

## **Afghan Government Approved Amended Version of Anti Money Laundering (AML) and Combating Financing Terrorism (CFT) Laws**

The Financial Action Task Force (FATF), an intergovernmental organization, is founded by the Group of Seven (G7) countries to combat international money laundering and financing of terrorism. FATF has recently set benchmark for Afghan banking sector to amend and approve AML and CFT law based on its 40 recommendations. The deadline for the approval of AML/CFT law was set before the next Asia/Pacific Group (APG) meeting scheduled during June 23-27, 2014. Breaching the deadline will put Afghanistan banking sector in blacklist with FATF. The approval of AML/CFT laws is vital for the banking sector, international trade, cross border flows and Afghanistan economy as a whole. Late approval of the law will have both political and economic repercussions for Afghanistan.

Da Afghanistan Bank (DAB) amended AML/CFT laws based on the 40 FATF recommendations and submitted it to Ministry of Justice. The law went through a government cycle and was approved by Ministers' Cabinet, Afghan parliament, Afghan Senate (Mashrano Jerga) and H.E Mr. Hamid Karzai, the President of Islamic Republic of Afghanistan. AML law was passed by Afghan Parliament on June 16, 2014. Similarly, on June, 24, 2014 Afghan Senate (Mashrano Jerga) passed the law and subsequently, on June 25, 2014, it was passed by H.E Mr. Hamid Karzai. On the other hand, On June 04, 2014 CFT law was passed by Afghan parliament and on June 25, 2014, Afghan Senate approved the law. It was submitted for the final approval of H.E Mr. Karzai after the FATF meeting during June 23-27, 2014.

During June 22-27, 2014, DAB Senior officials attended APG meeting of FATF in Paris, France. Mr. Noorullah Delawari, DAB Governor with Mr. Khan Afzal Hadawal, DAB 1st Deputy Governor briefed the APG meeting participants on the status of AML/CFT laws and the situation prevailing in Afghanistan. The progress made by the Afghan government was satisfactory. Consequently, The APG decided that Afghanistan banking sector will not be blacklisted. However, the group urged DAB to approve CFT law as well. The group added that the approval of CFT is essential part of benchmark and should be achieved sooner. After APG meeting on July 03, 2014, H.E Mr. Karzai approved CFT law.

## Kabul Access to Finance (A2F) Business to Bank Roundtable

During June 27-28, 2014, ABA held a two-day Access to Finance Business to Bank Roundtable to introduce the business owners in Kabul province with loan facilitation opportunities, contract farming and presentations by Banks and Microfinance Institutions (MFIs) on their products and services. In the event, the bankers present their new products and also the products for Agriculture to the participants. In these two days event, Mr. Ahmad Javed Wafa, ABA Director, Mr. Hashmatullah Anayat, Director of Agriculture Irrigation and Livestock, Mr. Rod Carvajal, USAID/CHAMP Chief of Party, 85 businesses, eight banks including: Afghanistan International Bank (AIB), Ghazanfar Bank, New Kabul Bank (NKB), Pashtany Bank and Afghan United Bank (AUB) and X Number of MFIs Including: OXUS Afghanistan, FINCA- Afghanistan and ACE/ADF and Afghan Global Insurance Company have participated and presented their products and services.

Mr. Ahmad Javed Wafa spoke on the importance of access to finance in Agriculture sector, the role of banks in economic development in Afghanistan and the evolving role of ABA in Afghanistan banking sector. Mr. Hashmatullah Enayat addressed the participants on the importance of access to finance for agribusinesses growth and Mr. Rod Carvajal introduced CHAMP projects and its activities to the participants. His presentation was crucial for the agribusinesses as their main chunk of activities goes to marketing for agricultural products.



A2F Business to Bank Roundtable,  
Venue: Kabul Star Hotel, Kabul  
Date: June 27-28, 2014,



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Two loans with the total amount of USD 1.1 million were requested by the roundtable participants. At the end of the event, ABA and FAIDA distributed participation certificates to the participants.



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## **Bamyan Access to Finance (A2F) Business to Bank (B2B) Roundtable**

Bamyan A2F Business to Bank Roundtable was held during June 23-24, 2014, the roundtable specifically targeted the enterprises functioning in Bamyan Province of Afghanistan by facilitating their business planning and contract farming training to help them in business financing and development. The roundtable provided the enterprises with the opportunity to exchange viewpoints in identifying challenges and opportunities in improving their productiveness, linkage to markets and access to finance. Invitees included public and private sector representatives who are involved in production, trade and financing activities.



A2F Business to Bank Roundtable  
 Venue: Bamyan, Karwan Sara  
 Date: June 23-24, 2014  
 Photo By: FAIDA



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Representatives from Directorate of Women Affairs (DoWA), Directorate of Commerce and Industries, Bamyan Chamber of Commerce and Industries participated in the event. In the roundtable, 3 banks: New Kabul Bank (NKB), Bakhtar Bank and The First Microfinance Bank (FMFB) and 2 MFIs: Agriculture Development Fund and Islamic Investment Finance Cooperative participated to present their products and services. A total of 97 enterprises including 51 female attended the event on the first day. The second day 96 enterprises where 52 were female owned participated in the event, potential deal with 14 concept notes for the total amount of \$200,000 are also recorded.



A2F Business to Bank Roundtable  
Venue: Bamyan, Karwan Sara  
Date: June 23-24, 2014



A2F Business to Bank Roundtable,  
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Ms. Hawa Gul Rezayee, Social Services Coordination Manager, DoWA spoke about the importance of access to finance for enterprises. She also mentioned about women's role in economic development. She appreciated the initiative taken by FAIDA and suggested to deliver every kind of possible support within the scope of the project. Mr. Mohammad Tahir Anwary, Manager of NGOs, from Directorate of Commerce and Industries addressed the participants about the importance of money for a business. He also pointed out the current opportunities and challenges for enterprises in Bamyan Province.

### **Helmand Access to Finance (A2F) Business to Bank (B2B) Roundtable**

During May 27-28, 2014, a two days A2F Business to Bank Roundtable was organized in Lashkar Gah City, Helmand Province, Afghanistan. The event was held in Afghan Hawasana Hotel, Lashkar Gah city, Helmand. This event was intended to introduce the local businesses

owners in Lashkar Gah city with loan facilitation opportunity and presentations by ABA member banks to introduce their products and services to the business owners. Similarly, Provincial departments of the government of Afghanistan participated in the roundtable. On the first day, 79 male and 19 female participants and on the second day, 73 male and 15 female participants attended the event.

Mr. Nisar Ahmad Zaib Ahmadi, The Director of Economy welcomed the training participants. During his speech Mr. Zaib Ahmad explained the current economic situation, challenges, opportunities, explained the value of Business to Banks Roundtable, and the significance of links between businesses with banks. On behalf of Helmand government and people of Helmand, Mr. Zaib Ahmadi expressed his deepest gratitude to ABA and FAIDA for organizing this event. Mr. Zaib Ahmad insisted on ABA and FAIDA to organize such activities in Helmand. He also mentioned that this type of activity should be held on district level.



A2F Business to Bank Roundtable  
Venue: Helmand, Hawasana Hotel  
Date: May 27-28, 2014



A2F Business to Bank Roundtable,  
Venue: Helmand, Hawasana Hotel  
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3 ABA member banks participated in the event namely Afghanistan International Bank (AIB), Afghan United Bank (AUB), Bank e Millie Afghan (BMA) to introduce their products and services to the participants and pick potential applicants from the event.

### **Jalalabad Access to Finance (A2F) Business to Bank (B2B) Roundtable**

Jalalabad Business to Bank Roundtable was held during April 22-23, 2014. The event was instrumental in discussing current status

of business across the region, obstacles and challenges faced by local businesses in local, regional and international markets. In total, 70 participants attended the event. The opening remarks were given by DAB Regional Office, Afghanistan Investment Support Agency (AISA) mainly discussing the benefits and supports of such events to the business communities, banks and financial resources among the region. The speeches were delivered by Mr. Rohullah Khan Stanekzai, Deputy Director, AISA and Mr. Shirwali, Deputy Director Nangarhar Chamber of Commerce and Industries, (NCCI).



Mr. Rohullah, DAB Regional Director  
A2F Business to Bank Roundtable  
Venue: Jalalabad Afghanistan  
Date: April 22, 2014



Mr. Shirwali, AISA Deputy Director  
A2F Business to Bank Roundtable  
Venue: Jalalabad Afghanistan,  
Date: April 22, 2014

In order to facilitate access to finance in Jalalabad provinces, ABA member banks and MFIs presented their products and services to the participants. In the event, Bakhtar Bank, Afghanistan International Bank (AIB), Ghazanfar Bank, Afghanistan Commercial Bank (ACB), Pashtany Bank, Afghan United Bank (AUB), The First Microfinance Bank (FMFB), AWC and ABADE participated. As a result, 20 loans were requested by the participants from the ABA member banks, MFIs and ABADE. The program ended with a thank you speech from Mr. Haji Mirwais, Director, Kunar Marble Association.



A2F Business to Bank Roundtable

Venue: Jalalabad Afghanistan  
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## Other News Highlights

### **Afghanistan Became Member of ECO Trade and Development Bank**

On the recent trip on June 20, 2014 to Istanbul, Turkey. Mr. Noorullah Delawari, DAB Governor and Mr. Khan Afzal Hadawal, DAB 1st Deputy Governor had multifarious discussions on the membership of Eco Trade and Investment Bank with the member countries of ECO Trade and Development Bank. In the meeting, Afghanistan was officially announced as a full member of ECO Trade and Development Bank and having a total share of 4.6 percent with initial capital contribution of USD 23 million. The Bank is established to contribute to the financing needs of the region particularly its member countries by helping them to promote sustainable development and regional integration in both the public and private sectors. It would also aim to become an important institutional vehicle for mobilizing funds in international capital markets for the region's development needs. The bank is financing SME Development, trade finance and corporate and project financing to the member countries and their financial institutions. To visit Eco Trade and Development Bank website for further details, please click [here](#).

**ABA March E-newsletter**

On April 16, 2014, ABA released sixth issue of ABA E-Newsletter to its subscribers included ABA member banks, private sector businesses and government organizations in Afghanistan and subscribers from various foreign countries. The E-Newsletter is mainly targeting professionals/interested parties in Afghanistan banking sector. The E-Newsletter included brief highlights on Amended AML/CFT Law Approval, Kabul Access to Finance Business to Bank Round Table, Herat Business to Bank Round Table, the 2nd India-Afghanistan Innovation Partnership Fair and new highlights on ABA, January E-Newsletter. The sixth issue top locations by opens are depicted in the following figure 1.1

