs, responsible for promoting international cooperation and information sharing.
- One representative from the Ministry of the Interior, Local Communities, and Urban Planning, responsible for coordination at the local and regional levels.
- One representative from the Ministry of Finance, responsible for tracking and monitoring financial flows.
- One representative from the Ministry of Energy, responsible for monitoring activities related to energy resources.
- One representative from the Ministry of Commerce, responsible for monitoring commercial operations and related economic activities.
- One representative from the Ministry of Industry, responsible for monitoring the industrial sector and ensuring its transparency.
- One representative from the Ministry of Hydrocarbons and Mines, responsible for monitoring extractive activities and natural resources.
- One representative from the Ministry of Transport, responsible for monitoring transportation and logistics related to financial activities.
- One representative from the Ministry of Public Works, responsible for overseeing major projects and public contracts.
- One representative from the Ministry of Higher Education and Scientific Research, responsible for supporting studies and research related to risks.
- One representative from the Ministry of Post and Telecommunications, responsible for monitoring aspects related to telecommunications and financial technology.
- One representative from the Ministry of Agriculture and Rural Development, responsible for monitoring agricultural and rural activities with an economic dimension.
- One representative from the Bank of Algeria, who plays a central role in supervising the banking and financial system.



- One representative from the High Commission for Transparency and the Prevention and Combating of Corruption will be present. The commission's remit is to promote integrity and transparency.
- One representative from the Central Office for the Suppression of Fraud, which plays a role in combating fraudulent and illegal commercial practices.
- One representative from the Financial Intelligence Unit, which plays a role in analyzing financial information and reporting suspicious transactions.

An observation about the composition of the AML/CFT sub-committee is that it includes representatives of ministries whose sectors are somewhat distant from money laundering and terrorist financing operations or rather have no direct contact with such crimes, such as the Ministry of Transportation, the Ministry of Agriculture, the Ministry of Energy, the Ministry of Hydrocarbons and Mines, and the Ministry of Public Works. While there is no representative of the Directorate General of Customs, the National Gendarmerie, Directorate General of National Security, or even Internal Security, which are in direct contact with ML and FT operations, and whose sectors are more concerned than others. In comparison, the Financial Intelligence Processing Unit Council includes, within its composition, a representative of the National Gendarmerie, the Directorate General of National Security, and the Directorate General of Customs. This raises the question about the reasons behind excluding these figures from membership in this sub-committee, despite being members of the committee council⁷.

2- The Sub-committee for Combating the Financing of the Proliferation of Weapons of Mass Destruction :

This sub-committee is chaired by a representative of the Ministry of National Defence, and consists of:⁸

- One representative from the Office of the Prime Minister, who has a fundamental role in strategic coordination and ensuring alignment within the executive branch of the State.
- One representative from the Ministry of Foreign Affairs, who has a fundamental role in strengthening international cooperation and facilitating the exchange of relevant information.
- One representative from the Ministry of the Interior, Local Authorities, and Urban Planning, who has a fundamental role in ensuring coordination and implementation at the local and regional levels.
- One representative from the Ministry of Justice, who has a fundamental role in providing legal oversight and supporting judicial cooperation on relevant matters.
- One representative from the Ministry of Finance, who has a fundamental role in monitoring financial flows and ensuring compliance with regulatory frameworks.



- One representative from the Bank of Algeria, who has a fundamental role in supervising and regulating the banking and financial system.
- One representative from the High Commission for Transparency, the Prevention and Combating of Corruption, which plays a key role in promoting integrity, accountability, and transparency.
- One representative from the Central Office for the Suppression of Fraud, who has a fundamental role in detecting and combating fraudulent and unlawful practices.
- One representative from the Financial Intelligence Unit, who has a fundamental role in analyzing financial data and reporting suspicious transactions.
- One representative from the National Gendarmerie Command, who has a fundamental role in supporting law enforcement efforts, particularly in regional and rural areas.
- One representative from the General Directorate of National Security, who has a fundamental role in maintaining public order and combating crime in urban areas.
- One representative from the General Directorate of Internal Security, who has a fundamental role in safeguarding internal security and preventing threats to the stability of the State.
- One representative from the General Directorate of Documentation and External Security, The role is fundamental to the collection and analysis of intelligence related to external threats.

The Chair of the National Committee will appoint the Chairs and members of the two subcommittees. These will be selected from among employees holding the position of Director in the central administration or its equivalent. The appointees will serve for a term of three (3) years, renewable once.

If a member's term is terminated before its expiration, the vacancy shall be filled in accordance with the same procedures, and the new member shall serve for the remainder of the term.⁹

According to Article 9 of Executive Decree No. 20-398, the two sub-committees may comprise several technical working units, each focusing on a different sector. However, the Decree does not provide any further information on how these groups are set up, what they do or how they operate. This is decided by the Minister of National Defence, the Minister of the Interior, the Minister of Justice and the Minister of Finance.¹⁰

Secondly: Procedures for the Functioning of the National Committee

The two sub-committees meet as required and submit a report to the Chairman of the National Committee, outlining the results of their work and any proposals, within 15 days of each meeting. The following proposals are under discussion:¹¹

- Sectors or areas involving high or low risks of money laundering, terrorist financing, and WMD proliferation.



- Legislative and/or regulatory measures to improve the national Anti Money Laundering (AML), Countering Terrorist Financing (CFT), and Weapons of Mass Destruction (WMD) proliferation apparatus.
- Appropriate recommendations to ensure an optimal distribution of resources that are allocated to various programmes for the prevention and combating of money laundering, terrorist financing, and the proliferation of weapons of mass destruction.

The National Committee prepares and ratifies its bylaws at its first session in accordance with Article 12 of Executive Decree No. 20-398.

The National Committee meets in regular session at least once every 6 months upon a summons from its chairman. It may convene in extraordinary sessions upon a summons from its chairman or at the request of two-thirds of its members. The Chair of the National Committee prepares the agenda and communicates it to each member 15 days prior to the date of the session. If the session is extraordinary, this period may be reduced to 8 days.¹²

The deliberations of the National Committee are recorded in minutes, entered in a register numbered and marked by the Chairman. The results of each session of the National Committee are the subject of a report sent to the prime minister no later than 15 days after the date of the session.¹³

THE SECOND TOPIC: THE TASKS OF THE NATIONAL COMMITTEE

Executive Decree No. 20-398 addresses the tasks of the National Committee as a title for Chapter I within Articles 2 and 3. It grants broad and diverse powers, including but not limited to assessing the risks associated with terrorist financing, as well as money laundering and the financing of the weapons'proliferation of mass destruction, as the Committee's name might suggest, but go beyond its role and functions to include other powers related to public policy, national coordination and international cooperation.

FIRST REQUIREMENT: THE POWERS RELATED TO RISK ASSESSMENT AND ANALYSIS

The National Committee has a technical and analytical role, aimed at encompassing all sources of threat and vulnerabilities within the national system. These powers revolve around conducting the national risk assessment, approving sectoral reports, and proposing technical recommendations.

Firstly: Conducting the National Risk Assessment (NRA) and Approving Sectoral Reports



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According to Article 2 of Executive Decree No. 20-398, the national risk assessment is conducted through a detailed report prepared by the National Committee after studying and approving the sectoral reports. The report is formed by consolidating the reports of the two sub-committees. The national risk assessment report is updated at least once every two years and whenever circumstances require such action. This report includes:¹⁴

- Identifying sectors or areas that may involve varying levels of risk related to terrorist financing, money laundering, and the financing of the proliferation of weapons of mass destruction, which represents an important step toward strengthening legal oversight and implementing international standards.
- It is recommended that legal and regulatory measures be taken to enhance the efficiency and effectiveness of national committees responsible for combating money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction. This will ensure that national policies align with international standards and legal obligations. This measure is intended to strengthen the capacity of national authorities to address the financial and security risks associated with these crimes, ensure coordination among various stakeholders, and strengthening integrity and accountability in the management of financial and human resources yet in preventive mechanisms.
- Formulating and presenting suitable recommendations to guarantee the prudent and effective allocation of resources across diverse programs focused on the prevention and enhancement of efforts to combat money laundering and terrorist financing, and the financing of WMD proliferation.

The first National Risk Assessment (NRA) was conducted in Algeria aimed at identifying, assessing, and understanding the actual and potential risks facing Algeria in relation to money laundering and terrorist financing in June 2024. The assessment process was based on the first recommendation issued by the Financial Action Task Force (FATF)¹⁵, incorporated into the AML, CFT Law No. 05/01 amended and supplemented¹⁶.

The national risk assessment report is considered an important proactive step. After being submitted to the approval of the Prime Minister, this report¹⁷ becomes the foundational document upon which the general policy for combating money laundering and terrorist financing is built, given the important details about assessing national threats, national vulnerabilities, and the vulnerabilities of each sector, whether its activity is financial such as: banks, financial institutions, Algeria Post, the insurance sector, or non-financial. However, it is designated by law, such as : real estate agents, precious metals and stones dealers, notaries, car dealers, judicial bailiffs, lawyers, accounting professions, customs agents, betting and gaming, art dealers, and social mutuality.



Secondly: Proposing Technical Recommendations

The National Committee is a technical advisory body that supports public authorities in proposing measures and policies aimed at preventing and combating money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. The Committee provides appropriate recommendations and guidance, in addition to monitoring the implementation of a set of practical measures aimed at enhancing the effectiveness of the national system in combating these crimes.

As previously stated, the National Risk Assessment Report is required to include legislative and/or regulatory proposals with the aim of developing the national system to combat these crimes, as well as practical recommendations to ensure the optimal use of resources allocated to various national programmes concerned with preventing and combating these risks. These efforts are part of the State's strategy to strengthen governance and oversight mechanisms and enhance institutional performance in combating complex and multidimensional financial crimes.

It should be noted that all public authorities in Algeria, including ministries, regulatory bodies, security agencies, and financial institutions, are required to comply with the recommendations and measures of the National Commission as part of efforts to effectively prevent and combat money laundering and terrorist financing. This commitment aims to strengthen Algeria's international standing and work towards removing it from the "Grey List," which currently includes 24 countries, including Algeria. The list's function is to classify countries that have not yet fully met the Financial Action Task Force (FATF) standards; these countries are subject to intensive monitoring to encourage them to strengthen financial oversight, governance mechanisms and enhance their capacity to address risks associated with money laundering and terrorist financing.

Algeria's removal from this list is expected to have a number of positive effects on the national economy, including a boost to international confidence, an increase in investor confidence, encouragement of foreign direct investment, and enhancement of the country's appeal in the international financial and economic arena. These measures also underscore the need for coordination among all relevant stakeholders to ensure the application of transparency and good governance standards, and to strengthen the state's capacity to effectively and efficiently address financial risks.

SECOND REQUIREMENT: POWERS RELATED TO PUBLIC POLICY, NATIONAL COORDINATION AND INTERNATIONAL COOPERATION



The National Committee is tasked with developing and harmonizing the national legal framework for the prevention and combating of money laundering and terrorist financing, ensuring its alignment with the most current internationally recognized standards, so that Algeria maintains its internationally recognised position in countering these threats. Algeria does so through establishing a national strategy for the prevention and combating of such crimes, as well as through national coordination and international cooperation.

Firstly: Establishing a National Strategy for Preventing and Combating Money Laundering and Terrorist Financing

The National Committee plays a pivotal and strategic role in preventing and combating financial crimes, including money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. The Committee has been entrusted with the responsibility of formulating a comprehensive national strategy to combat these crimes. Moreover, It works on developing this strategies in accordance with international standards and established best practices, prior to its submission to the Prime Minister for official approval. The Committee bears responsibility for the monitoring of the implementation of this strategy at the national level. It aims to ensure full compliance by all relevant parties. In addition, the Committee periodically evaluates the results of implementation and proposes the necessary amendments and corrective measures to enhance the effectiveness of national policies in addressing these complex financial risks.¹⁸

The National Strategy is a comprehensive framework for setting priorities and developing practical plans to combat money laundering ,terrorist financing, and curb their spread at the national level. Following the preparation of the aforementioned National Report, the National Committee took the initiative to develop an integrated national strategy for the period from 2024 to 2026. This strategy aligns with the international methodology adopted by the Financial Action Task Force (FATF), ensuring that national policies are in line with international obligations and enhancing institutional effectiveness.

The strategy is based on seven main pillars, including :

- strengthening the legislative and regulatory framework to address legal loopholes;
- developing the institutional framework to enhance the state's capacity to respond to risks ;
- strengthening human and technical resources to ensure operational efficiency;
- supporting regulated professionals and entities to ensure compliance;
- anticipating risks through a thorough understanding of influencing factors;



- strengthening oversight and monitoring mechanisms to ensure adherence to national and international standards;
- ensuring integrated coordination among various national entities while enhancing international cooperation;
- improving and developing the counterterrorism framework to ensure the integration of preventive and deterrent policies.

The national strategy recorded that the level of risk in some sectors requires additional improvements to the legislative and regulatory framework currently in force in the short and medium term. These improvements relate to several topics, including legal and regulatory texts addressed in this study, such as:

- Amending Law No. 23-01, amending and supplementing Law No. 05-01, in particular, in order to complete record retention requirements, identify politically exposed individuals, tighten measures relating to high-risk countries, and set measures to simplify due diligence to be implemented when identifying and verifying customers, applicable in cases where money laundering risks are weak or non-existent¹⁹.
- Amending Executive Decree No. 20-398 to include the provisions on appointing the head of the project for conducting the national risk assessment, determining its duration and tasks, and determining the composition of the work team that will carry out the national risk assessment in addition to the thematic teams, in accordance with the requirements of the assessment methodology approved by the State and endorsed by the FATF.²⁰

Secondly: National Coordination

The National Committee is very important in coordinating national policies to combat money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction.²¹ This means it works to make sure that the interests of the state and the relevant regulatory bodies are the same, and that the measures taken at the national level are effective. In this role, the Committee gives expert advice to the Financial Intelligence Processing Unit (FIPU). This includes overseeing the national system's self-assessment and mutual evaluation processes, as well as reviewing the draft reports that are created during this process. The Committee makes sure that the analysis is correct and follows international standards.

The Committee can also ask for special studies to be done or do these studies itself. It can also start setting up extra ways to help find and look at the ways people commit financial crimes related to money laundering, terrorist financing, and the spread of weapons of mass destruction. The Committee also accepts the official lists of regulatory bodies responsible for overseeing the various categories that have to report suspicious activities. The Committee encourages these bodies and



the entities that have to report to keep talking to each other, so that everyone follows the rules and national prevention mechanisms are made stronger.²²

The national strategy addressed the subject of national coordination, emphasising the necessity of strengthening joint working methods in order to enhance the effectiveness of all relevant services. Coordination among state services has already been formalised through the creation of task forces or institutional committees : the National Operational Coordination Committee established by Executive Decree No. 23-50 and the²³ task force to conduct the national risk assessment and, if necessary, the National Coordination Committee to lift FATF reservations. The priority is to continue these efforts and collectively address new areas: virtual assets, beneficial owners, and parallel financial investigations in particular, as well as any new trends that emerge during the implementation of the strategy.²⁴

In order to combat money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction, effective coordination among all the agencies that make up the national framework is essential. The National Committee seeks to achieve this coordination through direct cooperation with the Financial Intelligence Unit and works to ensure the coherence of national policies related to combating these crimes across all relevant authorities. This approach is part of a strategy to enhance the effectiveness of preventive measures and ensure the coordination of efforts by state agencies and regulatory bodies. The aim is to strengthen institutional coherence and ensure that national authorities adhere to international standards and best practices in addressing the financial and security risks associated with these crimes.

Thirdly: International Cooperation

Money laundering and terrorist financing are considered transnational organised crimes. Therefore, countering such crimes must rely on close international cooperation with other relevant actors. In this regard, The National Committee is committed to adhering to international standards by proposing measures that ensure the alignment of the national legislative and regulatory frameworks with the recommendations issued by relevant regional and/or international bodies in the field of anti-money laundering²⁵, countering terrorist financing and the proliferation financing of weapons of mass destruction. The National Committee also proposes to the Prime Minister to approve the list of countries with which information exchange would be useful for effective combating these crimes and encourages intensification and exchange of information with them²⁶.

International cooperation should be strengthened, on the one hand, to facilitate international judicial assistance and international technical assistance when necessary. In accordance with paragraph 9 of Article 2, the National Committee



may express its opinion on this regard in order to support the conformity and effectiveness of the national legal system with international standards, and on the other hand, to enhance cooperation by signing cooperation agreements with other Financial intelligence units, based on the standard model of the Egmont Group,²⁷ or by signing memoranda of understanding with foreign supervisory authorities in the field of combating money laundering and terrorist financing.

Among the areas of international cooperation recorded in the national strategy timetable are the following:²⁸

- Following up on the signing of cooperation agreements between the FIPU and its foreign counterparts, in particular those not affiliated with the Egmont Group.
- Initiating the signing of cooperation agreements between the regulatory, oversight, and supervisory authorities for different obliged entities, especially the Banking Commission and its foreign counterparts in the field of entry control and supervision.
- Doubling efforts to resort to informal cooperation to combat money laundering that stems from predicate offences, especially corruption, tax fraud, customs fraud, drug trafficking, smuggling of goods, and smuggling of migrants.

Algeria has ratified numerous international, regional, and bilateral agreements and treaties, totalling 71. These agreements generally include mutual legal assistance²⁹, requests to conduct investigations, international letters rogatory, and extradition of wanted persons under the law, as well as the tracing, freezing, seizure and confiscation of laundered funds from persons convicted of money laundering³⁰, in addition to proceeds of money laundering and funds used or intended to be used in money laundering. Within the framework of bilateral administrative cooperation between the FIPU and other FIUs based on reciprocity, the unit signed 24 cooperation agreements in May 2024, including three agreements with the FIUs of the following countries: Kuwait, Libya, and Palestine, in addition to an update to the agreement with Jordan³¹.

Conclusion:

The National Committee for the Assessment of Risks Related to Money Laundering, Terrorist Financing, and the Financing of the Proliferation of Weapons of Mass Destruction was established to assist states in combating money laundering and various traditional and modern sources of terrorist financing. It was first established by Executive Decree No. 20-398. This law grants the Committee the authority to monitor significant national risks, in addition to other provisions that facilitate its work by establishing it as a strategic, forward-looking organization. This includes developing a national plan to improve the country's laws and regulations and ensuring their compliance with international standards set



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by the Financial Action Task Force (FATF). The Commission operates as a part of a national coordination system designed to function efficiently. This system encompasses various sectors and regulatory bodies, facilitating cooperation and the exchange of information and expertise among them. This facilitates the fight against financial crimes and ensures that national policies align with international standards.

Given that the competences of the National Committee extend horizontally, its composition reflects this breadth by including members representing the state's most important ministerial, supervisory, financial and security sectors, under the chairmanship of the Minister of Finance, since that ministry is the primary authority responsible for regulating the movement of capital within the country and ensuring that it is not used for illegal activities.

The study reached the following results:

- The National Committee was established relatively late, following the enactment of the first national law on anti-money laundering and countering the financing of terrorism, which dates back to 2005. The Committee aims to strengthen the legal and institutional framework and ensure effective coordination among the relevant authorities.
- The Subcommittee on Combating Money Laundering and Terrorist Financing includes representatives from ministries operating in sectors that may not be directly related to money laundering or terrorist financing and in fact are quite distant from them such as the ministries of transportation, agriculture, energy, hydrocarbons, mining, and public works.
- The absence of representatives of the security bodies from the composition of the Sub-Committee for Combating Money Laundering and Terrorist Financing, who are more concerned with such crimes than other sectors.
- The National Committee holds decision-making, strategic, and national and international coordination powers that extend broadly across ministerial, supervisory, security and financial sectors.
- The National Strategy for the Prevention and Combating of Money Laundering and Terrorist Financing, formulated by the National Committee, serves as a strategic framework that guides the work of public authorities and strengthens their capacity to address these crimes and curb their spread, thereby ensuring that national policies are consistent with international legal and institutional obligations.
- Algeria's international cooperation is not limited to formal agreements; it also includes informal cooperation, judicial and technical assistance, and the implementation of international recommendations. This reflects Algeria's commitment to international standards issued by the Egmont Group and other



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relevant bodies, with the aim of safeguarding the national financial system and preventing its use in money laundering and terrorist financing activities.

In order for the National Committee to have an effective role in combating money laundering and terrorist financing crimes, we propose the following:

- Amending Executive Decree No. 20-398 to include provisions on appointing the head of the project for conducting the national risk assessment, determining its duration and tasks, and defining the composition of the task force that will carry out the national risk assessment, in addition to the thematic teams, in accordance with the requirements of the assessment methodology approved by the State and endorsed by the FATF.
- Recalibrating the composition of the sub-committee for Combating Money Laundering and Terrorist Financing in line with the repercussions of the aforementioned crimes on the sectors by excluding the representatives of ministries with no connection to the offences. In return, including representatives of ministries that are more directly linked to them, in addition to the need to involve representatives of security bodies within this sub-committee.
- Mobilising all necessary material and human resources and placing them at the Committee's disposal to enable it to fulfil its tasks to the best of its abilities; supplying it with all information necessary to draft the national risk assessment report; and providing all facilitation needed to develop the national strategy for the prevention and combating of money laundering and terrorist financing.
- Ensuring that authorities take into account the recommendations and measures proposed by the National Committee in order to improve and update the national legal system to reduce the risks of money laundering and terrorist financing.
- It is also proposed that a comprehensive national plan for awareness-raising and training be developed for all government agencies involved in combating money laundering and terrorist financing, with the aim of enhancing officials' awareness of risks and prevention methods, and clarifying the responsibilities of each agency through training courses, workshops, and ongoing programs that align with international standards to ensure effective national performance.

¹- Executive Decree No. 20-398 dated December 26, 2020, establishing the Committee to assess the risks of money laundering, terrorist financing and financing the proliferation of weapons of mass destruction, and specifying its tasks, organisation, and functioning, Official Gazette issue No. 80 dated December 29, 2020, pp. 5-9.

²- Approved by Presidential Decree No. 2000-79 dated 9 April 2000.

³- Approved by Presidential Decree No. 2000-445 dated 23 December 2000, Official Gazette issue No. 1 dated 3 January 2001, pp. 10-20.

⁴- Article 4 of the aforementioned Executive Decree No. 20-398.



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⁵- The efforts of the National Committee are not limited to combating money laundering and terrorist financing, but also aim to combat the financing of the proliferation of weapons of mass destruction.

⁶- Article 6 of the aforementioned Executive Decree No. 20-398.

⁷- Abdelhalim Ben Bada; Mohamed Souilem; Mokhtar Ben Hamouda, Procedural and institutional specialised mechanisms in combating the offence of money laundering under Algerian legislation, Journal of Legal Studies, Yahia Fares University of Medea, Vol. 7, No. 2, 2021, pp. 331.

⁸- Article 7 of the aforementioned Executive Decree 20-398.

⁹- Article 8 of the aforementioned Executive Decree No. 20-398.

¹⁰- For more details, refer to the inter-ministerial decree dated August 6, 2022, specifying the number, composition, tasks and operational modalities of the sectoral technical work units for the Sub-Committee for Combating Money Laundering and Terrorist Financing, Issue No. 54 issued on August 10, 2022, pp. 19-23.

¹¹- Articles 10 and 11 of the aforementioned Executive Decree No. 20-398.

¹²- The same source applies to Articles 13 and 14.

¹³- The same source applies to Article 15.

¹⁴- The same source applies to Article 17.

¹⁵- The Financial Action Task Force (FATF) is a governmental organisation based in the French capital, Paris. It was established in 1989 at the initiative of the Group of Seven industrialised countries. The Group works to implement international standards to combat money laundering, terrorist financing, and the proliferation of WMDs. The Group also assesses the extent to which countries comply with these standards, aiming to protect financial integrity at the international level.

¹⁶- The National Committee for the Assessment of the Risks of Money Laundering, Terrorist Financing and Proliferation Financing of WMD, the National Risk Assessment Report, June 2024, p. 4.

¹⁷- Article 2 of the aforementioned Executive Decree No. 20-398.

¹⁸- The same source applies to Article 3.

¹⁹- In this regard, the proposals of the National Committee were taken into account, as Law No. 05-01 was amended again, and that was by virtue of Law No. 25-10 dated July 24, 2025, Official Gazette issue No. 48 dated July 24, 2025, pp. 4-14.

²⁰- The National Committee for the Assessment of the Risks of Money Laundering, Terrorist Financing and the Financing of the Proliferation of Weapons of Mass Destruction, the National Strategy for the Prevention of Money Laundering and Terrorist Financing and Combating Them, 2024–2026, pp. 9-10.

²¹- Article 2, paragraph 3, of the aforementioned Executive Decree No. 20-398.

²²- In accordance with the provisions of Law No. 05-01, as amended and supplemented, the obliged entities consist of financial institutions and designated non-financial institutions and professions (such as regulated liberal professions including lawyers, notaries, judicial bailiffs, auctioneers, chartered accountants, customs agents and brokers, and stock-market intermediaries ...etc.) obligated to report suspicion as stipulated by the law, regulations, and directives and guidelines issued by the regulatory, oversight, and supervisory authorities.

²³- Executive Decree No. 23-50 dated January 3, 2023, establishing an operational committee to coordinate policies and operations for combating money laundering and terrorist financing, and determine its tasks, organisation, and functioning, Official Gazette issue No.2 dated January 15, 2023, pp. 14-16.

²⁴- The National Strategy, previously mentioned, pp. 7-8.

²⁵- Article 2, paragraph 2, of the aforementioned Executive Decree No. 20-398.

²⁶- The same source applies to Article 2, paragraph 8.

²⁷- The Egmont Group is a global network that promotes communication and cooperation among FIUs. It was named "Egmont" after the venue of its first meeting in Brussels in June 1995. The Group



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aims to provide a forum for FIUs worldwide to support their respective governments in combating money laundering, terrorist financing, and other financial crimes. This support includes expanding the scope and organisation of international cooperation in exchanging financial intelligence, enhancing the effectiveness of FIUs by providing training and exchanging staff to strengthen the expertise and capabilities of personnel, and enhancing secure communication among units through the use of technology via the Egmont Secure Web. In addition to promoting the establishment of FIUs in countries that lack a national Anti-Money Laundering and Countering Terrorist Financing programme.

²⁸ - The National Strategy, previously mentioned, p. 17.

²⁹ - The aforementioned National Risk Assessment Report, p. 24.

³⁰ - Article 30 of Law No. 05-01 of February 6, 2005, on Preventing and Combating Money Laundering and the Terrorist Financing, Official Gazette issue No. 11 dated 9 February 2005, as amended and supplemented, pp. 3-8.

³¹ - The aforementioned National Risk Assessment Report, p. 24.

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- International Convention for the Suppression of the Financing of Terrorism, adopted by the General Assembly of the United Nations on 9 December 1999, ratified by Presidential Decree No. 2000/445 dated 23 December 2000, Official Gazette, Issue No. 1, Published on 3 January 2001.

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- Executive Decree No. 23-50 dated January 3 2023, establishing an operational committee to coordinate policies and operations for combating money laundering and terrorist financing, and determine its tasks, organisation, and functioning, Official Gazette issue No. 2 dated 15 January 2023.

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