

International Cooperation in Combating Money Laundering and Terrorist Financing: An Analytical Study of the FATF Recommendations and Algerian Compliance

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Abstract:

This study examines international cooperation mechanisms in combating money laundering and terrorist financing, focusing on the legal and operational standards established under FATF Recommendations 37 through 40. Utilizing a descriptive-analytical methodology, the research evaluates these international standard-setting measures with a specific analytical application to Algerian domestic legislation. The findings reveal that while cross-border cooperation is indispensable for overcoming the territorial limitations of state sovereignty, its effectiveness remains heavily dependent on the harmonized national transposition of FATF benchmarks. Doctrinally, the paper identifies a strategic structural convergence where the FATF applies an identical cooperation framework to both crimes despite their distinct material legal elements. The study concludes with critical reform proposals (de Lege ferenda), advocating for the universal binding formalization of FATF standards, conduct-based adaptations to the dual criminality rule within Algerian criminal procedure, and the deployment of secure cryptographic platforms to facilitate real-time intelligence sharing during acute security threats.

Keywords: Money laundering; Financial Terrorism; International cooperation; Financial Action Task Force (FATF); Mutual legal assistance; Financial information.

Introduction:

According to Article (02) of Law No. 05-01 concerning the prevention, combating, and prohibition of money laundering and terrorist financing, as amended and supplemented¹, the offense of money laundering encompasses a series of distinct criminal activities:

- The transfer or movement of funds undertaken with the perpetrator's prior knowledge that they constitute direct or indirect proceeds of a crime, for the purpose of concealing their illicit origin or assisting an accomplice in evading legal consequences.*
- The concealment or disguise of the true nature, source, location,*

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disposition, movement, or rights relating to such criminal proceeds.

- The acquisition, possession, or utilization of funds known at the time of receipt to be criminal assets, as well as any form of participation, conspiracy, or attempt to commit or facilitate these actions.

Thus, the crime of money laundering primarily concerns money in its broad sense². However, Law No. 25-10³, amending and supplementing Law No. 05-01, introduced the concept of virtual assets, which is defined as those digital values that can be traded or transferred electronically, and which can be used for payment or investment purposes⁴. Comparatively, the United Nations Office on Drugs and Crime (UNODC) encapsulates this entire process as the manipulation of criminal proceeds to disguise their illegal origin⁵. Although statutory definitions vary across jurisdictions, their foundational source remains uniform: the Vienna Convention of 1988⁶, that defined it as: "**the conversion or transfer of property, knowing that such property is derived from any offense(s), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in such offense(s) to evade the legal consequences of his actions**".

In the process of legitimizing the proceeds of crime, money laundering often passes through three stages⁷: **the placement stage**, meaning the integration of illegally sourced funds into the financial system, through the purchase of real estate or luxury cars, cash deposits in distant banks⁸, ... or through deposits in shell banks⁹. **The layering stage**, which involves concealing the funds to thwart prosecution¹⁰, through the execution of a series of complex international banking transactions such as international transfers. And finally, **the integration or assimilation stage**: which some call the drying stage¹¹, and it means integrating those funds into the criminal's economic dealings so that they appear to be the natural outcome of legitimate business activity or profitable transactions.

As for the crime of financing terrorism, according to Article 03 of the aforementioned Law No 05-01, defines it as any act committed by any person or terrorist organization, by any means whatsoever, directly or indirectly, unlawfully, and with the intent of the perpetrator, through the provision or collection of funds with the intention of using them personally or by a terrorist or terrorist organization, in whole or in part, for the commission of crimes described as terrorist or subversive acts, as stipulated in the applicable legislation¹².

Although the crime of money laundering primarily harms financial

systems, while the crime of financing terrorism affects the security of individuals and states, the common denominator between them is that they both pose a grave threat to the international financial system. Furthermore, they are classified as transnational crimes, which necessitate international cooperation and coordination to combat them.

In this context, a set of recommendations has been developed by the Financial Action Task Force (FATF)¹³, an independent intergovernmental body concerned with developing policies and promoting measures aimed at protecting the international financial system from the risks of money laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction. It was established in 1989 by the ministers of its member states¹⁴, with the aim of setting standards and promoting the effective implementation of legal and operational measures to combat similar crimes.

These forty standards collectively have become the global benchmark in combating crimes that undermine the global financial system, and they have been updated more than once. Furthermore, the FATF periodically issues two types of lists based on the extent of countries' compliance with its standards: a grey list¹⁵ and a blacklist¹⁶, which include countries that do not comply with its standards to varying degrees¹⁷.

Among the most prominent recommendations issued by the Financial Action Task Force are Recommendations 37 to 40, concerning international cooperation in combating money laundering, terrorism financing, and the proliferation of weapons of mass destruction, especially since both crimes are classified as transnational crimes. Recommendation 37 relates to mutual legal assistance; Recommendation 38 concerns freezing and confiscation of proceeds and instrumentalities of crime; Recommendation 39 governs extradition; and Recommendation 40 sets out the general principles for international cooperation, including cooperation between financial intelligence units and supervisory authorities.

While these recommendations are formally non-binding, their practical impact extends beyond mere guidance. Through mutual evaluation processes, public listing mechanisms, and pressure from the global financial sector, the FATF has created a regime in which compliance functions as a condition of access to the international financial system. States that persistently fail to implement FATF standards risk financial isolation, higher transaction costs, and reputational damage. In this sense, FATF standards operate as *de facto* binding norms, even if they remain *de jure* soft law.

For Algeria, adherence to FATF standards is not optional. As a jurisdiction exposed to transnational financial flows and regional security threats, Algeria's ability to prevent its financial system from being abused for money laundering or terrorist financing depends significantly on the quality of its cooperation with foreign counterparts. Law No. 05-01 on the prevention and combating of money laundering and terrorist financing, as amended and supplemented, together with related texts such as Law No. 06-01 on the prevention and fight against corruption and Executive Decree No. 25-101 concerning procedures for freezing and/or seizing funds, constitute the domestic legal framework through which Algeria seeks to align itself with international standards. At the institutional level, the Financial Intelligence Processing Unit (CTRF) plays a central role in receiving, analysing, and exchanging financial intelligence.

Yet formal transposition is only one side of the equation. The crucial question is not whether Algeria has adopted laws that mention FATF-type obligations, but how effectively these norms are implemented in practice, particularly in international cooperation.

This leads us to pose the following problem: What are the criteria introduced by the Financial Action Task Force to enhance international cooperation as a mechanism for combating money laundering and terrorism financing, and to what extent does Algeria effectively adhere to these criteria?

The importance of this study lies in shedding light on the content of these criteria, as well as in evaluating the extent of Algeria's compliance with them, especially since they are not binding.

To address the research problem and enhance its academic significance, we adopted the descriptive-analytical methodology by reviewing and analysing the criteria introduced by the Financial Action Task Force to enhance international cooperation in this regard.

The answer has been divided into two main sections. The first deals with the general principles upon which international cooperation is based, while the second focuses on the legal and operational tools recommended for activating international cooperation.

Section One

Principles of International Cooperation

The Financial Action Task Force, under Recommendation No. 40¹⁸, has established a set of principles governing international cooperation in combating money laundering and terrorist financing crimes. On this basis,

this study has been divided into two sections: the first discusses general principles, and the second highlights principles specific to certain forms of international cooperation.

A) General principles of international cooperation:

It is a set of principles that apply to all forms and types of international cooperation, such as good faith, mutual respect, and promptness of response. From which a set of practical obligations stem, falling upon both the requesting state for cooperation and the state from which cooperation is requested, alongside shared obligations that enhance the integration of international efforts.,

1- Principle of Good Faith and Transparency, and Obligations of the Requesting Authority for Cooperation

The requesting authority for cooperation is considered a primary party, as it is the first to initiate and open the process of international cooperation in this matter. Based on the principle of good faith, it bears the burden of adhering to a set of controls, whether when directing its request to its counterpart or when executing the request, as defined by the Financial Action Task Force (FATF) as follows¹⁹:

- **Obligation to provide complete, factual, and legal information:** *The request must include the necessary data that helps the requested authority for cooperation understand the facts and serves the purposes of processing the request. This data must be as accurate as possible and based on legal grounds. This obligation embodies a crucial element in preventing similar crimes, especially terrorist attacks²⁰. Shared databases are often used for this purpose, for example, the Egmont Secure Web, which connects over 160 Financial Intelligence Units worldwide to share financial intelligence securely²¹.*

- **Clarification of the urgent necessity for expedition:** *The crime may pose a threat to financial security, or the state may fear the risk of evidence being lost. In such cases, it must explain the reasons for urgency, if any, to assist its counterpart in determining the priority of responding to the request. In this regard, states may resort to what are known as early warning systems²².*

- **Allowing the request to be executed in a timely and effective manner:** *This means that the appropriate timeframe for executing the request must be considered.*

- **Providing feedback on the use of obtained information to the competent, requested authority:** *It must submit a report indicating how the information obtained by its counterpart was used.*

2- Principle of Reciprocity and Obligations of the Requested Authority for Cooperation

The requested authority for cooperation is a pivotal party in the success of international cooperation mechanisms. It is also presumed to adhere to a set of controls imposed by the principle of reciprocity, as defined by the Financial Action Task Force (FATF) as follows:

- ***Not prohibiting or restricting the exchange of information or the provision of assistance:*** *It must remove legal or procedural restrictions and obstacles that may hinder the success of cooperation and effective response to the request.*
- ***Not refusing requests for assistance for unconvincing reasons:*** *Such as considering the request related to tax matters as a reason for refusal, or because its laws mandate confidentiality, or due to differences in the nature or status of the requesting authority compared to its foreign counterpart (civil, administrative, or law enforcement authority).*

3- Principles Imposing Shared Obligations Between Cooperating Authorities:

The principle of confidentiality imposes a set of obligations that both the requesting and the requested authorities must respect, ensuring effective coordination and protection of information. In this regard, the Financial Action Task Force (FATF) recommends the following:

- ***Providing adequate guarantees for the protection of exchanged information:*** *Both authorities must ensure that the exchanged information is not used for purposes other than those for which it was provided. They are also obligated not to disclose this information to third parties without prior authorization from the relevant authority.*
- ***Committing to exchanging information securely,*** *through reliable channels or mechanisms to prevent risks of hacking or leakage. Each authority has the right to refuse requests for assistance if they do not provide adequate protection for the information. This exchange is usually carried out through intelligence information exchange networks and institutions, such as European Financial and Economic Crime Centre - EFEC²³.*

B) Principles specific to certain forms of international cooperation:

Alongside the general principles, other principles emerge relating to certain forms of cooperation between states, such as the principle of

exchanging information on financial intelligence units or between financial supervisors, precisely as follows:

1 - Exchange of Information on Financial Intelligence Units:

Financial Intelligence Units (FIUs) are among the most prominent institutional mechanisms adopted by states in the framework of combating money laundering and terrorist financing crimes. The Financial Action Task Force (FATF), through the Interpretive Note to Recommendation 40, has recommended that these units exercise reasonable care in providing complete and factual information, including a description of the case under consideration, and providing feedback upon request, whenever possible, regarding the use of the information provided and the results of analyses conducted based on that information.

- Conditions for Valid Exchange: *To ensure the effectiveness and integrity of information exchange, the following conditions must be met:*

- *Financial Intelligence Units must have the authority to exchange all information within their scope of competence;*
- *These units must have the authority to exchange or access any other information directly or indirectly at the domestic level, considering the principle of reciprocity.*

Financial Intelligence Units are understood to be those independent central bodies responsible for receiving, analysing, and exchanging information related to suspicious financial transactions to support investigations into financial crimes. The aforementioned Law 05-01 referred to them in Article 4 as the "Specialized Authority" and defined it as the Financial Intelligence Processing Unit (CTRF)²⁴. It specified its competencies under Article 15, which states that "it undertakes the analysis and processing of information received from qualified authorities, as well as suspicion notifications..."²⁵

Applying the FATF recommendations to Law 05-01, as amended and supplemented, we find that: it grants this authority the power to exchange information related to money laundering or terrorist financing with authorities of other countries that exercise similar functions²⁶, thereby embodying compliance with FATF recommendations. It also obliges it, within the framework of international cooperation, to adhere to a set of commitments, the most important of which are: observing the principle of reciprocity, not using information for purposes other than those specified²⁷, maintaining confidentiality²⁸, and exchanging information effectively²⁹.

2- Exchange of Information Between Financial Controllers:

A Financial Controller is understood to be the authority or person

tasked with verifying and ensuring the availability of appropriations and the legal validity of any expenditure proposal intended to be committed by the authorizing officer or the manager of the competent appropriation³⁰. The FATF recommends a set of principles governing the exchange of information between financial supervisors at the international level, most notably:

- *Cooperation among financial supervisors to facilitate effective supervision of financial institutions for the purpose of combating money laundering and terrorist financing;*
- *Verification of the existence of a comprehensive and adequate legal framework governing the provision of cooperation, in line with international standards;*
- *The authority to exchange relevant information available to them domestically with their foreign counterparts.*

In return, requesting states are obliged to maintain the confidentiality of exchanged information and not to use it for supervisory or non-supervisory purposes without obtaining prior authorization from the financial supervisor from whom the information was requested, except in cases where they are legally obligated to disclose it. In such cases, the requesting financial supervisor must inform their counterpart and obtain authorization, which is granted within the framework of a bilateral or multilateral memorandum of understanding. Applying this, we find that Algeria has signed over 30 memorandums of understanding for the exchange of information between financial supervisors in the field of combating money laundering and terrorist financing crimes³¹.

Information subject to exchange between financial supervisors, according to the FATF, includes:

- *Regulatory information, such as general data on the financial sector, and prudential information, such as information related to the activities and operations of financial institutions and the beneficial owner;*
- *Anti-money laundering and counter-terrorist financing information, such as internal procedures and policies of financial institutions for combating money laundering and terrorist financing, information on customer due diligence and their files, account opening forms, and information on transactions.*

3- Exchange of Information Between Law Enforcement Authorities:

Law enforcement authorities are pivotal entities in combating money laundering and terrorist financing crimes due to their direct role in investigation and inquiry. Provided that, according to the FATF, they possess:

- **The ability to exchange information available domestically with foreign counterparts** for the purposes of inquiries or investigations into similar crimes. This includes identifying and tracing the proceeds and instrumentalities of crime.

- **The ability to use their powers, including available investigative methods in accordance with their domestic law**, to obtain information on behalf of foreign counterparts, embodying the principle of judicial cooperation.

- **The ability to form joint investigation teams to conduct cooperative investigations**, with states committing to establishing bilateral or multilateral arrangements for the implementation of these joint investigations.

- **Exchange of Information with Non-Peers:** The FATF recommends that states enable their competent authorities to exchange information with non-peers indirectly. This means that the authority requested to cooperate sends the requested information to a domestic peer authority, which in turn transmits this information to the foreign non-peer authority, in accordance with clear legal arrangements, such as memorandums of understanding or bilateral and multilateral agreements.

While international recommendations strictly define counterpart counterparts³², non-counterpart foreign authorities may be described as those entities that do not perform the specific regulatory or supervisory functions required for the requested cooperation such as a Data Protection Agency, a foreign Tax Department...

Section Two:

International Cooperation Tools

To ensure the effectiveness of international cooperation in combating money laundering and terrorism financing crimes, the Financial Action Task Force has provided countries with a set of tools that enable them to activate cross-border cooperation, most notably: the compliance tool, and other tools that embody what is known as operational cooperation, exactly as we will see in the following two sections.

A) Compliance with international legal instruments as a tool:

Legal instruments form the legislative basis that enables states to activate international cooperation in combating money laundering and terrorist financing crimes.

1- Compliance with International Treaties:

In this regard, the Financial Action Task Force (FATF) recommends that states take immediate steps to accede to the following set of international instruments:

*- **The Vienna Convention of 1988:** This is the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, adopted in Vienna on 20/12/1988 and entered into force on 11/11/1990³³.*

*- **The Palermo Convention of 2000:** This is the United Nations Convention against Transnational Organized Crime, which entered into force on September 29, 2003. Its adoption aimed to enhance international cooperation to combat similar crimes, particularly money laundering and human trafficking, as well as to strengthen extradition, mutual legal assistance, and witness protection measures³⁴.*

*- **The United Nations Convention against Corruption of 2003:** Known as the United Nations Convention against Corruption, it was adopted by the United Nations General Assembly on October 31, 2003, and entered into force on December 14, 2005³⁵. This convention is considered the only binding instrument in the field of anti-corruption. It addresses the fight against corruption in a comprehensive manner, covering almost all aspects related to corruption offenses, starting with preventive measures to prevent corruption crimes, including money laundering and terrorist financing. It criminalizes all acts falling within the scope of corruption, requiring each State Party to adopt the necessary legislative, regulatory, and technical measures to criminalize intentional acts such as bribery, embezzlement or misappropriation of property, trading in influence, abuse of functions, illicit enrichment, laundering of proceeds of crime, concealment, obstruction of justice, etc. The convention also mandates cooperation between states in extradition, transfer of sentenced persons, mutual legal assistance, and law enforcement cooperation.*

*- **The Convention on the Suppression of the Financing of Terrorism of 1999:** This is the International Convention for the Suppression of the Financing of Terrorism, adopted by the General Assembly on December 9, 1999, and entered into force on April 10, 2002.*

- All relevant international conventions, such as the Council of Europe Convention on Cybercrime of 2001, the Inter-American Convention against Terrorism of 2002, and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime and on the Financing of Terrorism of 2005.

Algeria has ratified most of these conventions and amended its relevant legal framework in accordance with their requirements. Evidence of this is Law No. 05-01 mentioned above, which reflects and embodies this commitment. The series of amendments to this law, including Executive Decree No. 25-101 concerning procedures for freezing and/or seizing funds in the context of preventing and combating the financing of terrorism and the proliferation of weapons of mass destruction³⁶, also reflects this commitment and the endeavour to effectively implement the provisions of these conventions.

2- Mutual Legal Assistance:

Mutual legal assistance can be defined as an international cooperation mechanism that allows states to request and exchange legal support among themselves, including requesting and/or exchanging evidence and documents, interrogating or investigating suspects, hearing witness testimony, executing search warrants, and requests for freezing, confiscation, and extradition. The FATF recommends, under Recommendation 37, that mutual legal assistance be provided promptly and effectively to facilitate the investigation and prosecution of money laundering, predicate offenses, and terrorist financing.

According to the FATF, states should establish a suitable and appropriate legal basis for helping, which includes:

- Not refusing, obstructing, or restricting assistance.
- Ensuring clarity and effectiveness of procedures, with a duty to prioritize requests and execute them in a timely manner.
- Appointing a formal central authority to send and execute requests and effectively monitor their progress.
- Maintaining the privacy and confidentiality of mutual legal assistance requests, including the information subject to the requests. A state unable to uphold the duty of confidentiality must immediately inform the requesting state.
- Committing to mutual legal assistance and creating appropriate conditions for it, even in the absence of dual criminality.
- Ensuring the availability of all powers and methods related to providing information, documents, or evidence for use in responding to

mutual legal assistance requests.

To avoid any conflict of local jurisdiction, the FATF recommends in this regard the application of mechanisms to determine the most appropriate venue for initiating legal proceedings against defendants in cases where they are liable to prosecution in more than one state. This is based on several criteria, including the nationality or residence of the accused, the location of evidence, and the state's capacity to conduct the trial, among others.

Provisions of Mutual Legal Assistance Between States:

- *Commitment to providing complete factual and legal information that facilitates the effective execution of requests in a timely manner.*
- *Sending requests using rapid means, such as international judicial platforms or encrypted email.*
- *Ensuring, before sending requests, the objective conditions and necessary procedures for obtaining assistance.*
- *Providing the authorities responsible for mutual legal assistance with adequate financial, human, and technical resources.*

Obligations of the Executing State:

The state is obliged to ensure that its professional staff possess a high degree of integrity, appropriate skills, confidentiality, and other high professional standards. To achieve this goal, states should train human resources in line with the objectives of combating money laundering and terrorist financing crimes³⁷.

B) Operational Cooperation

Operational cooperation translates legal obligations into practical procedures, the most prominent forms of which are freezing, confiscation of assets, and extradition, as follows:

1- Freezing and Confiscation

Or as referred to by the FATF in its recommendations as "Mutual Legal Assistance: Freezing and Confiscation".

Freezing, according to Executive Decree No. 25-101 concerning procedures for freezing and/or seizing funds, mentioned above, is the imposition of a temporary prohibition on the transfer, conversion, disposal, concealment, or movement of funds or other means of payment, or the temporary assumption of custody or control of assets owned or controlled by persons or entities listed on the unified sanctions list for the duration of their listing. According to the FATF³⁸, it means the prohibition of the transfer, conversion, disposition or movement of any property on the basis

of, and for the duration of the validity of, an action initiated by a competent authority or a court under a freezing mechanism, or until a forfeiture or confiscation determination is made by a competent authority or a court.

Confiscation, according to Law No. 06-01 on the Prevention and Fight against Corruption³⁹, is the permanent deprivation of property by order of a judicial body. According to the FATF, confiscation includes deprivation of property where possible, and permanent deprivation of funds or other assets by decision of a competent authority or court⁴⁰. This is the same definition provided in the United Nations Convention against Corruption of 2003, mentioned above, which defined it as the permanent deprivation and forfeiture of property by judicial order⁴¹.

Both procedures share the element of seizure but differ in duration. Seizure in freezing is temporary, and ownership of the funds does not transfer to the state, unlike confiscation, where ownership of the funds or assets transfers to the state upon conviction.

In this regard, the FATF recommends that states, through Recommendation 38, do the following:

- Ensure their readiness to respond promptly to requests from foreign states to identify, freeze, or confiscate laundered assets, proceeds of money laundering and terrorist financing, or instrumentalities used in the crime or intended to be used in similar crimes.
- Not make the response to requests for freezing or confiscation conditional on a conviction.
- Possess effective mechanisms for managing frozen or confiscated assets and make the necessary arrangements for coordinating freezing and confiscation procedures, including procedures for sharing confiscated assets, such as establishing a fund for confiscated assets.

2- Extradition

Extradition is an international legal cooperation procedure⁴² whereby one state transfers and surrenders a person who is either accused or convicted by a judicial ruling of committing a specific crime to the state requesting extradition, for the purpose of prosecution or execution of the judicial judgment against them. This is done either based on an international convention or on a direct bilateral agreement between the two states, governed by clear provisions.

In this context, the FATF recommends, through Recommendation 39, that all possible measures be taken to ensure that terrorists are not provided with a haven, including:

- Ensuring that money laundering and terrorist financing offenses are

included in the list of offenses for which extradition of perpetrators is required.

- *Establishing clear and effective procedures for timely execution of extradition requests and a system for effective case management.*
- *Ensuring that the conditions for executing extradition requests are reasonable and not unduly restrictive.*
- *Establishing a suitable and reasonable legal framework governing the extradition process.*

Algeria has been keen to respond to the content of this recommendation. The basis of the legal framework lies in including an article on extradition in its constitution. Article 50 of the current Algerian Constitution stipulates that "... no one may be extradited except by virtue of a ratified international convention or by law." This is supported by Title I of Book VII (On Relations Between Foreign Judicial Authorities) of the Code of Criminal Procedure, titled "Extradition," which addresses the conditions and procedures for extradition, the effects of extradition, etc. In practice, Algeria has concluded several Memoranda of Understanding on extradition, including the Extradition Agreement between Algeria and France, signed on January 27, 2019⁴³.

Conclusion:

This research demonstrates that the cross-border nature of money laundering and terrorism financing crimes poses a real challenge to efforts to combat them, especially since the sovereignty of states, exercised through their national legislation and security agencies, is confined solely within their geographical territory. This limitation can only be overcome within the framework of a prior agreement, a judicial cooperation request, or other legal mechanisms that embody international cooperation.

The study of the Financial Action Task Force (FATF) standards has shown that the latter does not differentiate between money laundering and terrorism financing crimes in terms of recommendations related to international cooperation, despite the legal independence of each crime in terms of its constituent elements. This is attributed to the intertwined nature of the two crimes, which justifies unifying standards within the framework of international cooperation.

The analysis of Algeria's legal and institutional framework reveals a mixed picture of compliance with FATF standards on international cooperation. Algeria has undertaken substantial formal transposition: it has ratified the main international conventions, adopted comprehensive

domestic legislation (Law No. 05-01, Law No. 06-01, Executive Decree No. 25-101), and established specialized institutions such as the CTRF. The legal framework provides for the exchange of information between FIUs, mutual legal assistance, freezing and confiscation of proceeds, and extradition, broadly in line with the architecture envisaged by FATF Recommendations 37 to 40.

In this sense, Algeria's adherence to FATF standards can be characterized as strong on paper but partial in practice, particularly with respect to the operational tools emphasized in Recommendations 38 to 40.

The most important findings of this study can be summarized in the following points:

- International cooperation is the most important mechanism for combating these two crimes and any related offenses, especially given their cross-border nature. No state can act in isolation from other states or the international community, particularly in confronting money laundering and terrorism financing crimes. Instead, it must engage in an integrated cooperation system that respects legal principles and activates practical tools.

- Although FATF recommendations were originally non-binding, being mere guidelines rather than legal texts, they have acquired mandatory status due to states' voluntary commitment to them on the one hand, and the international pressure resulting from financial institutions and banks refraining from dealing with countries that do not comply with these standards on the other. This has necessitated their application to combat the aforementioned crimes.

- FATF recommendation to join various international conventions is a smart step by the FATF to indirectly impose a mandatory nature on its recommendations.

- Algeria's adherence to FATF standards on international cooperation is characterized by strong formal transposition.

As for the recommendations, they can be summarized as follows:

- Rather than calling for FATF standards and recommendations to be made formally binding in their entirety, states should be encouraged to incorporate core cooperation standards into domestic legislation and bilateral or multilateral agreements.

- The principle of dual criminality should be adopted as a flexible rule to facilitate judicial cooperation without creating an obstacle to providing mutual legal assistance, especially in urgent cases, while ensuring that such flexibility is framed by clear legal safeguards and respects the

principle of ne bis in idem.

- The scope of cooperation should be expanded to include the private sector, under strict conditions of confidentiality and data protection.

- Establish secure electronic platforms for information exchange between states, ensuring confidentiality and privacy, and enabling immediate communication between competent authorities.

In conclusion, enhancing international cooperation is not an option but a legal and security necessity imposed by the nature of the threats arising from money laundering, terrorism financing, and related crimes. Achieving requires genuine political and legislative will to translate international commitments into tangible reality.

References:

1 Law No. 05-01 concerning the prevention, combating, and prohibition of money laundering and terrorist financing, O.G. N°11, issued on February 9th, 2005, amended and supplemented.

2 It is understood that the concept of funds within this framework is broad. According to Article Four of the same law, it includes all tangible or intangible assets, particularly movable or immovable property acquired by any means whatsoever, and documents or legal instruments in any form, including electronic or digital form, that indicate ownership of or interest in such assets, including bank credits, remittances, shares, securities, bonds, bills of exchange, and letters of credit.

3 Law No. 25-10, amending and supplementing Law No. 05-01 concerning the prevention, combating, and prohibition of money laundering and terrorist financing, O.G. N°48, issued on July 24, 2025, Page 4.

4 As for Jordanian Law No. 14 of 2025, which regulates dealings in virtual assets, published in the Official Gazette, issue 3084, it was simpler in its choice of terminology, defining virtual assets as a digital representation of value that can be traded or transferred digitally, and can be used for payment or investment purposes.

5 United Nations: UNODC ROMENA. « Money Laundering », s.d. <https://www.unodc.org/romena/en/money-laundering.html>. Visited on August 18, 2026, at 6h17 PM.

6 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (UN Vienna 1988 Convention), 1988.

7 Financial Crime Academy. « The Three Stages of Money Laundering Explained ». Financial Crime Academy (blog), April 2, 2026. <https://financialcrimeacademy.org/stages-of-money-laundering/>. Visited on April 3 at 1pm.

8 meaning banks far from the place where the crime was committed.

9 Shell banks are established and licensed in countries where they have no physical presence and do not belong to an organized financial group subject to supervision, in accordance with the Bank of Algeria regulation No. 24-03 dated 18 Muharram 1446 AH corresponding to July 24, 2024, relating to the prevention and combating of money

laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction, *Official Gazette, Issue 58, p. 21.*

10 United Nations: UNODC ROMENA. « Money Laundering », s. d. <https://www.unodc.org/romena/en/money-laundering.html>.

11 محمد آدم، تعرف على مراحل غسل الأموال وأدواته وآثاره السلبية، بحث منشور على موقع <https://hhslawyers.com/ar/blog> بتاريخ 09 يوليو 2024، تم الاطلاع عليه بتاريخ 14 أغسطس 2025 على الساعة 22:40 .

12 The same article that was subject to amendment adds that the crime of terrorism is considered committed whether the terrorist act was committed and whether funds were used in its financing.

13 Financial Action Task Force (FATF).

14 <https://www.fatf-gafi.org/en/the-fatf/who-we-are.html>

15 FATF Grey list: Countries on the grey list are subject to increased monitoring and must work with FATF to improve their regimes available on: Info security, C. W. & (2025, July 23). What are the FATF grey list and blacklist? Comply Advantage. <https://complyadvantage.com/insights/fatf-blacklists-greylists/>

16 FATF Blacklist: The FATF blacklist (sometimes referred to as the OECD blacklist) is a list of countries that the intragovernmental organization considers non-cooperative in the global effort to combat money laundering and the financing of terrorism. Ibid

17 or those that have strategic gaps in their systems for combating money laundering and terrorist financing, which puts pressure on countries to comply with them.

18 the FATF recommendations, international standards on combating money laundering and the financing of terrorism & proliferation, adopted by the FATF plenary in February 2012 ,updated October 2025 <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf?nocache=true>

19 Ibid.

20 Wwww.Finanssivalvonta.Fi. « Obligation To Obtain Information and To Report. www.finanssivalvonta.fi, 7 April 2021. <https://www.finanssivalvonta.fi/en/prevention-of-money-laundering-and-terrorist-financing/obligation-to-obtain-information-and-to-report/>.

21 The Egmont Group is a united body of 182 Financial Intelligence Units (FIUs): FIUs are uniquely positioned to support national and international efforts to counter-terrorist financing. FIUs are also gateways for sharing financial information domestically and internationally per global anti-money laundering and counter-financing of terrorism (AML/CFT) standards. For more information, please visit their website: <https://egmontgroup.org/about/>

22 Kathleen Kao, International Cooperation in Combating the Financing of Terrorism, International Monetary Fund, 12 May 2023, page 153.

23 EFECCE, founded in June 2020, is Europol's answer to the growing threats to the economy and integrity of our financial systems. These threats include money laundering, corruption, widespread counterfeiting, fraud and tax fraud schemes that target individuals, countries and companies. <https://www.europol.europa.eu/about-europol/european-financial-and-economic-crime-centre-efecce#:~:text=EFECCE%2C%20founded%20in%20June%202020%2C%20is%20Europo>

1%2%80%99s%20answer,fraud%20schemes%20that%20target%20individuals%2C%20countries%20and%20companies

24 Affiliated with the Algerian Ministry of Finance, <https://ctrf.mf.gov.dz/index.php/en/>

25 This cell has several tasks mentioned in the substance of Article 16 of Law 05-01, as amended and supplemented, and subsequent provisions.

26 Article 25 of Law 05-01, as amended and supplemented, the aforementioned.

27 Article 25 of Law 05-01, as amended and supplemented, the aforementioned.

28 Article 27 of Law 05-01, as amended and supplemented, the aforementioned.

29 Article 27 bis of Law 05-01, as amended and supplemented, the aforementioned.

30 AML Network. « What Is a Control Person in Anti-Money Laundering? - AML Network », s. d. <https://amlnetwork.org/aml-glossary/control-person/>.

31 Liste des Mémoires d'ententes signés avec les CRF homologues.pdf

32 Foreign counterparts refer to foreign competent authorities that exercise similar responsibilities and functions in relation to the cooperation, which is sought, even where such foreign competent authorities have a different nature or status (e.g. depending on the country, AML/CFT supervision of certain financial sectors may be performed by a supervisor that also has prudential supervisory responsibilities or by a supervisory unit of the FIU). International Standards on combating money laundering and financing of terrorism & proliferation, The FATF Recommendations, Updated November 2023, page 130. Available on: <https://ctrf.mf.gov.dz/pdf/cooperation/Doc%20no%2003%20-%20FATF%20Recommendations%20-%20Updated%20Novembre%202023.pdf>

33 available on: united nations convention against illicit traffic in narcotic drugs and psychotropic substances, 1988

34 available on: <https://treaties.un.org/doc/publication/mtdsg/volume%20ii/chapter%20xviii/xviii-12.fr.pdf>

35 available on: united nations convention against corruption

36 Executive Decree No. 25-101 dated 12 Ramadan 1446 AH, corresponding to March 12, 2025, relating to procedures for freezing and/or seizing funds in the framework of preventing and combating the financing of terrorism and the financing of proliferation of weapons of mass destruction, Official Gazette, Issue 18, March 13, 2025, p. 3.

37 And the training here is conducted at the level of specialized centers in this regard, including the International Training Resort Institute, the Strategic Vision Training Center, the United Nations Regional Center for Drugs and Crime, and others.

38 The FATF Recommendations, Op. Cit. Updated November 2023, page 130.

39 Law No. 06-01 of 21 Muharram 1427 AH, corresponding to February 20, 2006, relating to the Prevention and Fight Against Corruption, Official Gazette No. 14, issued on March 8, 2006, p. 04.

40 The FATF Recommendations, Op. Cit. Updated November 2023, page 124.

41 Article 2 of the aforementioned United Nations Convention against Corruption of 2003.

42 Phil Banner, L'extradition pénale : enjeux et complexités de la coopération judiciaire internationale, February 6, 2025, available on : <https://avocat-tv.com/lextradition-penale-enjeux-et-complexites-de-la-cooperation-judiciaire-internationale/>

43 Approved by Presidential Decree No. 21-166, dated 13 Ramadan 1442 corresponding to April 25, 2021, which includes the ratification of the Extradition Agreement between the Government of the People's Democratic Republic of Algeria and the Government of the French Republic, signed in Algiers on January 27, 2019, Official Gazette, No. 34, issued on 27 Ramadan 1442 corresponding to May 9, 2021, p. 5