

APG Transitional Follow-up Procedures



**Asia/Pacific Group
on Money Laundering**

2015

Asia/Pacific Group on Money Laundering
July 2015

Transitional Follow-up Procedures 2015

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Asia/Pacific Group
on Money Laundering

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Asia/Pacific Group
on Money Laundering

TRANSITIONAL FOLLOW-UP PROCEDURES 2015

1. Introduction

1.1 The *APG Transitional Follow-Up Procedures 2015*, the ‘transitional procedures’, are provided in order for the Asia/Pacific Group on Money Laundering (APG) to continue to monitor the progress of members following the formal conclusion of the APG 2nd round follow-up procedures in July 2015. The transitional procedures detail arrangements for mutual evaluation follow-up of APG members during the transition from the end of 2nd round mutual evaluation (ME) follow-up to the commencement of evaluations under the APG’s 3rd round.

1.2 These procedures are consistent with the principles contained in the FATF *Common Principles for FSRBs’ Follow-up during the Transition to the Next Assessment Round*, at **Annex A**.

2. Scope of Coverage

2.1 The transitional procedures¹ will be in place from after the APG annual meeting in July 2015, until all APG members with 2nd round mutual evaluation reports have either exited from the transitional process or transitioned to the 3rd round mutual evaluation process.

2.2 The transitional procedures will not apply to:

- a. Joint APG/FATF members, to avoid any duplication with the FATF’s own transitional processes from the end of 3rd round follow-up to the commencement of evaluations under the FATF’s 4th round of evaluation. However, any FATF 3rd round follow-up report, including exit report, on a joint member will be circulated to members and observers for consideration, on an exception basis, at the APG annual meeting, noting that there is only one joint member still subject to FATF follow-up.
- b. Members that have commenced or are about to commence their evaluations, that is, 17 months before the adoption of their MER under the APG’s 3rd round, except if (i) there is a lack of progress, in which case it would be 12 months, with remaining deficiencies to be included in the scoping note for 3rd round evaluation; or (ii) where serious deficiencies have been assessed under the 3rd round evaluation to have persisted, in which case these transitional procedures will continue to apply until such time as 3rd round procedures apply.

2.3 Nothing in these transitional procedures precludes taking membership action, as may be decided by APG members at any time, in relation to any member, in accordance with the APG Terms of Reference.

2.4 The following table outlines the progression of APG members from each category of reporting in the 2nd round follow-up procedures as completed at the end of 2014-15, to the new transitional categories.

¹ Using the 2004 *Methodology for assessing compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations*, as updated in 2009.

YEAR	CATEGORY OF FOLLOW-UP: CONCLUSION OF 2ND ROUND ME FOLLOW-UP AT THE END OF <u>2014-15</u>					
2014-15	Regular or biennial follow-up*	Enhanced follow-up and under ICRG**	Enhanced follow-up but not under ICRG*** or under ICRG but subject to membership action			Have commenced 3rd round evaluation but major deficiencies from 2nd round persist
	↓	↓	↓			↓
YEAR	CATEGORY OF FOLLOW-UP: COMMENCEMENT OF TRANSITIONAL FOLLOW-UP BEGINNING <u>2015 – 16</u>					
2015-16	Annual summary progress report	Annual summary progress report	Annual detailed progress report	REQUEST TO EXIT: Annual detailed progress report	Insufficient progress under transitional procedures	1. Follow-up membership action to continue from previous round, such as, a public statement 2. Other measures such as reporting under 3rd round procedures to avoid potential duplication
	If continued progress	If progress	If progress	If only one NC/PC remaining of 10 key, & nil of 5 core Recs		
	↓	↓	↓	↓	↓	↓
2016-17	Annual summary progress report (unless start of 3rd round evaluation)	Annual summary progress report (unless start of 3rd round evaluation)	Annual summary progress report or detailed progress report (unless start of 3rd round evaluation)	No reporting	Annual detailed progress report, membership action and possibly expedited progress report	1. Decision on membership action subject to progress made 2. Reporting under 3rd round procedures
	If continued progress	If continued progress	If continued progress	As above	If continued lack of progress	
	↓	↓	↓		↓	↓
2017-18 to 2019-20	Annual <u>detailed</u> progress report (unless start	Annual <u>detailed</u> progress report (unless start	Annual <u>detailed</u> progress report (unless start of	As above	As above (reporting and/or membership action may continue even	1. Decision on membership action subject to progress made 2. Reporting

	of 3rd round evaluation)	of 3rd round evaluation)	3rd round evaluation)		after start of 3rd round – see last column)	under 3rd round procedures
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* Afghanistan, Brunei Darussalam, Chinese Taipei, Cook Islands, Indonesia, Nauru, Nepal, Niue, Pakistan, Palau, Philippines, Republic of the Marshall Islands, Solomon Islands, Timor-Leste, Tonga, Vietnam

** Lao PDR, Myanmar

*** Maldives, Papua New Guinea

3. Criteria for Satisfactory Progress and Exit

3.1 The determination of satisfactory progress and exit from the transitional follow-up process is based on the threshold set in the FATF *Common Principles*, that is, a member will need to have no remaining NC/PC ratings for the six core (2003) Recommendations², and at most only one NC/PC rating for the 10 key Recommendations³.

3.2 If a member wants to be considered for exit, it should advise the secretariat no later than 31 January of the year in which the plenary would consider any recommendation for exit. Subsequently, the member will submit an annual detailed progress report and supporting information (laws, regulations and enforceable means, information and statistics) by 1 March using the template in Annex C. Any request for exit from the transitional process will undergo preliminary review by the secretariat in consultation with the member to decide if sufficient progress is evident to warrant a detailed review that same year.

3.3 There will be no formal re-rating of compliance with the FATF core and key Recommendations. However, the practice of *informally* re-rating, as was the practice in the APG's 2nd round ME follow-up procedures, that is, finding that 'sufficient progress equivalent to largely compliant or compliant' has been made, will continue under the transitional procedures but only upon request to exit the transitional process (see section 4 below). This will be based on analysis conducted by a review team comprised of the secretariat and one member of a detailed progress report (further detail provided below in section 5).

4. 'Re-Rating'

4.1 Under the transitional procedures, informal re-rating, or finding that 'sufficient progress equivalent to largely compliant or compliant' has been made, will only occur upon request by the member to exit transitional follow-up reporting. The process for a member to request to exit transitional follow-up is explained in 3.2 above.

4.2 Any successful re-ratings to largely compliant or compliant will be recorded in the analysis report as a matter of process and, should the exit not occur, the member will no longer be required to report on those 're-rated' Recommendations in subsequent reports.

4.3 Findings of 'sufficient progress equivalent to largely compliant or compliant' made during the previous 2nd round follow-up procedures will carry over to the transitional process. Members will not need to report on Recommendations found LC or C for either of the categories of annual summary progress reporting or annual detailed progress reporting. The exception is if the member has, *prima facie*, reduced its level of compliance deliberately or inadvertently through amendments to its AML/CFT laws, enforceable means, procedures, or other measures.

5. Transitional Reporting Categories

5.1 There are three types of reporting: annual summary progress reporting, annual detailed progress reporting and expedited reporting.

² The core Recommendations are R.1, SR.II, R.5, R.10, R.13 and SR.IV.

³ The key Recommendations are R.3, R.4, R.26, R.23, R.35, R.36, R.40, SRI, SR.III, and SR.V.

- 5.2 The type of transitional reporting assigned to members is dependent on:
- a. the member's category of follow-up at the conclusion of the 2nd round follow-up process;
 - b. any ongoing membership action they may be subject to; and
 - c. progress made or not made during the transitional period.

5.3 Each type of report will be subject to a particular timing for submission, analysis, recommendations and inclusion in an analysis report. Members may also volunteer at any time to provide additional report/s, and/or report earlier than required, within any of the three categories.

a. Annual summary progress reporting

Category of members

5.4 Annual summary progress reporting will be completed by members that fall into one of the following categories in Years 1-2 (2015-16 and 2016-17) of the transition period:

- a. Members that were on regular or biennial follow-up at end of 2nd round ME follow-up; and
- b. Members that were on enhanced follow-up at end of 2nd round ME follow-up but are simultaneously undergoing review by the ICRG.⁴

Form of summary progress report

5.5 Members will provide supplementary updates to their yearly status report, reporting only on those core and/or key Recommendations remaining at NC/PC level.

5.6 The annual summary progress report template is available at **Annex B**.

Timing

5.7 Members will provide their yearly status report, with annual summary progress supplements, by 1 April each year for analysis.

Analysis

5.8 The APG secretariat will conduct a review of annual summary progress reports. The focus will be on continued progress as demonstrated by progress in drafting or bringing into force and effect, laws, regulations and other enforceable means, or other measures, and implementation of AML/CFT measures. The analysis will note where progress has been made, including if this is sufficient for consideration to exit the transitional process, and will serve to identify any members requiring referral for further action, such as for continued lack of progress since the end of 2nd round ME follow-up. If needed, the Secretariat will approach the member and seek additional information to assist in the analysis.

5.9 Analysis will be a qualitative analysis, without considering whether compliance is at a level essentially equivalent to LC or C.

Form of analysis report

5.10 A single consolidated analysis report by the secretariat with an analysis of all relevant members' progress included.⁵

⁴ The FATF International Compliance Review Group entailing members under review to report every three months to the FATF on critical FATF Recommendations, giving rise to a subsequent report by the ICRG on the member's progress against those Recommendations.

⁵ The secretariat will provide the plenary, via the MEWG and steering group as appropriate, a single consolidated document containing all analyses for annual summary progress reports and annual detailed progress reports, barring those that are recommended for either membership action or to exit the transitional process, as they will have individual analysis reports for consideration. The consolidated report will also not include analysis of expedited reports.

Recommendations

5.11 Recommendations for each member will be based on the level of progress found during analysis of the annual summary progress report:

Progress made:

- Ongoing reporting and monitoring
- Annual summary progress report if Year 2 (2017) or annual detailed progress report if Year 3 (2018) onwards, or
- If exit is requested by the member after submission of report, then detailed report by 1 March the following year

Insufficient progress made:

- Letter from APG Co-Chairs
- Detailed reporting by 1 March the following year, or
- Detailed reporting by 1 March and expedited reporting (see section below) depending on the seriousness of the situation,
- Other membership action under Section 5.4 of the APG's Terms of Reference (only for serious cases)

Halt follow-up due to commencement of APG 3rd round mutual evaluation:

- If there has been continuing progress, the follow-up under these procedures will halt 17 months before the adoption of 3rd round MER, and the member will transition to 3rd round procedures, meaning the member will not be required to submit a transitional follow-up report for the annual meeting held one year before its MER is adopted, or
- If there is a continued lack of progress, the transitional process will end only 12 months before the adoption of MER in 3rd round, with outstanding issues to be reflected in the mutual evaluation scoping note for that member to ensure increased scrutiny of areas where serious deficiencies remain from the previous round. This means that the member will submit a final transitional follow-up report for the annual meeting held one year before its MER is adopted.
- The above will not apply if the member is subject to expedited reporting or serious membership action.

b. Annual detailed progress reporting

Category of members

5.12 For Years 1 and 2 of the transitional period, annual detailed progress reporting is for those members that fall into one or more of the following categories:

- a. On enhanced follow-up at end of 2nd round ME follow-up, excluding those undergoing review by the ICRG
- b. Are under membership action
- c. Have requested exit from all transitional follow-up reporting

5.13 For Year 3 (2017-18) onwards, as applicable, annual detailed progress reporting is for all members.

Form of detailed progress report

5.14 Members will provide detailed updates to their yearly status report, focused on those core and/or key Recommendations remaining at NC/PC level with all necessary supporting information

such as laws, regulations, and statistics regarding implementation. Any successful re-ratings to LC achieved previously will not need to be reported on again.

5.15 The annual detailed progress report template is available at Annex C.

Timing

5.16 Members will provide their provide their yearly status report, with annual detailed progress report supplements, and any and all additional materials by 1 March, or earlier as decided by the plenary, each year for analysis.

Analysis

5.17 Reports from members on enhanced follow-up at end of 2nd round ME follow-up, excluding those undergoing review by the ICRG, and from members under membership action: analysis will be conducted by the secretariat in the same manner as above at 5.a.(iv), and include a review of all supporting information supplied. This will serve to identify any members requiring referral for further action, such as for continued lack of progress since cessation of 2nd round ME follow-up.

5.18 Analysis will be qualitative, without considering whether compliance is at a level essentially equivalent to LC or C.

5.19 Reports from members that have requested exit from all transitional follow-up reporting: The APG secretariat and one member expert⁶ for each individual report will provide a comprehensive review of the annual detailed progress report against all remaining core/key Recommendations at the PC/NC level to assess progress made. The analysis will note where progress has been made, including if this is sufficient for consideration to exit the transitional process.

Form of analysis report

5.20 Individual analysis reports for those members considered for exit from follow-up and those under or recommended for membership action.

5.21 Inclusion in the single consolidated analysis report by the secretariat⁵ of each individual analysis for all remaining members that submitted an annual detailed progress report, including recommendations on future reporting for each.

Recommendations

5.22 Recommendations for each member will be made based on the level of progress found during analysis of the annual detailed progress report:

Progress made but no exit:

- Ongoing reporting and monitoring, either annual summary progress reporting (Year 2 only) or annual detailed progress reporting

Insufficient progress made:

- Letter from APG Co-Chairs
- Detailed progress reporting by 1 March the following year, or
- Detailed progress reporting by 1 March and expedited reporting (see section below) depending on the seriousness of the situation,
- Other membership action under Section 5.4 of the APG's Terms of Reference (only for serious cases)

Sufficient progress to exit follow-up:

- Member to exit follow-up

⁶ A separate member expert will be assigned to each individual report, drawn from whichever thematic area has the most outstanding deficiencies, that is, legal, financial or law enforcement/FIU. Preference will be given to experts with previous experience with and knowledge of the member being reviewed, where such a person is available.

Halt follow-up due to commencement of APG 3rd round mutual evaluation:

- If there has been continuing progress, the follow-up under these procedures will halt 17 months before the adoption of 3rd round MER, and the member will transition to 3rd round procedures, meaning the member will not be required to submit a transitional follow-up report for the annual meeting held one year before its MER is adopted, or
- If there is a continued lack of progress, the transitional process will end only 12 months before the adoption of MER in 3rd round with outstanding issues to be reflected in the mutual evaluation scoping note for that member to ensure increased scrutiny of areas where serious deficiencies remain from the previous round. This means that the member will submit a final transitional follow-up report for the annual meeting held one year before its MER is adopted.
- The above will not apply if the member is subject to expedited reporting or serious membership action.

c. Expedited reporting

Category of members

5.23 Expedited reporting is for those members that require continued monitoring in situations such as, but not limited to, where the member has serious deficiencies and is subject to membership action.

Form of progress report

5.24 These members will report on those areas decided by APG members based on recommendations in the analysis report, or as otherwise decided by APG members.

Timing

5.25 Timing and purpose of the report, including depth of analysis and by whom, will be decided by APG members.

Analysis

5.26 Analysis requirements will be decided by APG members. If a team analysis is required, the APG secretariat and one member expert for each individual report will provide a comprehensive review of each expedited report against the areas identified by the plenary. Otherwise, analysis will be done by the secretariat only. The analysis will serve to identify progress made, if any, and provide further recommendation for action.

Form of analysis report

5.27 Individual analysis reports.

Recommendations

5.28 Recommendations for each member will be made based on the level of progress found during analysis of the expedited report:

Progress made against indicators decided by plenary:

- Ongoing reporting and monitoring, either annual summary progress or annual detailed progress report in Year 2, or annual detailed progress report from Year 3 onwards

Insufficient progress made:

- Continued expedited reporting with reporting deadline as determined by plenary
- Annual detailed progress report by 1 March the following year
- Other membership action under Section 5.4 of the APG's terms of reference (only for serious cases)

Halt follow-up due to commencement of APG 3rd round mutual evaluation:

- If there is a continued lack of progress, reporting under the transitional process will continue until the last report, as agreed by members, has been submitted. This may be after the commencement of the 3rd round. Outstanding issues will be also captured by the mutual evaluation scoping note for that member in order to ensure increased scrutiny of areas where serious deficiencies remain from the previous round.

6. Members with Serious Deficiencies into the 3rd round

6.1 In the case of members that have commenced 3rd round proceedings prior to these transitional procedures, or that begin 3rd round evaluation proceedings during these transitional procedures, but that have serious deficiencies outstanding from the 2nd round, the FATF common principles still apply, in particular:

“f. FSRBs may halt follow-up for members that are due to commence their new round assessments shortly (such as six months before the evaluation), on condition that increased scrutiny be directed towards areas where serious deficiencies remain from the previous round. Should it be assessed that these deficiencies have persisted, then follow-up under the new round should automatically commence from the last follow-up action that was applied, rather than from the beginning of the process under the new round.”

6.2 It is not intended that such members continue to report under the transitional procedures; the requirement for ‘increased scrutiny’ is largely dealt with through application of the APG 3rd round mutual evaluation procedures, including through the mutual evaluation scoping note. However, in instances where the membership decided on serious action under the 2nd round procedures or under the transitional procedures, such as issuance of a public statement or other membership action, and the originating deficiencies are found to persist into the third round, that action will continue, within its agreed terms, without the need to renew agreement at the plenary.

7. Analysis Report Management

7.1 Responsibility for final adoption of findings and recommendations contained in analysis reports lies with the APG plenary. The APG Mutual Evaluation Working Group will play a support/quality-control role in considering and endorsing the analysis and recommendations contained in both the secretariat’s consolidated analysis report and in individual analysis reports, prior to consideration by the plenary. The APG steering group will be briefed on and consider any ongoing or new membership action arising from the transitional follow-up process.

a. Mutual Evaluation Working Group (MEWG)

Consolidated analysis report

7.2 MEWG to consider and then, if agreed, endorse all recommendations contained in the secretariat consolidated analysis report by June each year for members’ decision at plenary.

Individual reports – with recommendations for exit or membership action

7.3 MEWG to consider and then, if agreed, endorse all recommendations contained in individual analysis reports by June each year, including referral for the Steering Group’s consideration for those recommended for new or continued membership action.

b. Steering Group

Briefing – individual reports

7.4 The MEWG or secretariat will brief the Steering Group on any analysis reports that include recommendations for membership action.

7.5 The steering group will consider any recommendations for membership action or other aspects of analysis or recommendations.

c. APG annual meeting plenary

Consolidated analysis report and all individual analysis reports

7.6 The plenary should consider each individual report that has re-ratings for exit purposes, or of members under membership action.

7.7 The plenary should consider as a group on an exception basis all other follow up reports submitted in the secretariat consolidated analysis report of all other members.

7.8 Consideration of membership action for those with ongoing deficiencies from 2nd round that have been assessed as persisting into the 3rd round evaluation

Reports for joint APG/FATF members

7.9 Reports prepared by the FATF for joint APG/FATF members will be considered on an exception basis.

8. Publication

8.1 Secretariat consolidated analysis reports will not be published.

8.2 Individual analysis reports, with the member's detailed progress report annexed, will be published at the point a member exits transitional follow-up, or exits FATF 3rd round follow-up in the case of joint members.

Common Principles For FSRB Follow-Up During Transition To Next Assessment Round

FATF Common Principles – summary

- a. FSRBs should continue to follow-up with members that have not exited the follow-up process of the current (or in some cases, previous) round. Follow-up on these members should continue in spite of the formal conclusion of the previous round follow-up processes and/or the commencement of new assessment rounds.
- b. FSRBs that have formally concluded (or plan to formally conclude) their current round follow-up processes should ensure that a transitional process is implemented to govern the continued application of follow-up actions on members unable to exit follow-up. FSRBs should ensure that this transitional process is consistent with the principles outlined in the Common Principles.
- c. The goal of continuing with follow-up is to bring all FSRB members to a satisfactory level of compliance with the previous standards within a reasonable timeframe (that is, within the next 3 to 5 years).
- d. The baseline for a satisfactory level of compliance is denoted as reaching a level essentially equivalent to a C or LC rating on all the core and all but one of the key Recommendations
- e. In order to bring members to a satisfactory level of compliance sooner, FSRBs should engage their members at more frequent intervals, and should expedite the application of follow-up actions towards members that fail to demonstrate sufficient progress. The follow-up actions taken should correspond to the seriousness of a member's follow-up situation, taking into account factors such as the nature and extent of a member's outstanding deficiencies, the history of follow-up actions previously taken against that member, and the date by which remedial measures would likely be in place.
- f. FSRBs may halt follow-up for members that are due to commence their new round assessments shortly (such as six months before the evaluation), on condition that increased scrutiny be directed towards areas where serious deficiencies remain from the previous round. Should it be assessed that these deficiencies have persisted, then follow-up under the new round should automatically commence from the last follow-up action that was applied, rather than from the beginning of the process under the new round.

Yearly Status Report Due 1 April each year (with Annual Summary Progress Report)

(For members undertaking annual summary progress reporting under the transitional procedures)

APG ANNUAL MEETING [enter year here]
APG Member Status Report

[APG MEMBER NAME HERE]

1. **Steps taken since July [enter previous year] to implement the international AML/CFT standards**
 - (a) Any additional policy/coordination developments (including any initiatives already taken to address the revised FATF Standards), risk assessments or prioritisation of implementation tasks (e.g., preparing national AML/CFT strategies and any associated risk assessments)
 - (b) Legislative and regulatory framework developments - new or amended legislation (including draft), drafting/issuing/implementation of regulations to financial sector/DNFBPs
 - (c) Law enforcement developments (e.g., significant investigations/prosecutions, enhancement of FIU, implementation of cross border cash controls etc.)
 - (d) International co-operation (e.g., entry into new treaties, MOUs, MLA/extradition developments)
 - (e) Other capacity building/training initiatives
2. **Statistics**
 - (a) Number of suspicious transaction reports received and disseminated
 - (b) Number of AML/CFT investigations, prosecutions, convictions and sanctions
 - (c) Amount of seizures & confiscation related to ML and TF
 - (d) Number of AML/CFT supervisory inspections and statistics of sanctions
 - (e) Statistics related to international cooperation – MLA, extradition, FIU info etc.
3. **Future priorities and planned AML/CFT initiatives/activities (including any plans to address the revised FATF Standards)**
 - (a) new or amended legislation (including draft), drafting/issuing/implementation of regulations to financial sector/DNFBPs
 - (b) Law enforcement developments (e.g., significant investigations/prosecutions, enhancement of FIU, implementation of cross border cash controls etc.)
 - (c) International co-operation (e.g., entry into new treaties, MOUs, MLA/extradition developments)
 - (d) Other capacity building/training initiatives

4. Report on core/key FATF Recommendations remaining at NC/PC:

FATF Rec.	Core/Key FATF Recommendation remaining at NC/PC	Progress made since last APG annual meeting (only for those core/key Recommendations remaining at NC/PC)
R.1		
R.3		
R.4		
R.5		
R.10		
R.13		
R.23		
R.26		
R.35		
R.36		
R.40		
SR.I		
SR.II		
SR.III		
SR.IV		
SR.V		

Yearly Status Report Due 1 March each year (With Annual Detailed Progress Report)

(For members under annual detailed progress reporting under the transitional procedures)

APG ANNUAL MEETING [enter year here] APG Member Status Report

[APG MEMBER NAME HERE]

1. **Steps taken since July [enter previous year] to implement the international AML/CFT standards**
 - (a) Any additional policy/coordination developments (including any initiatives already taken to address the revised FATF Standards), risk assessments or prioritisation of implementation tasks (e.g., preparing national AML/CFT strategies and any associated risk assessments)
 - (b) Legislative and regulatory framework developments - new or amended legislation (including draft), drafting/issuing/implementation of regulations to financial sector/DNFBPs
 - (c) Law enforcement developments (e.g., significant investigations/prosecutions, enhancement of FIU, implementation of cross border cash controls etc.)
 - (d) International cooperation (e.g., entry into new treaties, MOUs, MLA/extradition developments)
 - (e) Other capacity building/training initiatives

 2. **Statistics**
 - (a) Number of suspicious transaction reports received and disseminated
 - (b) Number of AML/CFT investigations, prosecutions, convictions and sanctions
 - (c) Amount of seizures & confiscation related to ML and TF
 - (d) Number of AML/CFT supervisory inspections and statistics of sanctions
 - (e) Statistics related to international cooperation – MLA, extradition, FIU info etc.

 3. **Future priorities and planned AML/CFT initiatives/activities (including any plans to address the revised FATF Standards)**
 - (a) new or amended legislation (including draft), drafting/issuing/implementation of regulations to financial sector/DNFBPs
 - (b) Law enforcement developments (e.g., significant investigations/prosecutions, enhancement of FIU, implementation of cross border cash controls etc.)
 - (c) International cooperation (e.g., entry into new treaties, MOUs, MLA/extradition developments)
 - (d) Other capacity building/training initiatives

 4. **See Attachment *Annual Detailed Progress Report* following.**
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Attachment to Status Report

INSTRUCTIONS

Complete all sections of the detailed report template as outlined below.

Introduction:

1. Details of progress made

Measures taken to address the deficiencies identified or implement recommendations made in the MER (any core/key FATF Recommendations found to be LC/C during in the MER, or since found to be equivalent to LC through the follow-up process, do not need to be addressed):

-- **Part 1(a):** **Core FATF Recommendations Rated NC/PC**

-- **Part 1(b):** **Key FATF Recommendations Rated NC/PC**

-- **Annexes (for example, copies of implementation plans, new laws, regulations, and statistics)**

Please ensure that all documents relevant to progress since the 2nd round follow-up process are attached.

Core and Key FATF Recommendations rated PC/NC in MER/ at completion of 2nd round follow-up

Core Recommendations⁷ rated NC or PC		Rating
R.1	Money laundering offence	
R.5	Customer due diligence	
R.10	Record-keeping	
R.13	Suspicious transaction reporting (money laundering)	
SR.II	Financing of terrorism offence	
SR.IV	Suspicious transaction reporting (terrorist financing)	
Key Recommendations⁸ rated NC or PC		Rating
R.3	Confiscation and provisional measures	
R.4	Banking secrecy	
R.23	Regulation & supervision	
R.26	Financial intelligence unit	
R.35	International conventions	
R.36	Mutual legal assistance	
R.40	Other forms of cooperation	
SR.I	Implement UN Instruments	
SR.III	Freeze and confiscate terrorist assets	
SR.V	International cooperation	

⁷ The core Recommendations as defined in the FATF procedures are R.1, SR.II, R.5, R.10, R.13, and SR.IV.

⁸ The key Recommendations are R.3, R.4, R.26, R.23, R.35, R.36, R.40, SRI, SR.III, and SR.V. Such recommendations are carefully reviewed when considering removal from the follow-up process.

PART 1 (a): Measures taken to address the deficiencies/implement MER recommendations in relation to the core FATF Recommendations rated NC/PC in the MER and at completion of 2nd round ME follow-up

Core Recs	Rating	MER recommendations	Description of actions taken or being taken to remedy deficiencies/ implement MER recommendations⁹

PART 1 (b): Measures taken to address the deficiencies/implement MER recommendations in relation to the key FATF Recommendations rated NC/PC in the MER and at completion of 2nd round ME follow-up

Key Recs	Rating	MER recommendations	Description of actions taken or being taken to remedy deficiencies/ implement MER recommendations

⁹ Please clearly indicate when a particular action was taken when filling out the “Description of actions taken” section.

Annexes (for example, copies of implementation plans, new laws, regulations and statistics)

Where appropriate, please provide statistics in table form

Please attach any relevant laws, regulations etc.

If not already provided above, please provide the following statistics (as per FATF Recommendation 32):

(a) Suspicious transaction reports, and other reports where appropriate under domestic law, received and disseminated -

- STRs received by the FIU, including a breakdown of the type of financial institution, DNFBPs, or other business or person making the STR
- Breakdown of STRs analysed and disseminated
- Reports filed on: (i) domestic or foreign currency transactions above a certain threshold, (ii) cross-border transportation of currency and bearer negotiable instruments, or (iii) international wire transfers

(b) ML & FT investigations; prosecutions and convictions, and on property frozen; seized and confiscated -

- ML and FT investigations, prosecutions, and convictions
- The number of cases and the amounts of property frozen, seized, and confiscated relating to (i) ML, (ii) FT, and (iii) criminal proceeds, and
- Number of persons or entities and the amounts of property frozen pursuant to or under U.N. Resolutions relating to terrorist financing

(c) Mutual legal assistance or other international requests for cooperation –

- All mutual legal assistance and extradition requests (including requests relating to freezing, seizing and confiscation) that are made or received, relating to ML, the predicate offences and FT, including the nature of the request, whether it was granted or refused, and the time required to respond
- Other formal requests for assistance made or received by the FIU, including whether the request was granted or refused
- Spontaneous referrals made by the FIU to foreign authorities

(d) Other action

- Onsite examinations conducted by supervisors relating to or including AML/CFT and any sanctions applied
- Formal requests for assistance made or received by supervisors relating to or including AML/CFT, including whether the request was granted or refused.