



The Asia/Pacific Group on Money Laundering Information Quarterly

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WELCOME

Rick McDonell, Head of Secretariat

This has been a very busy period for the APG with the FATF/APG Joint Plenary Session being held in Singapore in June and the APG 2005 Annual Meeting held in Cairns last month. Both events were extremely successful, and received very positive feedback from all involved.

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2005 APG ANNUAL MEETING
 Cairns Convention Centre, Cairns, Australia
 11 – 15 June 2005

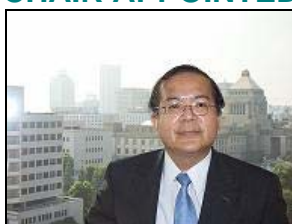


Opening ceremony at the APG Annual Meeting

The Eighth APG Annual Meeting and Fourth Forum on Technical Assistance and Training was held in Cairns, Australia from 11 – 15 July 2005. The APG meeting was attended by over 240 participants representing 29 member jurisdictions, six observer jurisdictions and 10 international and regional organisations including the International Monetary Fund, the Asian Development Bank, UNODC and the World Bank.

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NEW JAPANESE CO-CHAIR APPOINTED



Mr. Nobuyoshi Chihara

Following a decision to upgrade the position of Co-Chair of the APG within the Japanese Financial Intelligence Office (JAFIO), the new Japanese Co-Chair of the APG will be Mr. Nobuyoshi Chihara, Deputy Commissioner for International Affairs, Financial Services Agency and President, Japan Financial Intelligence Office, Financial Services Agency.

Mr. Chihara has had a distinguished career since joining Japan’s Ministry of Finance in 1978, having been a Counselor in the Japanese Embassy in France as well as holding the position of Professor at Osaka University (Graduate School of Law and Politics).

2005 APG Annual Meeting
(continued from previous page)

The opening ceremony included an address by Neil Jensen, Director of Australia's FIU, AUSTRAC, which followed a spectacular Aboriginal welcoming dance from the local Gungandji Tribe who performed the Good Spirit Dance and the Corroboree Dance. A tribal elder from the local Yirrganydji tribe, traditional landowners in the Cairns region, gave a welcoming speech to the Plenary.

Co-Chairs Mick Keelty (Australia) and Naotaka Kawakami (Japan) then formally opened the Annual Meeting. APG Co-chair, Australian Federal Police Commissioner Mick Keelty stated 'I am very proud to be co-chairing the APG, particularly at the moment, since the work that it does is tremendously important and the APG has achieved great things in the relatively short time it has existed'. He made particular mention of the FATF/APG Joint Plenary Session held in Singapore in June which demonstrated the deep and abiding commitment APG members have to anti-money laundering and combating the financing of terrorism (AML/CFT).

APG Co-chair, Mr. Naotaka Kawakami, Director of the Japanese Financial Intelligence Office noted that as part of a very successful year, three APG members were delisted from the FATF NCCT list and that an additional 29th jurisdiction, Tonga, was welcomed as a member of the APG out of session. 'There are of course many challenges ahead and the Annual Meeting provides an opportunity to discuss strategies to meet these challenges' he said. 'The core work of the APG remains mutual evaluations, and the APG is now able to move into the second round over the coming years.' In fact, Co-Chair Kawakami noted that a record seven mutual evaluations would be discussed during the Annual Meeting and that this was a sign of members' willingness to participate in the open and transparent examination of their compliance with international standards by their fellow jurisdictions.

In a keynote address to the Plenary, the Australian Minister for Justice and Customs, the Hon. Senator Chris Ellison emphasised the need for global commitment to the fight against money laundering and the financing of terrorism, and he detailed Australia's response to this fight.

In a statement released at the end of the Annual Meeting, the Co-Chairs said: "(the Annual Meeting) provided a platform to work together to confirm plans and resources for the continued development and implementation of anti-money laundering initiatives to combat the threat of money laundering and terrorist financing in the region."

The APG Co-Chairs said money laundering and the financing of terrorism continued to be major challenges facing the jurisdictions across the region.

"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.

The Co-chairs, on behalf of all APG members, expressed sincere gratitude to the Australian Government and to the Australian Federal Police and AUSTRAC, Australia's Financial Intelligence Unit, for hosting this very successful meeting of the APG.



The Hon. Senator Chris Ellison , Australian Minister for Justice and Customs, delivering the keynote address



Commissioner Mick Keelty, Co-Chair of the APG addressing the Annual Meeting

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**2005 APG Annual Meeting
(Continued from previous page)**

Outcomes of the Asia/Pacific Group meeting included:

- Seven of the 29 member jurisdictions have been evaluated for compliance in the last 12 months and their mutual reports were adopted by the APG membership. These jurisdictions and all other APG members are committed to working towards full compliance. All 29 jurisdictions will be evaluated over the next few years
- The adoption of new procedures for undertaking mutual evaluations for APG members, reflecting international standards set by the FATF
- Commitments by international organisations and a number of APG members 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. This has been augmented by assistance from the Commonwealth Secretariat, under the Commonwealth Fund for Technical Cooperation, and the UK Foreign and Commonwealth Office, through the Global Opportunities Fund
- The announcement that the APG Secretariat and the Association of South East Asian Nations (ASEAN) Secretariat have concluded a Coordination Agreement to enhance the coordination of Anti-Money Laundering and Combating Terrorist Financing (AML/CFT) technical assistance and training

**FATF PLENARY AND
FATF/APG JOINT
PLENARY SESSION
6 – 10 June 2005**

The FATF Plenary was held in Singapore from 6 to 10 June 2005. On 8 June, the FATF held a Joint Plenary Session with the APG, the first time a joint session has been held with an FSRB.

APG members also participated in all FATF Working Group meetings.

The Joint Plenary Session agenda was developed by the APG and FATF Secretariats in consultation with the APG Co-chairs and the FATF President.

During the session, the FATF and APG members agreed to:

- Update and expand the APG Implementation Package on Alternative Remittance Systems Regulation.
- Continue to pursue bilateral cooperation and share practical expertise in relation typologies.
- Further explore cooperative work on the synergies between AML/CFT and anti-corruption efforts and particularly ways in which corruption can undermine AML/CFT implementation.

APG members also provided feedback to the FATF on the review of the NCCT exercise and there was discussion on implementation challenges arising from the revised FATF Recommendations.

“TRAIN THE TRAINERS” WORKSHOP

**Bangkok, May 9 to 13, 2005
By Fernando R. Mangubat, Jr***

Allow me, first of all, to express my heartfelt gratitude to all the organisers of the World Bank-sponsored “Train the Trainers” workshop held in Bangkok on 9 – 13 May 2005.

It was, indeed, an honor to be a participant in such an international gathering, the main objective of which was to enhance the participants’ knowledge on the effective means of combating money laundering and terrorist financing, and upon returning home, determine how our respective anti-money laundering regimes measure with international standards.

I attended the workshop in my capacity as the Compliance Officer of the Philippine National Bank (PNB), and as President of the Association of Bank Compliance Officers of the Philippines (ABCOMP). The PNB is a fairly large universal bank with resources at roughly PhP216 billion and 324 branches in the Philippines. ABCOMP has a composite membership of approximately fifty-seven domestic and foreign universal, commercial and thrift banks in the Philippines. Fifty-seven financial institutions were represented during this workshop.

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* Fernando R. Mangubat, Jr is the Compliance Officer of the Philippine National Bank, as well as President of the Association of Bank Compliance Officers of the Philippines (ABCOMP)



NEWS BRIEFS

11TH UN CONGRESS Bangkok, Thailand 18 – 25 April 2005

- Papua New Guinea passed the *Mutual Assistance in Criminal Matters Act*, the *Proceeds of Crime Act* and the *Extradition Act* in July. The PNG FIU is to be located in the Bank of PNG.
- Vietnam has promulgated the AML Decree on 9 June 2005 which came into effect on 1 August 2005.
- Bangladesh has announced its intention to sign the UN's International Convention for the Suppression of the Financing of Terrorism.
- Sri Lanka has announced that it plans to introduce an anti-money laundering bill that will criminalise any form of money laundering. Accompanying this legislation will be a financial transaction reporting bill requiring banks, law firms and casinos, among other entities, to report suspicious transactions. These bills are expected to be presented to parliament in August.
- South Korea's Ministry of Finance and Economy has announced that it plans to strengthen regulations on financial transactions in order to curb an increase in suspected money laundering. Starting next year, financial institutions will be required to report a financial transaction of 50 million won (US\$49,900) or more by an individual to the Korea Financial Intelligence Unit (KFIU) within a day, the Ministry of Finance and Economy said.

Greatly concerned by the expansion and dimensions of transnational organised crime, terrorism and any existing links between them, and by the increasing sophistication and diversification of the activities of organized criminal groups, on 25 April, the Eleventh United Nations Congress on Crime Prevention and Criminal Justice, unanimously adopted the 'Bangkok Declaration'. The Declaration addresses those matters, as well as issues such as trafficking in human beings, money laundering, corruption, 'cyber-crime', restorative justice and the root causes of crime.

The 11th UN Congress was held in Bangkok, Thailand, from 18th – 25th April and was attended by 2,370 delegates, including representatives from the APG Secretariat and several UN State member and observer jurisdictions of the APG. The Congress addressed, amongst other topics, such issues as: effective measures to combat transnational organised crime; international cooperation against terrorism and links between terrorism and other criminal activities; corruption; economic and financial crimes and making standards work.

The Congress called on all States that have not yet done so to ratify and implement the provisions of the United Nations Convention against Transnational Organized Crime and its three Protocols and the United Nations Convention against Corruption.

The Declaration from the Congress also reaffirms the fundamental importance of implementation of existing instruments and the further development of national measures and international cooperation in criminal matters, in issues including money laundering, extradition, mutual legal assistance and the confiscation, recovery and return of the proceeds of crime.

Regarding corruption, the Congress called on all States that had not yet done so to ratify the United Nations Convention against Corruption. In order to curb corruption, it recognized the need to promote a culture of integrity and accountability in both the public and the private sector. It also emphasized the need to adopt measures to facilitate asset recovery, consistent with the principles of that Convention.

The Congress further called on donor States and financial institutions to continue to make adequate voluntary contributions for the provision of technical assistance for developing countries and countries with economies in transition in order to help them to build capacity to prevent and tackle crime, to apply the United Nations standards and implement the relevant conventions.

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Welcome (continued from page 1)

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This is, I believe, a great reflection on APG members, the Co-Chairs, the Steering Group and the Secretariat and a sign of the growing maturity of the APG.

We must sadly bid farewell to the APG Co-Chair, Mr. Naotaka Kawakami who is moving from his current position as Director of Japanese Financial Intelligence Office (JAFIO) and therefore as Co-Chair of the APG.

Mr. Kawakami will be replaced by Mr. Nobuyoshi Chihara, Deputy Commissioner for International Affairs, Financial Services Agency and President, Japan Financial Intelligence Office, Financial Services Agency.

I would like to thank Mr. Kawakami for his invaluable enthusiasm and dedication during his tenure, and look forward to working with Mr. Chihara in the future

We have a challenging year before us with the beginning of the second round of Mutual Evaluations and much work to be done by our Working Groups. I very much look forward to working with you all during this year to meet these challenges.

Finally; I would like to encourage all our readers to contribute either to the APG iQ or to our new discussion page on our website.



Rick McDonnell, Head APG Secretariat



“Train the Trainers” Workshop (continued from page 3)

During the workshop I was able to announce that the Philippines had adopted local anti-money laundering legislation known as *Republic Act 9160*, as amended by *Republic Act 9194*, entitled *The Anti-Money Laundering Act of 2001* (AMLA), to comply with the requirements of the FATF and other international standard setters. In addition, the Philippines was removed from the FATF NCCT list. I was also able to report that the Philippines is effectively implementing the AMLA as the financial institutions are complying with the mandates of the anti-money laundering law insofar as it requires each of them to have a written program containing the policies and procedures to combat money-laundering.

What have we done so far since the Workshop

I reported through our AML/CFT e-mail group that the materials distributed to the participants were to be likewise disseminated to all the members of the ABCOMP. The purpose of doing this was to create an awareness of the new concepts, principles, and applicable updates to internationally accepted modes of combating money laundering and terrorist financing.

It has been emphasised that specific reference should be made to the implementation of the FATF 40 Recommendations and 9 Special Recommendations, as well as other international conventions. Such awareness among the ABCOMP members will lead to a realization that there are shortcomings or deficiencies that have to be addressed to become more effective in combating ML and TF in our country.

It is a reality that we Filipinos cannot rest on our laurels, having been de-listed from the FATF NCCT list. There are still a lot of work to be done to sustain the initiatives of both the AMLC and the financial institutions to effectively implement our AMLA and raise it to acceptable international standards. The Information and training provided at the Workshop will be very valuable in supporting the work that needs to be done.



Participants at the Workshop in Bangkok

11th UN Congress (continued from page 4)

<p>There were a series of key messages coming out of the 11th Congress that were identified by the Secretary-General of the Congress, Antonio Maria Costa, Executive Director of the United Nations Office on Drugs and Crime. Some of these messages are of particular relevance to the work of the APG in the region:</p> <ul style="list-style-type: none"> • States want to work together to stop crime, to end corruption, to eliminate terrorism: • They want speedy, universal ratification of the Convention against Terrorism. • They want to closely consider if and how the Conventions against Crime, and Corruption, help them reach their goals in these areas. • States need and appreciate technical assistance. They understand UNODC needs additional resources to provide such assistance. 	<ul style="list-style-type: none"> • They acknowledge the call for a shared definition of 'terrorism,' and understand how important such a definition is to future efforts to eradicate this threat. • And governments understand the connection between effective criminal justice systems, the rule of law, and global security. • The Congress deliberated on whether there should be a call for new Conventions on Cyber crime and money-laundering, however there was hesitancy with some countries to embark on new Conventions at this time. • The answer to this question does not belong to UNODC, but to UN Member States. The UNODC does not decide their recommendations indeed, the office is prohibited from even making drafting suggestions. 	<ul style="list-style-type: none"> • States recognized the need to ratify a Comprehensive Terrorism Convention – only a third has done so as yet. • More also needs to be done in the area of terrorism prevention . . . education, economic development and dialogue between different religious and ethnic groups. • The Convention against Corruption now has 25 ratifications, only five away from 30 required for entry into force. • Countries are encouraged to complete domestic procedures so they can ratify the Convention against Corruption in New York during the UN's 60th Anniversary Celebration. <p>Full reports and documents from the Eleventh United Nations Congress can be accessed at www.un.org/events/11thcongress</p>
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APG YEARLY TYPOLOGIES REPORT PUBLISHED

UNITED NATIONS SECURITY COUNCIL RESOLUTION 1617

NEPAL ANTI- CORRUPTION OFFICIALS VISIT APG SECRETARIAT

On July 17 the APG issued its Yearly Typologies Report 2004-05, which is now available on the APG website. The Yearly Typologies Report is intended for APG jurisdictions and other AML/CFT stakeholders, including financial institutions, to provide them with examples of the latest money laundering and terrorist financing typologies in the Asia/Pacific region. The 2004-05 Typologies report provides a summary of regional methods and trends and includes a listing of case studies reported by APG jurisdictions during the year. The report is available for download at:

http://www.apgml.org/documents/documents_typologies.aspx

FATF TYPOLOGIES REPORT AVAILABLE

On June 10th, The FATF issued its 2005 Typologies Report, which provides detailed updates of money laundering and terrorist financing typologies in a number of priority areas. The FATF 2005 Typologies Report represents work undertaken by a number of global project groups which included both the FATF and non-FATF countries and organisations. Topics covered in the FATF 2005 Typologies report include alternative remittance systems; money laundering vulnerabilities in the insurance sector; proceeds from trafficking in human beings and illegal migration; and money laundering and terrorist financing trends and indicators.

The report is available for download at:

<http://www.fatf-gafi.org/dataoecd/16/8/35003256.pdf>

The United Nations Security Council has issued a further Resolution pursuant to Security Council Resolution 1267, which stresses the need to implement the international AML/CFT standards as a key measure to fight terrorism.

On Friday, 29 July, the UN Security Council issued Resolution 1617 which extended for a further 17 months sanctions against Al-Qaida, Usama bin Laden, the Taliban and their associates. Resolution 1617 (2005), calls on all States to take the measures previously imposed by resolutions 1267 (1999), 1333 (2000) and 1390 (2002) regarding a freeze of assets, a ban on travel and a weapons embargo aimed at those groups and individuals. The Security Council "strongly urges all (UN) Member States to implement the comprehensive, international standards embodied in the Financial Action Task Force's (FATF) Forty Recommendations on Money Laundering and the FATF Nine Special Recommendations on Terrorist Financing;" (see paragraph 7 of the resolution).

The Resolution includes an unambiguous endorsement of the FATF 40+9 Recommendations at the UN level and represents a major advance for the efforts of all members of the FATF and FATF-Style Regional Bodies, including the APG, to implement the global AML/CFT standards. This will open new avenues for the promotion of the FATF standards worldwide and will contribute to their effective implementation in all countries.

Further details can be found on the UN 1267 Committee website, including the text of Resolution 1617 and the consolidated list of individuals and entities:

<http://www.un.org/Docs/sc/committees/1267Template.htm>



A delegation of ten anti-corruption officials from Nepal visited the APG Secretariat on 27 July 2005 and spoke to David Shannon and Arun Kendall from the APG Secretariat on matters relating to the links between corruption and money laundering.

The officials, drawn mostly from Nepal's Attorney-General's Department and the Commission for the Investigation of Abuse of Authority, where sponsored by USAid and also visited a number of agencies in Australia, including AUSTRAC.

The APG iQ is a quarterly publication of the APG. The deadline for the next publication will be 30 October 2005 and every three months after that.

Editor: Arun Kendall

All contributions are welcome!

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

PHOTO GALLERY
Scenes from the APG 2005
Annual Meeting



Opening Ceremony



Opening Ceremony



Professor Kader Asmal, President of the FATF, addressing the Annual Meeting



Preparing for the APG Annual Meeting group photograph



**BRIEF GUIDE TO
COMMON ACRONYMS**

ADB	Asian Development Bank
AML/CFT	Anti-Money Laundering/ Combating the Financing of Terrorism
APG	Asia/Pacific Group on Money Laundering
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FSRB	FATF-style Regional Body
IMF	International Monetary Fund
NCCT	Non-Cooperating Countries and Territories
NPO	Non-Profit Organisations



CALENDAR 2005-06

The APG continues to have a busy work program for 2005 – 2006. Some of the major APG and related events taking place over the next six months are listed below.

Mutual Evaluations:

- 7 – 18 November 2005 and 9 – 20 January 2006: Joint FATF/APG Mutual Evaluation of the United States.
- TBC: Mutual Evaluation of Sri Lanka.
- February 2006 (TBC): Mutual Evaluation of Samoa
- March 2006: Mutual Evaluation of Vanuatu

Major Events:

- 25 – 26 October: APG Typologies Workshop, Nadi, Fiji
- Dec (TBA): APG Training for mutual evaluators, Singapore

Other Events:

- 8 – 10 August 2005: AML/CFT Workshop, Port Vila, Vanuatu
- 22 - 26 August 2005: ESAAMLG Annual General Meeting.
- 4-11 September, 23rd Cambridge International Symposium on Economic Crime.
- 5 – 7 October: Egmont Group of FIUs Working Groups Meetings, Sofia, Bulgaria.
- 10-14 October: FATF Plenary Meeting, Paris.
- TBC October/November 2005: CFATF Plenary Meeting, Montego Bay, Jamaica
- 28 – 30 November: FATF/GAFISUD Joint Meeting of Experts on Typologies, Rio de Janeiro, Brazil.