



**The Asia/Pacific Group on Money Laundering Information Quarterly**

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**2005 APG TYPOLOGIES WORKSHOP**

Tanoa International Hotel, Nadi, Fiji  
 26 – 27 October 2005



*Traditional Fijian Welcoming Ceremony at the opening of the Typologies Workshop*

The 8th APG Typologies Workshop of the Asia/Pacific Group on Money Laundering was held from 25 to 26 October 2005 in Nadi, Fiji.

**WELCOME**  
**Rick McDonell, Head of Secretariat**

This edition of APG iQ covers a range of important activities undertaken over the past few months and planned for the coming months. These activities indicate the on-going importance of AML/CFT in our region.

A very successful APG Typologies Workshop was held in Fiji in October (see report in this edition) and I would like to thank the Fiji authorities for their warm hospitality to all participants.

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This was the first time the Typologies Workshop was held in the Pacific island region. Presentations from experts on issues relating to regional money laundering trends, trade-related money laundering, e-payment systems, wire transfer systems and the links between money laundering and corruption were on the agenda when more than 100 senior officials from across the region came together at the meeting.

The meeting was officially opened by Hon. Josefa Bole Vosanibola, Minister for Home Affairs and Immigration, who particularly welcomed the dedicated session given to Pacific region case studies, which he stated 'will share valuable lessons learnt from real and actual cases conducted in the region by our local law enforcement officers.' He further noted that Typologies Workshops allow law enforcement officers to 'learn how criminals operate and how they can be successfully investigated, prosecuted and convicted. The most valuable lesson this can teach us is that our efforts are not wasted, however insurmountable the problem may seem and however sophisticated and devious criminals become'. During the official opening, a traditional Fijian welcome ceremony took place involving the offering of food and shelter to guests and offering traditional Kava to the special guests.

*(Continued on page 2)*

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## FATF XVII PLENARY Paris, 12 -14 October 2005

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Rick McDonnell, Eliot Kennedy, and Bronwyn Somerville from the APG Secretariat and representatives from both Co-Chairs attended the XVII Plenary Meeting of the FATF held in Paris from 12 – 14 October. Over 400 delegates from 32 jurisdictions and 16 international organisations attended the FATF Plenary meeting. Professor Kader Asmal, of the Republic of South Africa assumed the Presidency of the Financial Action Task Force (FATF). He noted that his country is one of the newest members of the organisation, having joined the FATF in June 2003. "I am proud to lead this organisation. This demonstrates the strong commitment of African countries to take a role in combating the scourges of international crime."

At this meeting, the FATF also launched an ambitious project, in partnership with the Asia/Pacific Group on Money Laundering, to explore the symbiotic relationship between corruption, money laundering and terrorist financing and how the FATF's AML/CFT experience can best be used to combat these combined threats (see further details on page 3).

The FATF also welcomed the United Nations Security Council Resolution 1617 (2005), which "strongly urges all Member States to implement the comprehensive, international standards" embodied in the FATF Forty Recommendations on money laundering and the Nine Special Recommendations on terrorist financing. The formal endorsement of the FATF standards by the UN Security Council is a major step toward effective implementation of the Recommendations throughout the world.

At its meeting, the FATF also reviewed the anti-money laundering and counter-terrorist financing systems of three countries: Australia, Italy and Switzerland. Preliminary outcomes of the third round of mutual evaluations show that while FATF members are making very serious efforts to implement the new standards, effective implementation will take further effort. Therefore, the FATF will continue to closely monitor the progress of all its members. "We must continue to strengthen partnerships around the world if we are to win this war against money laundering and terrorist financing" Prof. Asmal said. To achieve that goal, the FATF decided to further enhance its partnerships with regional bodies to improve the effectiveness of the global network against money laundering and terrorist financing. In this spirit, the FATF will invite the members of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) to participate in a joint session with the FATF at its next Plenary meeting to be held in February 2006 in Cape Town. South Africa is a member of both organisations. FATF members will also join with members of GAFISUD, the South American regional body, in November to study emerging threats in the areas of new payment technologies, the use of corporate vehicles and trade-based money laundering at the joint FATF/GAFISUD Typologies Workshop.

The FATF removed Nauru from its list of non-cooperative countries and territories (NCCTs) after Nauru abolished its 400 shell banks, thus removing the major money laundering risk. Though Myanmar and Nigeria remain on the list of NCCTs, the FATF recognised that they have adopted many necessary legal reforms and encouraged further implementation. In the meantime, the FATF continues to call on financial institutions to scrutinise transactions with persons, businesses, or banks in these countries, as per Recommendation 21.

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### 2005 APG Typologies Workshop (continued from page 1)

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The two-day working meeting was co-chaired by Mr Sakiusa Rabuka, Chief Executive Officer, Justice, Ministry for Justice, and Mr Rick McDonnell, Head of the APG Secretariat, and provided a platform for regulators, law enforcement officers and customs officers to discuss the typologies of money laundering and the financing of terrorism. The information presented at the Typologies Workshop detailed possible indicators based on recent cases that authorities should be aware of in relation to money laundering and financing of terrorism practices.



## JOINT FATF/APG ML/CORRUPTION ISSUES PROJECT

## AML/CFT NATIONAL WORKSHOP Vanuatu, 8 – 10 August 2005 By Mackenzie Tari Obed\*

The FATF Plenary, held in October 2005, adopted a joint FATF/APG Secretariat Note proposing a joint project between the FATF and the APG on the links between AML and corruption. There was much support for the Project amongst FATF members and from the FATF President. Several FATF members, including joint FATF/APG members Australia and Hong Kong, China, indicated their interest in participating in the Joint Project Group during the Plenary, as did a number of other bodies working in this field.

It had previously been agreed by members at the FATF/APG Joint Plenary Session, held in Singapore on 8 June 2005, to undertake a joint project between the FATF and the APG investigating the link between money laundering and corruption. FATF and APG members agreed to further explore co-operative work on the synergies between AML/CFT and anti-corruption efforts and particularly ways in which corruption can undermine AML/CFT implementation. Korea, India, Indonesia, Pakistan and Thailand all expressed an interest in participating in the Project Group that would oversee this project. The FATF June Plenary subsequently took a decision that a joint effort on corruption should be further explored and that a paper outlining the project would be considered by the October Plenary of the FATF.

The APG and FATF Secretariats' Note for consideration by members, proposed the following:

- a) Adoption of a process and initial steps contained in the Note to follow up on the decision made by the joint APG-FATF Plenary in Singapore;
- b) Formation a joint FATF/APG Project Group to carry out a preliminary study and propose options to the FATF Plenary at the Cape Town meeting in February 2005 (and by the APG out of session);
- c) Preliminary exchange of views on the overall objectives and the possible areas for future joint work on these issues.

The Project Group plans to meet in Singapore on 6 December to consider the draft paper being prepared for the FATF Plenary in February.

The Vanuatu Financial Intelligence Unit organised a national workshop on Anti-Money Laundering and Combating of the Financing of Terrorist activities from 8 - 10 August 2005. The workshop was conducted at the conference room of the Reserve Bank of Vanuatu. The aim of the workshop was to discuss, and to gain some broader understanding on, the importance of compliance with Vanuatu's Anti-Money Laundering and Terrorist Financing legislation, including Vanuatu's obligations to comply with international AML/CFT requirements. The workshop provided an opportunity for the participants to understand the importance of the international recommendations contained in the Financial Action Task Force's (FATF) 40 plus 9 Special Recommendations relative to the global fight against money laundering and terrorist financing.

The workshop was very successful and fruitful given that it became clear during the course of the workshop that many officials from both the private sector (not including the three major commercial banks) and from the government departments needed more training on the operations of Vanuatu's financial systems, including the Financial Intelligence Unit. Participants in this workshop included senior government officials, Managers, Risk Management Managers, Managing Directors, cashiers, and Compliance Officers working in financial institutions. We also made this opportunity open to the parliamentarians to participate as special guests in the discussions, especially with regards to AML/ CFT issues, OECD current tax policies, international requirements under the FATF's 40 plus 9 Special Recommendations and other important issues which concern Vanuatu's finance system.

The program also reflected the Unit's work plan, especially with its awareness raising and cooperation programs, contained in the Unit's Five Year Corporate Plan that was submitted to the government in August of 2004.

As this high level workshop was also the first workshop ever organised by the Vanuatu Government relating to Money Laundering and Terrorist Financing, we invited AML/ CFT experts from the region to be the main guest speakers during the workshop. The official guests were:

1. Mr. Rick McDonell, Head of APG Secretariat.
2. Mr. Paul RYAN, Senior Official from AUSTRAC.
3. Mr. Razim BUKSH, Fiji FIU.

I would like to take this opportunity, on behalf of the Government of Vanuatu, to express our very sincere appreciation for the powerful presentations, which were provided for our audience by the three experts. The audience, including the government and myself, were very impressed with their participation in the workshop. I also wish to convey my government's special gratitude to the APG Secretariat, AUSTRAC, and the Forum Secretariat for their financial support without which the three experts would not have been with us to make the workshop very fruitful to everyone.



\* Mackenzie Tari Obed is the Financial Intelligence Analyst of the Financial Intelligence Unit of the State Law Department

## NEWS BRIEFS

- The United States Government has given US\$1.5-million to the Pacific Islands Forum Secretariat's (PIF) Pacific Island Anti-Money Laundering Programme (PALP). The PALP will place expert mentors in the region to help Pacific island States develop international-standard legislation to combat money laundering and terrorist financing.
- An 18-year-old pupil at an English girls' boarding school was found with £300,000 (\$700,000) in her bank account - suspected of being at the centre of a Russian Mafia money-laundering operation. The school girl aroused suspicions at her local bank branch when she tried to transfer £200,000 to an account in China. The bank alerted police, who blocked the transfer. Police suspect the money was the proceeds of Russian Mafia crime in Britain or was for use in criminal activities abroad. The Crown Prosecution Service ruled there was insufficient evidence to prosecute and the girl and her mother were released without charge. However, the £303,730.21 in her account was frozen by the Government's Assets Recovery Agency, which will now attempt to confiscate the money through the High Court.

## APG ASSESSMENT TRAINING WORKSHOP Singapore, 5 – 9 December 2005

The APG will be conducting an Assessment Training Workshop in Singapore from 5 – 9 December, in conjunction with the IMF, World Bank and the FATF and hosted by the IMF's Singapore Training Institute and supported by the Monetary Authority of Singapore. It has been decided to conduct two training workshops, with representatives from half of APG member jurisdictions being trained in December and the other half being trained next year. 35 trainees will take part in the December 2005 Workshop.

Participants will benefit from a range of modules covering the essential elements of assessing compliance under the 2004 Methodology coupled with a case study based on a real mutual evaluation which recently took place. Eliot Kennedy from the APG Secretariat noted that there will be a useful mix of theoretical and practical work undertaken during the training workshop which will equip participants with the necessary skills to take part in a mutual evaluation both as an expert evaluator and as a representative from an evaluated jurisdiction.

## APG WEBSITE ENHANCEMENTS

Look out for some important and useful changes coming up in the APG Website. Following suggestions made at this year's Annual Meeting, a number of new features will appear on the website early in the New Year, including dedicated pages for Typologies and Implementation Issues Working Groups and members of the Donors and Provider Groups, an enhanced member's area and better organisation of links and documents.

## MEMBERS' ONLY DISCUSSION PAGE

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 allows everyone 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.

## Welcome (continued from page 1)



*Rick McDonnell, Head APG Secretariat*



The APG will be conducting a Workshop for Assessors in Singapore in December for representatives from half of the APG members (training for the other half will take place next year). This will be presented in conjunction with the FATF, the IMF and the World Bank, with the valuable assistance and support of the Government of Singapore. I look forward to seeing some of you at what promises to be a very informative training session.

At the FATF Plenary in Paris in October, I was very pleased to see the agreement by FATF members to further develop the joint FATF/APG Corruption Project through the formation of a Project Group. The APG is well represented in this Group with Korea, Indonesia, India, Pakistan and Thailand as members

as well as joint FATF/APG members Australia and Hong Kong, China. This will be a very important project, and I look forward to the development of the concrete proposals which will be put forward to FATF and APG members in February (see report in this edition for further details).

The APG has a busy schedule of mutual evaluations planned for early 2006 with Samoa, Fiji, Vanuatu and Sri Lanka all to be evaluated in the first three months of the new year, as well as the second phase of the joint FATF/APG USA mutual evaluation taking place in January (see Calendar of Events for further details).

In the meantime, this being the final APG iQ for the year, on behalf of the APG Secretariat I would like to wish everyone a Happy New Year.

**PHOTO GALLERY**  
**Scenes from the APG 2005**  
**Typologies Workshop**



*Paul DerGarabedian (US), Steve Dawe (IMF) and Cheong-Ann Png (IMF) adopt the local dress code in Fiji*



*Dancers performing at the Official Dinner*



*Rick McDonnell receiving the official welcome Kava*



*The Fijian hosts perform a farewell song to the participants attending the Workshop*

**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
OGBS	Off-shore Group of Banking Supervisors

The APG iQ is a quarterly publication of the APG. The deadline for the next publication will be 30 January 2006 and every three months after that.

**Editor: Arun Kendall**

**All contributions are welcome!**

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[www.apgml.org](http://www.apgml.org)



**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:**

- 9 – 20 January 2006: Joint FATF/APG Mutual Evaluation of the United States (second visit).
- 6 – 17 February 2006: Joint APG/OGBS Mutual Evaluation of Samoa.
- 20 February – 3 March 2006: World Bank Assessment of Fiji.
- 27 February – 10 March 2006: Joint APG/OGBS Mutual Evaluation of Vanuatu.
- 27 February – 10 March 2006: APG Mutual Evaluation of Sri Lanka.

**Major Events:**

- 5 – 9 December 2005: APG Training Workshop for mutual evaluators, Singapore.
- 6 December 2005: Meeting of the joint FATF/APG AML/Corruption Issues Project Group, Singapore (TBC).
- 3 – 7 July 2006: APG Annual Meeting, Manila, the Philippines.

**Other Events:**

- 13 – 17 February 2006: FATF Plenary and Working Group Meetings, Cape Town.
- 13 – 17 March 2006: 8<sup>th</sup> OCO Annual Conference, Fiji.



# Season's Greetings and Happy New Year!

## FROM THE APG SECRETARIAT.

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Head of Secretariat

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Consultant

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**Marnie Campbell**  
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**Helen Newell**  
Administrator

**Jennifer Ford**  
Administrator

*\* Please note the APG Secretariat will be closed from  
Saturday, 24 December 2005 until Monday, 02 January 2006, re-opening on Tuesday, 03 January 2006 \**