

TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES

TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING
UNIT IN SAFEGUARDING PUBLIC FINANCES

Fateh Meziti * ¹, Legal, Political, and Sharia Research Laboratory, Abbes Laghrou
University, Khenchela, Algeria, Fateh.meziti@univ-khenchela.dz

Send Article Date: 07 /01/2024

Date of acceptance of the article: 26/03/2024

Abstract:

The Financial Inquiry Processing Unit is an intelligence body for financial inquiries established in 2002 under Executive Decree 02-127. It has been assigned various tasks related to combating money laundering, terrorist financing, and reporting financial information related to these crimes to the judicial authorities when detected. Empowered to process statements of suspicion related to corruption, the unit's composition and tasks were recently reviewed under Executive Decree 22-36. This article explores the unit's new role in combating money laundering, terrorist financing, and corruption, issues plaguing Algeria.

key words: Unit, Inquiry, Financial, Money Laundering, Notification.

المخلص:

تعد خلية معالجة الاستعلام المالي هيئة يقظة استخباراتية للاستعلام المالي والتي أنشأت سنة 2002 بموجب المرسوم التنفيذي 02-127 ومنحت لها العديد من المهام المتعلقة بمكافحة جريمة تبييض الأموال وتمويل الإرهاب والتبليغ عن المعلومات المالية لهذه الجريمة للسلطات القضائية في حالة وجودها كم يخول لها معالجة التصريحات بالشبهة المتعلقة بالفساد ، ودعما لفعالية هاته الخلية أعيد النظر مؤخرا في تشكيلتها ومهامها بموجب المرسوم التنفيذي 22-36 المحدد لمهام خلية معالجة الاستعلام المالي وتنظيمها وسيرها وهو ما سنتناوله من خلال هذا المقال لإبراز الدور الجديد للخلية في مكافحة جريمة تبييض الأموال وتمويل الإرهاب ومكافحة الفساد الذي تعاني منه الجزائر.

الكلمات المفتاحية: الخلية، الاستعلام، المالي، تبييض، الإخطار.

* Fateh Meziti.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

Introduction:

Money laundering, terrorist financing, and corruption are among the most serious crimes faced by Algeria. Algeria has sought to align its domestic legislation with international laws ratified by Algeria under the Palermo Convention on February 10, 2002. The convention obligates all parties to establish a financial intelligence unit for collecting related information¹. Consequently, the legislator has addressed these issues in various laws, such as Law 06-01 on the prevention and combatting of corruption² or Law 12-02 amending and supplementing Law 05-01 on the prevention of money laundering and terrorist financing³. These issues have become legislative priorities, leading to significant efforts to combat them and resulting in the establishment of the Financial Inquiry Processing Unit (CTRF) as a tool to combat these phenomena⁴. The unit is tasked with receiving notifications of suspicious transactions, analyzing them, and disseminating the information⁵. It operates under the administrative authority of the Ministry of Finance⁶, known in other countries as the Financial Intelligence Unit or the Financial Investigations Unit⁷. In the context of enhancing the operational capabilities of the Financial Inquiry Processing Unit in combating money laundering, terrorist financing, and financial corruption⁸, the recent Executive Decree 22-36 outlines the unit's tasks, organization, and operations⁹.

1- Importance of the Study:

Delving into the role assigned to the Financial Information Processing Unit has scientific significance in understanding the organic composition of the human cell and its structure. The operational importance lies in the supervisory role of the unit and the mechanisms it possesses in protecting public money to combat the phenomenon of corruption, which has become a burden on the public treasury.

2- Study Objectives:

The study aims at two main objectives: at the local level, with the new role of the Financial Information Processing Unit as a vigilant and financial intelligence body to prevent corruption plaguing Algeria, and at the international level, with the role assigned to the unit in intensifying

1- Drifi, Sadek. "The Role of the Financial Inquiry Processing Unit in Combating Money Laundering," Journal of Legal and Political Studies, Volume 1, Issue 08, December 2017, p. 74.

2- Law 06-01 dated February 20, 2006, concerning the prevention and combatting of corruption, Official Gazette Number 14, issued on March 8, 2008.

3- Order 15-06 dated February 15, 2015, amending and supplementing Law 05-01 dated February 6, 2005, concerning the prevention of money laundering and terrorist financing, Official Gazette Number 8, issued on February 15, 2015.

4- Article 01 of Executive Decree 02-127 dated April 7, 2002, establishing the Financial Inquiry Processing Unit and regulating its functions, Official Gazette, Number 23, issued on April 7, 2002.

5- Hajar, Siyari. "The Impact of Banking Secrecy on Combating Money Laundering," Ph.D. thesis, Mentouri University Constantine 01, 2019, p. 206.

6- Abdel Aal, Mohamed Abdel Latif. "Money Laundering Crime and Its Combat Methods in Egyptian Law," Dar Al-Nahda Al-Arabia, Cairo, 2003, p. 211. Some countries place the unit under judicial, police, or administrative authority, while in Algeria, it falls under administrative jurisdiction, specifically the Ministry of Finance.

7- Hashemi Waheba, "The Financial Inquiry Processing Unit," Al-Ijtihad Journal of Legal and Economic Studies, Issue 04, June 2013, p. 161.

8- Refer to the official website of the Ministry of Finance: www.mf.gov.dz. Accessed on November 22, 2023, at 17 :10.

9- Executive Decree 22-36 dated January 4, 2022, specifying the tasks of the Financial Inquiry Processing Unit, organizing it, and regulating its operations. Official Gazette, Number 3, issued on January 9, 2022.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

financial intelligence work with its counterparts in other countries to recover looted funds, which is one of the demands of the original popular movement after the year 2019.

3- Study Problem:

Given the role played by the Financial Information Processing Unit in protecting public funds from corruption, whether through preventive or deterrent actions, the legislator has re-granted it broader powers that match its new tasks. This leads us to pose the following main question:

What are the mechanisms for activating the Financial Information Processing Unit to protect public funds in light of Executive Decree 22-36?

4- Adopted Methodology:

Studying this issue requires following the descriptive analytical method, by legally describing the human and structural framework of the Financial Information Processing Unit, and the analytical method to highlight the role of the unit in protecting public money by examining the legal texts regulating its tasks domestically and internationally.

5- Study Divisions:

To dissect this issue, it is necessary to address the human and structural bases of the Financial Information Processing Unit and the role of the Financial Information Processing Unit in protecting public money as follows:

- Human and structural foundations of the financial inquiry processing unit.
- The role of the financial inquiry processing unit in safeguarding public finances.

**THE FIRST TOPIC: HUMAN AND STRUCTURAL FOUNDATIONS OF THE
FINANCIAL INQUIRY PROCESSING UNIT**

In the context of activating the role of financial institutions in detecting financial corruption crimes, especially money laundering and terrorist financing, considering them as the most dangerous globally organized crimes, in coordination with the Financial Inquiry Processing Unit, we will address in this section the human foundations related to the council and the presidency (the first requirement). In the second requirement, we will discuss the structural foundations related to administrative and technical functions.

FIRST REQUIREMENT: HUMAN FOUNDATIONS OF THE UNIT

It is worth noting that the unit was initially established under Article 1 of Executive Decree 02-127. To carry out its intelligence tasks, it relies on human foundations in the execution of its duties, which require utmost confidentiality. Therefore, we have divided this requirement into two branches: the first branch (the president) and the second branch (the composition of the unit's council).

Firstly: The President

The president of the unit is appointed for a renewable term of 5 years by a presidential decree¹⁰. His salary is classified based on the position of a secretary-general in the central administration. He is assisted in performing his duties by three individuals responsible for

10- Article 12 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and organizing it.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

studies and summarization¹¹. The president of the unit is tasked with several responsibilities, including:

- Appointing and terminating tasks in all positions for which no other method of appointment is stipulated by current fundamental laws.
- Ensuring the activities of the departments, coordinating between them, supervising them, overseeing the smooth functioning of the unit, and exercising peaceful authority over all unit employees.
- Ensuring the implementation of decisions taken by the council and overseeing the achievement of the tasks and objectives assigned to the unit.
- Filing legal actions and representing the unit before national and international bodies, as well as negotiating and concluding any lawsuit, contract, or agreement.
- Proposing the organization and internal regulations of the unit and ensuring their implementation¹².

Secondly: Composition of the Unit's Council

Article 16 of Decree 22-36 specifies the members of the unit's council, consisting of 9 members selected for their competence in judicial, financial, and banking fields. The council includes the unit's president, two judges from the Supreme Court, five senior officers from the National Gendarmerie, the General Directorate of Internal Security, a police officer with the rank of at least a colonel, a senior customs officer, and a representative from the Bank of Algeria with a minimum rank of director. They are appointed by presidential decree for a term of 5 years, renewable¹³. Members of the unit and those assisting them are obligated to maintain professional confidentiality, including towards their original administrations, and to adhere to the duty of discretion according to prevailing legislation. In return, members of the unit benefit from state protection against threats, insults, and attacks that may occur due to the fulfillment of their duties¹⁴. They are required to take the oath if they haven't done so before assuming their roles, affirming their commitment to carry out their duties faithfully, maintain secrecy, and act with integrity under all circumstances¹⁵.

The council serves as the unit's leadership and quasi-rotational body, acting as the decision-making center in contrast to administrative authorities entrusted with studying cases before them. The council performs various tasks outlined in Article 17 of Decree 22-36, including:

- Approval of the unit's internal regulations.
- Organization and collection of all data, documents, and materials related to its area of competence.

11- Articles 14 and 15 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and organizing it.

12- Article 13 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.

13- Article 16 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.

14- Articles 20 and 21 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.

15- Article 04 (repeated) of Law 12-02 dated February 13, 2012, amended and supplemented by Law 05-01 dated February 6, 2005, concerning the prevention of money laundering and terrorist financing. Official Gazette, Number 8, issued on February 15, 2012.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

- Preparation of annual work plans and multi-year programs for the unit.
- Compilation of the unit's annual activity report.
- Preparation and approval of procedures and handling of suspicious declarations, secret reports, and information received from similar foreign units within the framework of international cooperation.
- Study of the fate of suspicious declarations, investigation reports, and inquiries.
- Examination of any legislative or regulatory texts related to the prevention and combatting of money laundering and terrorist financing presented by the unit's president.
- Review of any draft law presented by qualified authorities to the unit for opinion.
- Development of exchange and collaboration relationships with any national or foreign entity operating in the same field as the unit.
- Approval of the unit's budget project.
- Acceptance of gifts and bequests¹⁶.

SECOND REQUIREMENT: STRUCTURAL FOUNDATIONS OF THE UNIT

The operational structures of the unit are based on administrative departments for the General Secretariat (Branch One) and technical departments (Branch Two).

Firstly: Administrative Departments of the Unit (General Secretariat)

The unit is managed by the General Secretariat, and the Secretary-General is appointed by a decision from the unit's president, following the council's approval. The Secretary-General is assisted in the management by three heads of departments: the head of the Human Resources, Training, and Public Resources Department; the head of the Finance and Accounting Department; and the head of the Internal Security Department. Their role is to manage the administrative affairs of the unit and its human and material resources under the authority of the unit's president, as stipulated by Article 24 of Executive Decree 22-36¹⁷. Their salary classification is based on the senior position of director and deputy director in the central administration¹⁸. In accordance with the provisions of Article 27 of Executive Decree 22-36, a regulatory decision was issued for the General Secretariat of the Financial Inquiry Processing Unit in the form of offices as follows¹⁹:

1- Human Resources, Training, and Public Resources Department:

It consists of three offices:

- Employee Management Office.
- Training Office.
- Public Resources Office.

16- Article 13 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.

17- Articles 24 and 25 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.

18- Article 26 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.

19- Refer to Articles (2-4) of the Ministerial Decision dated December 21, 2022, which specifies the organization of the General Secretariat departments for the Financial Inquiry Processing Unit into offices. Official Gazette, Number 02, issued on January 5, 2023.

TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES

2- Finance and Accounting Department:

It consists of the following offices:

- Finance Office.
- Accounting Office.

3- Internal Security Department:

It comprises two offices:

- Security Office.
- Reception and Guidance Office.

Secondly: Technical Departments of the Unit

Article 15 of Executive Decree 02-127 stipulated the issuance of a joint decision between the Minister responsible for Finance and the authority responsible for Finance and the authority responsible for Public Employment. This decision would regulate the administrative and technical departments of the unit based on the council's proposal. The council of the Financial Inquiry Processing Unit is assisted by four organized technical departments²⁰, in contrast to the previous annulled ministerial decision dated February 1, 2005, which relied on three technical departments²¹. The recent decision separates the administrative departments under the General Secretariat of the unit, as mentioned earlier, from the technical departments outlined by a separate decision in 2007. The technical departments are as follows:

1- Investigations and Inquiries Department:

This department is responsible for gathering information from correspondents, analyzing suspicious statements, and managing investigations by examining notifications according to predefined objective criteria.

2- Legal Department:

This department is responsible for relations with the public prosecutor's office and judicial follow-up with various councils and relevant judicial courts.

3- Documents and Database Department:

This department is responsible for gathering information and forming the necessary information bank for the proper functioning of the unit.

4- Cooperation Department:

This department is responsible for bilateral and multilateral relations with foreign entities, encompassing all aspects of cooperation. Each department is supported by study coordinators and the General Organization Office in the council of the Financial Inquiry Processing Unit²².

Through the ministerial decisions issued in 2007 and 2022, we can summarize the administrative and technical departments of the unit as follows:

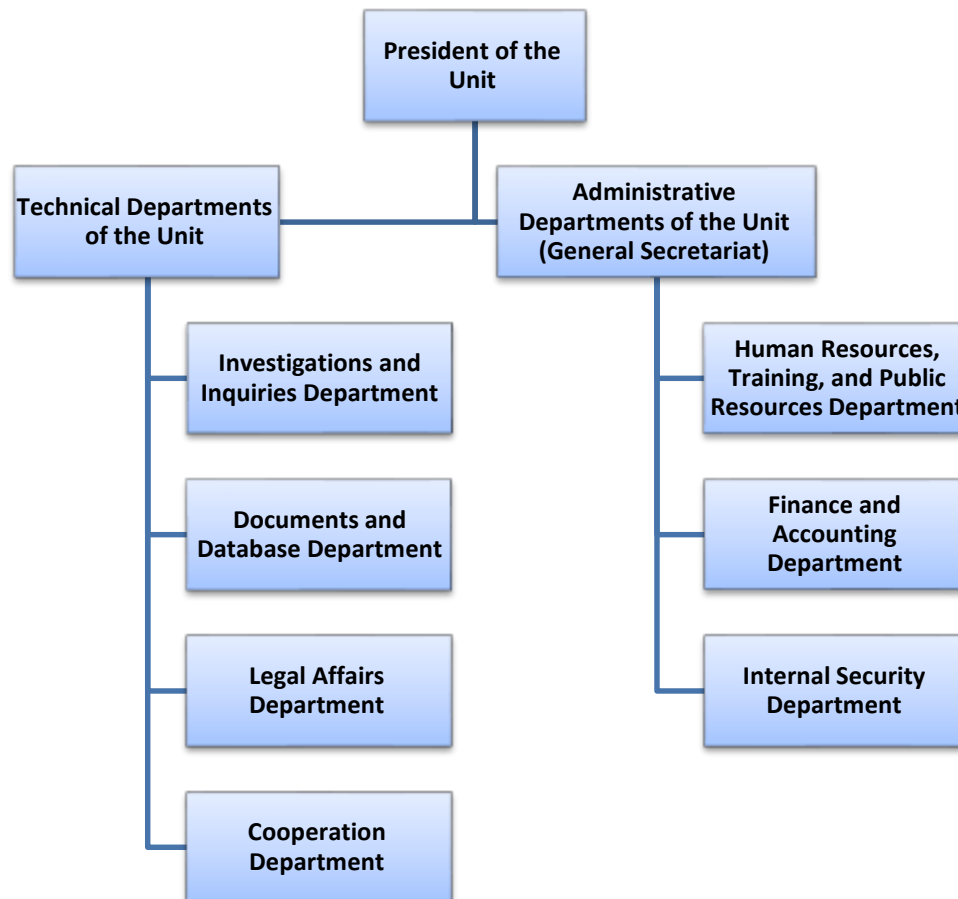
Figure 1. Represents the Technical Departments and Administrative Departments of the
Financial Inquiry Processing Unit

20- Ministerial Joint Decision dated May 28, 2007, regulating the Technical Departments and Financial Inquiry Processing, Official Gazette No. 39, issued on June 23, 2007.

21- Ministerial Joint Decision dated February 1, 2005, regulating the Administrative and Technical Departments and Financial Inquiry Processing, Official Gazette No. 10, issued on February 6, 2005.

22- Articles (2-4) of the Ministerial Joint Decision dated May 28, 2007, regulating the Technical Departments and Financial Inquiry Processing.

TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES



Source: Diagram prepared by the researcher for the Technical Departments and Administrative Departments of the Financial Inquiry Processing Unit in light of the ministerial decisions issued on May 28, 2007, and December 21, 2022.

THE SECOND TOPIC: THE ROLE OF THE FINANCIAL INQUIRY PROCESSING UNIT IN SAFEGUARDING PUBLIC FINANCES

Article 4 of Executive Decree 22-36, paragraph 01, explicitly assigns the unit the task of combating terrorism financing and money laundering²³. This is also reiterated in Article 4, reissued from Law 05-01 related to preventing money laundering, terrorism financing, and combating them²⁴. Additionally, the unit can exchange information it possesses with foreign entities²⁵.

FIRST REQUIREMENT: THE UNIT'S JURISDICTION IN COMBATING MONEY LAUNDERING AND TERRORISM FINANCING

23- Article 4 of Executive Decree 02-127, establishing the Financial Inquiry Processing Unit and regulating its work.

24- Article 4 of Law 05-01 related to preventing money laundering, terrorism financing, and combating them.

25- Article 10 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and regulating its work.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

The legislator established a specific criminal policy in 2005 by enacting Law 05-01, which was amended and supplemented by Order 02-12²⁶. The unit's jurisdiction in combating money laundering (the first branch) and the jurisdiction of the Financial Inquiry Processing Unit in combating terrorism financing (the second branch) will be discussed.

Firstly: The Unit's Jurisdiction in Combating Money Laundering

The law criminalizing money laundering, under Law 05-01 amended by Order 02-12, defined specific cases of money laundering, including²⁷:

- Transferring or moving assets with the knowledge that they are criminal proceeds to hide or disguise the unlawful source of those assets or to assist any person involved in the original crime in evading legal consequences.
- Concealing and disguising the true nature of assets, their source, location, method of disposal, movement, or related rights, knowing that they are criminal proceeds.
- Acquiring, possessing, or using assets with knowledge, at the time of receiving them, that they constitute criminal proceeds.
- Participating in committing any of the crimes specified in this article, conspiring, attempting, aiding, abetting, inciting, facilitating, or providing advice on such crimes.

The Financial Inquiry Processing Unit is responsible for investigating the material aspects of the crime, exploring money laundering sources, and reporting information to relevant security and judicial authorities when there is suspicion of money laundering activities²⁸.

Secondly: The Role of the Financial Inquiry Processing Unit in Combating Terrorism Financing

1- Definition of Terrorism Financing Crime

The crime of terrorism threatens all nations globally, leading to the creation of agreements to combat it regionally and internationally, as well as in national legislation. There are definitions of terrorism financing crime from both agreements and national legislation.

a- Definition in the Arab Agreement on Terrorism Financing:

Contracting states commit not to organize, finance, or commit terrorist acts or participate in them in any form and to combat terrorism and its financing in accordance with internal procedures²⁹.

b- United Nations Convention on Terrorism Financing:

The 1999 United Nations Convention on Terrorism Financing did not provide a specific legal definition but stated in Article 2: "Any person who, directly or indirectly, by any means, lawfully, with intent to use them wholly or partially".³⁰

c- Definition in Algerian Legislation on Terrorism Financing:

Law 05-01, amended and supplemented, defines the material element of the crime of terrorism financing in Article 3 as follows:

26- Habiba Nailly, Money Laundering and the Role of the Financial Inquiry Unit in Combating It: Memoir for the Master's Degree in Law, State Law, and Public Institutions Branch, Page 8.

27- Article 2 of Law 05-01 amended and supplemented related to preventing money laundering, terrorism financing, and combating them.

28- Article 04, paragraph 04, of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and regulating its work.

29- Article 3 of the Arab Agreement on Terrorism, signed in Cairo on April 22, 1998.

30- Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on December 9, 1999.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

- Transferring and transporting funds with the perpetrator's knowledge that they are directly or indirectly proceeds of terrorist activities.
- Collecting funds with the intent to use them wholly or partially for committing crimes described as terrorist acts.
- Acquiring or possessing funds with the knowledge that they are criminal proceeds.³¹

2- Sources of Terrorism Financing:

Sources of terrorism financing can be categorized into³²:

a- Direct funding with cash and in-kind contributions from some countries:

This involves terrorist groups receiving financial support from foreign governments. Through this support, these groups can sustain their activities, maintain their existence, acquire necessary weapons for their operations, provide suitable and continuous training for their members, and recruit individuals who align with their ideologies across different countries.

b- Funding through ransom requests:

One of the prominent sources of funding for terrorist groups, and one of the most effective, is the kidnapping and holding of hostages with subsequent ransom demands.

c- Funding through robbery:

Financing through armed robbery targeting the treasuries of major companies and commercial banks with the aim of obtaining funding for terrorist groups.

d- Sale of drugs and weapons:

The intersection between criminal organizations and terrorist groups is evident. In 2003, United Nations member states provided information on the connection between organized crime and terrorism, where they engage in illicit activities such as drug trafficking, weapons trade, and human smuggling.

3- Mechanisms of the Unit in Combating Terrorism Financing

The unit's role is informational, analyzing and processing alerts, and it has the authority to maintain precautionary measures on suspicious funds for 72 hours, extendable to temporary judicial custody of funds, accounts, or securities subject to notification and reporting to relevant judicial and security authorities³³.

**SECOND REQUIREMENT: TASKS OF THE FINANCIAL INQUIRY UNIT AND
ITS MECHANISMS IN COMBATING THE PHENOMENON OF CORRUPTION**

The Algerian legislator established a national body for the prevention and combat of corruption under Article 17 and subsequent articles of Law 06-01 related to the prevention and combat of corruption (amended and supplemented). This body is tasked with implementing the national strategy in the field of combating corruption, possessing legal personality, and having full authority to track corruption as stipulated by the law and applicable regulations³⁴. The prevention body, represented by the "Central Anti-Corruption Office," only came into effect through Order No. 10-05 dated February 26, 2010, amended and supplemented to Law 06-01

31- Article 18 of Law 05-01, amended and supplemented, related to the prevention of money laundering, terrorism financing, and their suppression.

32- Fawzi Bouhacina, Farida Krushi, "The International and Regional Role of Algeria in Combating the Financing of Terrorist Groups from the Perspective of Ransom Criminalization," Journal of Political and Legal Notebooks, Issue 16, January 2017, p. 53.

33- Hashemi Waheba, Op.Cit, p. 175.

34- Articles 17 and 18 of Law No. 06-01 on the Prevention and Combating of Corruption, as amended and supplemented.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

related to the prevention and combat of corruption. This order assigned the prevention body the task of investigating and probing corruption crimes³⁵.

In addition to the Central Anti-Corruption Office, the Financial Inquiry Unit is empowered to receive statements related to suspicions concerning all money laundering or terrorism financing operations and process them using appropriate methods. This unit is also responsible for receiving and processing confidential reports and press releases, while informing the relevant security and judicial authorities about financial information when there are reasons to suspect money laundering and terrorism financing operations³⁶.

Firstly: Tasks of the Financial Inquiry Unit

The Financial Inquiry Unit, according to its established and simplified texts, has two types of tasks: preventative tasks, as it forms the basis for information around the unofficial financial circle and serves as an expertise entity against money laundering.

1- Preventative Tasks:

Preventative tasks include proposing any legislative or regulatory text related to combating terrorism financing³⁷. It involves receiving notifications, as stated in Article 4 of Executive Decree 22-36. The unit receives statements related to all money laundering or terrorism financing operations from relevant entities and individuals according to Law 05-01. It also engages in exchanging information with foreign entities that have similar responsibilities, as long as the treatment is reciprocal. The unit can join regional or international organizations that bring together financial inquiry units to combat cross-border crime³⁸.

2- Deterrent Tasks:

Among the deterrent tasks, the unit sends files related to suspicions to the regional public prosecutor whenever an examination is subject to criminal prosecution. This action is taken with the unanimous agreement of the nine-member committee. The suspicion notification is withdrawn from the file sent to the public prosecutor to prevent the unit's identity from being disclosed. In case one of the committee members objects to sending the file to the public prosecutor, the file is not sent³⁹.

3- Information Analysis and Processing:

Upon receiving statements of suspicion, the unit processes them by gathering, examining, and analyzing all information to determine the source of funds and the true nature of the suspected operations. The unit employs all suitable methods and approaches for this purpose, directing the information to the authority responsible for investigations and judicial pursuit. Individuals assigned to these tasks must possess technical expertise, training, and experience to monitor money movements, identify their destination, and connect available information within the unit. The unit may seek assistance from any qualified individual while maintaining strict confidentiality.⁴⁰

35- Article 3 of Order No. 10-05, dated August 26, 2010, amended and supplemented by Law No. 06-01 on the Prevention and Combating of Corruption - Official Gazette No. 50, issued on September 1, 2010.

36- Article 4, paragraph 3, of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Unit and its organization.

37- Article 4, paragraph 6, of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Unit and its organization.

38- Articles 4 and 10 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Unit and its organization.

39- Hashemi Waheba, Op.Cit, p. 175.

40- Hashemi Waheba, Op.Cit, p. 174.

TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES

Secondly: Mechanisms Empowered by the Unit to Combat the Phenomenon of Corruption

1- Receipt of Confidential Reports:

According to the text of Article 21 of Order No. 12-02, dated February 13, 2012, amending Law No. 05-01, dated February 6, 2005, relating to the prevention of money laundering, financing of terrorism, and their combating, financial institutions and banks, upon discovering suspicious activities, must notify the specialized anti-corruption authority. This authority has the power to analyze and process the information received from these institutions, which is of a confidential nature. A receipt of suspicion is then issued to the notifying authority, as specified in Annex II of Executive Decree 06-05, which includes the form of suspicion notification and its model and content, and the acknowledgment of its receipt, as outlined in the form⁴¹.

Figure 2. Receipt of Suspicion Notification

Receipt of Suspicion Notification Article 20 (Paragraph 4) of Law No. 05-01 dated 27 Dhu al-Hijjah 1425 corresponding to February 6, 2005, concerning the prevention of money laundering, terrorism financing, and their combating. We, the undersigned: Member of the Financial Inquiry Processing Unit, hereby acknowledge the receipt of suspicion notification number Dated Received from: Bank of Algeria Precautionary measures taken Signature

Source: Annex II of Executive Decree 06-05, dated January 9, 2006, including the form of suspicion notification and its model and content, and acknowledgment of its receipt, Official Gazette No. 02, issued on January 9, 2006

2- Coordination with Judicial Structures (Public Prosecution Stage):

Once the specialized financial information processing unit, tasked with combating corruption, confirms the information received in the confidential report prepared by banks and financial institutions regarding the management subject to supervision and its potential involvement in money laundering in its financial transactions, and conducts necessary investigations, the anti-corruption authority submits the file to the competent public prosecutor. The public prosecutor has the authority to initiate public prosecution and combat the crime of money laundering as stipulated in the penal law⁴².

Executive Decree No. 20-398 was issued on December 26, 2020, establishing the National Committee for Assessing the Risks of Money Laundering, Terrorism Financing, and Financing

41- Fateh Meziti, Financial Inspection Oversight of the General Administration, Dar Al-Huda, Ain M'lila, Algeria, 2023.

42- Fateh Meziti, Op.Cit, pp. 172-173.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

the Proliferation of Weapons of Mass Destruction⁴³. It specified the committee's tasks, organization, and operation. The joint ministerial decision issued on August 6, 2022, defines the composition and operational tasks of the technical sectoral working units of the subcommittee for combating money laundering and terrorism financing⁴⁴.

According to the provisions of Executive Decree No. 22-36, concerning the financial information processing unit and its organization and operation, the unit initiates its financial intelligence tasks to investigate the possibility of funds appearing to be derived from violations related to money laundering. This aims to enrich the intelligence and convert mere suspicions into concrete evidence. Afterward, necessary precautionary measures are taken before sending the file in substantiated cases to the competent regional public prosecutor, ensuring that suspicions are confirmed and conducting required investigations.

Conclusion:

In our study of this subject, summarizing the points discussed, we conclude that the Algerian legislator established the financial information processing unit as a result of the agreements signed by Algeria. The unit, placed under the supervision of the Ministry of Finance, aims to combat the crime of money laundering for terrorist financing and corruption. Initially, it only began its anti-crime activities after the issuance of a legal text criminalizing money laundering, namely Law No. 05-01 dated 6th February 2005, concerning the prevention of money laundering, terrorism financing, and its amendments.

Results:

- The legislator expanded the composition of the unit from 7 members to 9 members, aligning with its new tasks and incorporating a judiciary, security, and banking formation.
- The legislator corrected and readjusted the unit as an administrative authority, considering it an independent body after initially focusing only on combating terrorist financing, due to the absence of a legal text criminalizing money laundering and protecting public funds.
- The financial information processing unit is characterized by a set of assigned tasks aimed primarily at combating money laundering and financing terrorism.
- The unit operates based on the mechanism of notifications and financial intelligence inquiries, conducting investigations with the utmost confidentiality.
- The financial information processing unit has significantly contributed to highlighting its role in protecting public funds.

Recommendations:

Through our study and in-depth exploration of the financial information processing unit, we propose some recommendations:

- Grant the unit broader and more comprehensive powers to eradicate money laundering and terrorism financing.

43- Executive Decree 20-398 dated December 26, 2020, establishing the National Committee for Assessing the Risks of Money Laundering, Terrorism Financing, and the Proliferation of Weapons of Mass Destruction, specifying its tasks, organization, and procedures, Official Gazette No. 80, issued on December 29, 2020.

44- Joint Ministerial Decision issued on August 6, 2022, jointly forming and defining the tasks and procedures of the technical sectoral working units of the Sub-Committee for Combating Money Laundering and Terrorism Financing, Official Gazette No. 54, issued on August 10, 2022.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

- Provide more opportunities for utilizing its powers more effectively by coordinating with supervisory, constitutional, legislative, and regulatory authorities specialized in combating corruption.
- Strengthen the penalties stipulated in the law against money laundering to deter this crime.
- Establish bilateral agreements for the unit with its counterparts to intensify financial intelligence inquiries for the recovery of embezzled funds within the framework of corruption affecting Algeria and other countries.

TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES

Bibliography List setting:

First: legal texts

- Article 01 of Executive Decree 02-127 dated April 7, 2002, establishing the Financial Inquiry Processing Unit and regulating its functions, Official Gazette, Number 23, issued on April 7, 2002.
- Article 04 (repeated) of Law 12-02 dated February 13, 2012, amended and supplemented by Law 05-01 dated February 6, 2005, concerning the prevention of money laundering and terrorist financing. Official Gazette, Number 8, issued on February 15, 2012.
- Article 04, paragraph 04, of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and regulating its work.
- Article 10 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and regulating its work.
- Article 12 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and organizing it.
- Article 13 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.
- Article 13 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.
- Article 16 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.
- Article 18 of Law 05-01, amended and supplemented, related to the prevention of money laundering, terrorism financing, and their suppression.
- Article 2 of Law 05-01 amended and supplemented related to preventing money laundering, terrorism financing, and combating them.
- Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on December 9, 1999.
- Article 26 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.
- Article 3 of Order No. 10-05, dated August 26, 2010, amended and supplemented by Law No. 06-01 on the Prevention and Combating of Corruption - Official Gazette No. 50, issued on September 1, 2010.
- Article 3 of the Arab Agreement on Terrorism, signed in Cairo on April 22, 1998.
- Article 4 of Executive Decree 02-127, establishing the Financial Inquiry Processing Unit and regulating its work.
- Article 4 of Law 05-01 related to preventing money laundering, terrorism financing, and combating them.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

- Article 4, paragraph 3, of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Unit and its organization.
- Article 4, paragraph 6, of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Unit and its organization.
- Articles (2-4) of the Ministerial Decision dated December 21, 2022, which specifies the organization of the General Secretariat departments for the Financial Inquiry Processing Unit into offices. Official Gazette, Number 02, issued on January 5, 2023.
- Articles (2-4) of the Ministerial Joint Decision dated May 28, 2007, regulating the Technical Departments and Financial Inquiry Processing.
- Articles 14 and 15 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Processing Unit and organizing it.
- Articles 17 and 18 of Law No. 06-01 on the Prevention and Combating of Corruption, as amended and supplemented.
- Articles 20 and 21 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.
- Articles 24 and 25 of Executive Decree 22-36, specifying the tasks of the Financial Inquiry Processing Unit and regulating its operations.
- Articles 4 and 10 of Executive Decree 22-36 specifying the tasks of the Financial Inquiry Unit and its organization.
- Executive Decree 20-398 dated December 26, 2020, establishing the National Committee for Assessing the Risks of Money Laundering, Terrorism Financing, and the Proliferation of Weapons of Mass Destruction, specifying its tasks, organization, and procedures, Official Gazette No. 80, issued on December 29, 2020.
- Executive Decree 22-36 dated January 4, 2022, specifying the tasks of the Financial Inquiry Processing Unit, organizing it, and regulating its operations. Official Gazette, Number 3, issued on January 9, 2022.
- Joint Ministerial Decision issued on August 6, 2022, jointly forming and defining the tasks and procedures of the technical sectoral working units of the Sub-Committee for Combating Money Laundering and Terrorism Financing, Official Gazette No. 54, issued on August 10, 2022.
- Law 06-01 dated February 20, 2006, concerning the prevention and combatting of corruption, Official Gazette Number 14, issued on March 8, 2008.
- Ministerial Joint Decision dated February 1, 2005, regulating the Administrative and Technical Departments and Financial Inquiry Processing, Official Gazette No. 10, issued on February 6, 2005.
- Ministerial Joint Decision dated May 28, 2007, regulating the Technical Departments and Financial Inquiry Processing, Official Gazette No. 39, issued on June 23, 2007.

**TOWARDS A NEW ROLE FOR THE FINANCIAL INQUIRY PROCESSING UNIT IN
SAFEGUARDING PUBLIC FINANCES**

- Order 15-06 dated February 15, 2015, amending and supplementing Law 05-01 dated February 6, 2005, concerning the prevention of money laundering and terrorist financing, Official Gazette Number 8, issued on February 15, 2015.

Second: books

- Abdel Aal, Mohamed Abdel Latif. "Money Laundering Crime and Its Combat Methods in Egyptian Law," Dar Al-Nahda Al-Arabia, Cairo, 2003.
- Fateh Meziti, Financial Inspection Oversight of the General Administration, Dar Al-Huda, Ain M'lila, Algeria, 2023.

Third: memory

- Habiba Naili, Money Laundering and the Role of the Financial Inquiry Unit in Combating It: Memoir for the Master's Degree in Law, State Law, and Public Institutions Branch.
- Hajar, Siyari. "The Impact of Banking Secrecy on Combating Money Laundering," Ph.D. thesis, Mentouri University Constantine 01, 2019.

Fourth: Articles

- Drifi, Sadek. "The Role of the Financial Inquiry Processing Unit in Combating Money Laundering," Journal of Legal and Political Studies, Volume 1, Issue 08, December 2017.
- Fawzi Bouhacina, Farida Krushi, "The International and Regional Role of Algeria in Combating the Financing of Terrorist Groups from the Perspective of Ransom Criminalization," Journal of Political and Legal Notebooks, Issue 16, January 2017, p. 53.
- Hashemi Waheba, "The Financial Inquiry Processing Unit," Al-Ijtihad Journal of Legal and Economic Studies, Issue 04, June 2013.

Fifth: Websites

- Ministry of Finance: www.mf.gov.dz. Accessed on November 22, 2023, at 17:10.