



The Asia/Pacific Group on Money Laundering Information Quarterly

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9TH ANNUAL MEETING OF THE ASIA/PACIFIC GROUP (APG) ON MONEY LAUNDERING
 3 – 7 July 2005, Manila, the Philippines



From left to right: Mr. Chihara, Co-Chair of the APG (Japan), Mr. Amando M. Tetangco, Jr. Governor, Bangko Sentral ng Pilipinas and Chairman, Anti-Money Laundering Council (the Philippines), Her Excellency Gloria Macapagal Arroyo, President, Republic of the Philippines and Commissioner Keelty, Co-Chair of the APG (Australia)

WELCOME
 Ian Knight, Principal Executive Officer

Welcome to the 3rd quarter issue of APG IQ.

Although my association with the APG is relatively short, it is obvious that the legacy left by Rick McDonnell and of course Eliot Kennedy is that of a very mature group which is already achieving great progress in implementing effective AML/CFT regimes throughout the region.

I am looking forward to even more success for the APG with the next round of mutual evaluations commencing later this year and the on-going work in the areas of Technical Assistance and Training and the vital Casino and Corruption projects.

The next significant item on the APG calendar will be of course the APG Typologies Workshop in Indonesia and the Special Plenary being held at the same time. This promises to be another extremely useful opportunity for jurisdictions to get together and discuss issue of vital importance in our region relating to the way criminals launder money and finance terrorism and to develop strategies to fight this.

The 9th Annual Meeting of the Asia/Pacific Group (APG) on Money Laundering took place in Manila this week. The Group committed its membership to undergo compliance assessments against the expanded and enhanced global anti-money laundering and anti-terrorist financing standards. Importantly, members agreed to continue the mandate of the APG until December 2012.

The international standards on money laundering and terrorist financing are set out in the 40 Recommendations & 9 Special Recommendations of Financial Action Task Force on Money Laundering (FATF). The President of FATF, Mr Frank Swedlove, attended the meeting.

The meeting was attended by over 250 participants representing 32 member jurisdictions, six observer jurisdictions and 10 international and regional organisations including the International Monetary Fund and the World Bank. APG members and observers were honoured to be welcomed by Her Excellency Gloria Macapagal Arroyo, President, Republic of the Philippines at the opening of the meeting.

“With Myanmar, Afghanistan and Canada joining the APG, bringing its membership up to 32 jurisdictions, we achieve even wider and continued commitment to combating money laundering and the financing of terrorism in the region,” said APG Co-chair, Australian Federal Police Commissioner Mick Keelty.

I look forward to meeting many of you over the next 12 months.

MESSAGE FROM THE AUSTRALIAN CO-CHAIR

I have much pleasure in welcoming the new APG Co-Chair, Dr Yunus Husein, and acknowledge this appointment reflects Indonesia's strong support for the APG forum and its work.

On behalf of all APG members, I thank my former Co-Chair Mr Nobuyoshi Chihara for his support and guidance over the last year.

Last week, I was able to meet with Pak Yunus in Sydney and we had the opportunity to discuss pending business of the APG including the Special Plenary in November, the Corruption project, the Casinos project, and expanding APG membership from the group of priority observers.

In relation to the selection process for the Executive Secretary of the APG Secretariat, I hope to be in a position to announce the successful applicant soon.

*Commissioner Mick Keelty
APG Co-Chair (Australia)*



Co-Chairs Keelty (centre right) and Husein (centre left) with Mr. Djoko Kurnijanto (Indonesia) and Mr Ian Knight (APG Secretariat) in Sydney, 22 August 2006

NEW APG MEMBER - CANADA

Canada became the APG's 32nd member having been admitted during the annual Plenary in Manila by APG members in June 2006.

APG Co-Chair, Commissioner Mick Keelty declared Canada's application to join the APG accepted, and welcomed Canada warmly as the APG's 32nd member.

Leader of the Canadian Delegation, Ms Jane Pearse thanked the APG membership and commented that this membership "will solidify our relationship with countries in the Asia Pacific region, an area in which we have long shared financial information, law enforcement techniques and best practices."

Ms Pearse also reiterated the comments from FATF President Mr Frank Swedlove, that "the upcoming year will be an exciting one for Canada as we take up membership in the APG, take on the presidency of the FATF and undergo a joint FATF/APG mutual evaluation." In addition she said "Canada has been chosen as the host country for the Egmont permanent secretariat. Therefore I look forward to working with all of you in the coming years and am very pleased that Canada is able to participate in the Ninth Annual APG meeting as a full member."

OUTREACH - VIETNAM

During the week 14 through 18 August 2006 a Vietnamese delegation headed by Mr Nguyen Dang Hong, Director of the Anti Money laundering Information Center (AMLIC) visited Australia and met with various agencies, including the AGP Secretariat.

The objective of the visit was to provide the participants with a sound understanding of the framework of a mature anti-money laundering system.

The program paid particular attention to those features which would provide guidance to AMLIC staff in progressing the development of AMLIC's activities.

Mr John Broome (former APG Co-Chair) assisted the delegation throughout the visit.

The APG Secretariat welcomed the opportunity to speak directly with the delegation about membership of the APG – emphasising the resolution of the Annual Plenary to extend the priority observer status for Vietnam on the basis that an application for membership would need to be made within the 12 month period.

The information was very well received and an offer by the Secretariat to visit Vietnam later in the financial year to progress the issue was made. The delegation indicated it was in a far better position now to brief appropriate officials about membership of the APG.


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| <p style="text-align: center;">FATF INVITES KOREA TO BE AN OBSERVER</p> | <p style="text-align: center;">KOREA ANNOUNCES ANTI TERRORIST FINANCING LEGISLATION</p> |
| <p>The Financial Action Task Force (FATF) has invited The Republic of Korea to join the Task Force as an Observer - the first step on the path to full membership.</p> <p>Korea will participate as an Observer at the next FATF Plenary meeting which will be held in Vancouver, Canada in October. The process for an Observer to obtain full Member status takes approximately 2 years to complete, and is predicated upon undergoing a successful mutual evaluation.</p> <p>In his invitation to Korea, the FATF President, Frank Swedlove said, "I am very pleased that the FATF membership unanimously agreed to invite Korea as an Observer to the upcoming FATF Plenary meeting. This is a very positive first step to Korea becoming a full FATF member. That membership would give the FATF a greater regional balance and strengthen the global fight against money laundering and terrorist financing."</p>  | <p>The Korea Financial Intelligence Unit (KoFIU) announced a bill for enactment of the "Suppression of Terrorist Financing Act(STFA)" on June 9, 2006. The bill includes preventive and punitive measures for the effective prevention of terrorist financing. The preventive measures include designation of individuals/entities involved in terrorism and the Minister of Finance and Economy's right to freeze terrorist funds or assets. Punitive measures include criminalisation of terrorist financing and the National Customs Service's right to conduct investigation to prevent cross-border transportation of terrorist funds.</p> <p>KoFIU also announced an amendment bill for the existing AML law, the <i>Financial Transactions Reporting Act (FTRA)</i> on the same day to establish legal basis for enactment of the STFA and to improve the existing AML systems. The draft amendment designates terrorist financing as one of the activities subject to FTRA, thereby preparing the legal basis for KoFIU's provision of terrorism-suspected transaction information to law enforcement agencies.</p> <p>The two bills will be submitted to the National Assembly for approval later this year. If approved, the two acts will come into effect next year.</p> <p><i>Jae-Han Ryu, Commissioner Korea Financial Intelligence Unit</i></p> |
| <p style="text-align: center;">VISIT TO APG SECRETARIAT OFFICES BY AUSTRAC AND INDONESIA</p> | <p style="text-align: center;">PRIORITY OBSERVERS</p> |
| <p>Representatives from Indonesia's FIU attached to AUSTRAC and AUSTRAC paid a courtesy visit to the APG Secretariat offices to discuss the upcoming APG Typologies Workshop and Special Plenary being held in Djakarta in November 2006.</p>  | <p>The APG Annual Meeting in Manila considered the priority observer status for a number of jurisdictions. The APG welcomed the addition of the Maldives, Nauru, Papua New Guinea, the Solomon Islands and Timor as Priority Observers for 2006 through 2008.</p> <p>Lao PDR and Vietnam will remain as priority observers for a further 12 months pending receipt of their applications for full membership.</p> |
| <p style="text-align: center;">9TH ANNUAL MEETING OF THE APG (continued)</p> | |
| <p>"This forum brought together delegates from legal, financial and law enforcement sectors from across the diverse Asia/Pacific region," said APG Co-chair, Mr Nobuyoshi Chihara, Deputy Commissioner for International Affairs, Financial Services Agency and President, Japan Financial Intelligence Office, Financial Services Agency.</p> <p>The APG Co-Chairs said money laundering and the financing of terrorism continued to be major challenges facing the jurisdictions across the region.</p> <p>"These activities rob much needed resources from our economies, and our health and education services. The APG's mandate is far from complete and the importance of working together to defeat money launderers and terrorists must continue," said Commissioner Keelty.</p> | |

Members noted the decision of the FATF at its June 2006 Plenary to admit the APG as an Associate Member of FATF. Other major outcomes of the Asia/Pacific Group meeting included: *(continued over page)*
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- Adoption of a new three year Strategic Plan;
- Consideration and adoption of five comprehensive reports on member jurisdictions which evaluated compliance with international standards;
- Agreement on a program that involves evaluating six more APG member jurisdictions over the next 12 months;
- Commitment to long term work on the links between corruption and money laundering, a significant issue in the Asia/Pacific region and globally. This issue is being pursued by a joint FATF/APG Project Group; and
- International organisations and a number of APG members agreeing to provide technical assistance and training to speed up the process of implementing the global standards for combating money laundering and the financing of terrorism.

The Co-chairs, on behalf of all APG members, expressed sincere gratitude to the Philippines Government and to Bangko Sentral ng Pilipinas and the Anti-Money Laundering Council for hosting this very successful meeting of the APG.



| COMMUNICATIONS NEWS | MALAYSIA'S FIRST MONEY LAUNDERING CONVICTION |
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| <p>APG Website Enhancements</p> <p>Following suggestions made at last year's Annual Meeting, the APG Secretariat is pleased to advise that a number of new features have recently appeared on the APG website www.apgml.org including dedicated pages for the APG's Typologies and Implementation Issues Working Groups and members of the Donors and Provider Group, an enhanced members' area and better organisation of links and documents. This work will be on-going and further enhancements can be expected over the coming months.</p> <hr/> <p>Members' Only Discussion Page</p> <p>This is just a reminder for APG members that the members' only section of the APG website has an interactive discussion page for you to ask questions about or just discuss AML/CFT issues. This page allows all members to see what questions are being asked and what issues are of concern to members, and to be able to assist with answers and discussion points. Currently, one jurisdiction has asked fellow members for their views on where their FIUs are placed and their views on why the decision was made and whether it works well. The APG Secretariat encourages all members to access and utilise this area.</p>  | <p>Malaysia recorded its first money laundering conviction under the Anti-Money Laundering Act 2001 (AMLA) on 19 December 2005 when the offender pleaded guilty to five counts of money laundering charges amounting to RM 83,216. The offender was previously convicted, and sentenced to a total of nine years imprisonment term, for the money laundering predicate offences of robbery and possession of stolen properties.</p> <p>The offender, who was unemployed, has been a snatch thief for a number of years. This is a case of self-money laundering as the offender used the proceeds from his criminal activities to pay for the instalment payments of his housing loan to finance his purchase of a double storey-linked house. He also used the illegal proceeds to pay for the deposits for two luxury cars and the monthly instalments to finance the purchase of his cars.</p> <p>Under the AMLA, any person involved in money laundering activities could be fine up to RM 5 million or sentenced to a maximum imprisonment of five years or both. In this case, the offender was sentenced to three years imprisonment for each of the five money laundering charges. The sentences were to run concurrently after his nine-year jail term for two previous convictions for robbery and possession of stolen properties.</p> <p>Deputy Public Prosecutor (DPP) Muhammad Saifuddin Hashim Musaimi, representing the Attorney-General's Chambers for the case, had asked the court to impose a deterrent sentence that would set a precedent to other courts in Malaysia.</p> <p>"Please send a clear message to those involved in money laundering that they would not be freed easily from the law," DPP Muhammad Saifuddin stated.</p> |

ESSAMLG VISIT

The APG Secretariat was visited by Ms Fikile Zitha (South Africa), Ms Judy Nyamuchanja (Zimbabwe) and Mr Andrew Phiri (Zambia) representing the ESSAMLG Secretariat who were studying the practices and procedures of the APG Secretariat as part of a review of ESSAMLG.

During their visit, the APG Secretariat provided the visitors with an outline of the way the APG Secretariat operates and the Secretariat's general work procedures throughout the year.

While in Australia, the delegation also visited AUSTRAC.



The APG iQ is a quarterly publication of the APG.

Next edition: 30 November
Please submit any articles by 30 October

Editor: Ian Knight

All contributions are welcome!

Please send to: mail@apgml.org
Visit our website at:
www.apgml.org

BRIEF GUIDE TO COMMON ACRONYMS

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| AML/CFT | Anti-Money Laundering/ Combating the Financing of Terrorism |
| APG | Asia/Pacific Group on Money Laundering |
| EAG | The Eurasian Group on Money Laundering |
| ESSAMLG | The Eastern and Southern African Money Laundering Group |
| FATF | Financial Action Task Force |
| FIU | Financial Intelligence Unit |
| FSRB | FATF-style Regional Body |
| IMF | International Monetary Fund |
| MENAFATF | The Middle East and North Africa Financial Action Task Force |
| NCCT | Non-Cooperating Countries and Territories |
| NPO | Non-Profit Organisations |
| OGBS | Off-shore Group of Banking Supervisors |

CALENDAR 2006-07

The APG continues to have a busy work program for 2006 – 2007. Some of the major APG and related events taking place over the next six months are listed below.

Major Events:

- 13 - 16 November 2006: Typologies Workshop and Special Plenary – Jakarta, Indonesia
- 4 - 15 December 2006: Mutual Evaluations of Mongolia and Macau, China
- 29 January - 9 February 2007: mutual evaluations of Malaysia and Chinese Taipei.
- 26 February - 9 March 2007: mutual evaluation of Cambodia
- (TBC): mutual evaluation of Thailand.
- 19 - 23 March 2007, APG Assessor training, Kuala Lumpur, Malaysia (TBC).

Other Events:

- 4 - 8 September 2006, FATF Mutual Evaluator Training, Brisbane, Australia
- 9 - 13 October 2006, FATF Plenary, Vancouver, Canada
- 16 - 20 October 2006, FATF training for assessors, Washington, US.