



Statement

## **FATF Money laundering report: a good initiative that misses the mark**

***Antwerp 5 February 2014.*** In the wake of the publication of the report concerning money laundering activities and terrorism financing by criminals abusing the global diamond industry, the AWDC is convinced of the usefulness of this type of initiative. Unfortunately, the report misses the mark as the lack of information concerning certain countries cannot deem it as representative for the whole industry.

The report, drafted by the Financial Action Task Force (FATF) and the Egmont Group of Financial Intelligence Units, consists of information procured on a voluntary basis from countries and organisations who play a role in the global diamond sector and who were invited to contribute. Based on this material, the potential risks for money laundering were mapped out using case studies.

Belgium, more specifically Antwerp, has done its utmost to create the highest level of transparency and to provide as much information as possible surrounding issues the report aims to address. Readers of this substantial report will constitute that Antwerp, thanks to a series of efforts and dialogue with government, is top of the class (see page 39). Belgium is subjected to the most strict anti-money laundering regulation and controls. Our approach, for example through extensive information sharing and assisting the sector through an AML & Compliance Helpdesk and monthly AML workshops but also by means of comprehensive controls on import and export of diamonds through the Antwerp Diamond Office, in coordination with the FPS Economy and FPS Finance, is internationally recognized as a leading example in the industry.

As the representative of the Antwerp diamond industry we conclude with disappointment that the drive to create more transparency and a pro-active anti-money laundering policy once again merely results in a negative image and disadvantageous position for Antwerp. The lack of cooperation and information provided by certain countries is not addressed in the report, leaving these countries unscathed (see page 12 and page 85). The FATF document again painfully highlights the need for a level playing field, where striving for transparency is no longer a competitive disadvantage and where all diamond hubs implement the same strict rules.

It is not our intention to deny the possible occurrence of money-laundering activities in the diamond sector but rather to emphasize that presenting case studies in the report, which lack complete information from all actors in the industry is not representative and presents a skewed picture of the business. In this vein, we would also like to point out that the list of cases does not address the frequency of these activities.

**AWDC**, short for Antwerp World Diamond Centre, is an industry-established foundation, whose mission is to serve and support the diamond business in Antwerp, the world's most important diamond trade hub. AWDC is the coordinating body and the official representative of the Antwerp diamond sector, and as such are recognized internationally as the host, spokesperson and intermediary for the Belgian diamond community. In this capacity, AWDC liaises on behalf of the Belgian diamond sector with governments and actively promotes support for the diamond sector at home and abroad.

84% of all rough diamonds and 50% of all polished diamonds pass through Antwerp. Diamonds represent 5% of the total Belgian exports and 15% of all Belgian exports outside the EU, making diamonds the most important export product outside the EU.

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