

ANNUAL BUSINESS PLAN



**Asia/Pacific Group
on Money Laundering**

2020-2021

Asia/Pacific Group on Money Laundering

Approved and adopted, May 2020

APG Annual Business Plan 2020-2021

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APG PROGRAMMES AND PLANS 2020-2021

The APG's key tasks for FY 2020-21 (some of which are dependent on external funding) are as follows:

Governance

1. The following key meetings will occur in 2020-2021:
 - 2021 APG annual meeting and annual forum on technical assistance forum in July 2021;
 - APG Governance Committee will meet at least five times in the year as follows: August/September 2020; November/December 2020; February/March 2021; May/June 2021; and in July 2021.
2. One membership-related visit will be undertaken to members and non-members to facilitate full and active membership and promote commitment to the global AML/CFT standards. Additional visits and activities will be undertaken with external donor funding.
3. The secretariat will implement decisions made by members through the Governance Committee in the year.
4. As an associate member of the FATF, the APG will continue to participate in:
 - Two or three FATF plenary meetings;
 - Two or three ICRG meetings (during plenary meetings);
 - Working group meetings in the FATF during plenary meetings;
 - Three meetings of the Asia-Pacific Joint Group.
5. Information from the FATF and other AML/CFT bodies will be communicated to members when received, via the APG website and/or individual correspondence/communication.

Mutual Evaluations

6. The APG will:
 - Continue to finalise the MEs of Vietnam and Tonga delayed because of global travel restrictions relating to COVID-19 in 2020;
 - Continue the third round of mutual evaluations, including assessor/reviewer and pre-mutual evaluation training;
 - Prepare an updated mutual evaluation schedule;
 - Continue to support the Mutual Evaluation Committee;
 - Deliver at least one assessor training workshop;
 - Undertake four (4) mutual evaluations (including two (2) joint evaluations) with reports to be considered at the 2021 annual meeting;
 - Commence mutual evaluations with reports to be adopted in July 2022;
 - Review and prepare analysis reports of members under APG third round follow-up; and
 - Continue to contribute to preparation of training materials.

Implementation, Technical Assistance and ICRG Activities

7. The APG will provide priority assistance and support for members involved in the FATF's International Co-operation Review Group (ICRG) process, including participation at Asia-Pacific Joint Group meetings, ICRG meetings, information briefings, supply of information and

interpretative materials, implementation assistance and coordination of technical assistance and training.

8. The APG will undertake ICRG-related assistance visits to APG members under ICRG review with external donor support.
9. The APG will assist members to develop sustainable strategies to meet mutual evaluation report recommendations and implement the updated Strategic Implementation Planning Framework to respond to recommendations in reports.
10. The APG will continue to provide implementation assistance relating to combating proliferation financing (PF) including working with global and regional bodies to identify and address challenges to effective implementation of the global standards to combat PF.
11. A number of regional AML/CFT technical assistance projects will be considered in collaboration with Donors and Providers (DAP) Group members for legal, financial, FIU and law enforcement sectors. The secretariat will support existing mechanisms with the Pacific Island Forum secretariat and the ASEAN secretariat, and will continue efforts to support greater cooperation with South Asian regional bodies.
12. The APG secretariat will collaborate with priority members and DAP Group members to deliver:
 - Regional programmes to support improved assessments of risk and strategic responses to risk mitigation;
 - Regional programmes to build AML/CFT capacity among AML/CFT supervisors and regulators, in particular in relation to international cooperation between supervisors;
 - Regional enforcement and prosecution capacity building programmes focusing on targeting policy responses to proceeds of crime and terrorist financing, including through improved international cooperation;
 - AML/CFT implementation programmes related to targeted financial sanctions against terrorism and proliferation financing; including a regional program on counter terrorism financing with the non-profit organisation sector; and
 - Regional programmes to improve capacity to utilise financial investigation techniques to combat corruption.

Typologies

13. The APG will complete typologies projects commenced in the previous year (the second phase of the human trafficking project to include people smuggling and implementation issues and, jointly with the EAG, the project on the use of proceeds of crime including from organised crime for financing of terrorism, individual terrorists or terrorist organisations).
14. The APG will also work on the support of regional training initiatives and collaborate with the FATF and other strategic partners including other FSRBs directly relevant to APG business.
15. The APG will complete the Pacific trans-national drug routes project.

GOAL 1: EFFECTIVE MULTILATERAL ORGANISATION

- 1) Continuously utilise and improve on effective governance structures, including the Membership, Co-Chairs Governance Committee and Secretariat.**
 - a) Deliver 23rd Annual Meeting in 2021.
 - b) The Governance Committee will consult with members and meet at least five times in the year to provide on-going advice to the membership and co-chairs on governance, policy and planning issues and will implement, where needed, membership decisions and directions.
 - c) APG committees and project groups will deliver programmes as agreed by the membership and consider others suggested by the Governance, Operations and Mutual Evaluation Committees.

- 2) Use open, transparent and inclusive business and financial planning.**
 - a) The secretariat will engage with the Co-Chairs and Governance Committee on business disruption, continuance planning (taking into account the health emergency issues associated with COVID-19) and business resumption planning on an on-going basis through the financial year.
 - b) The secretariat will manage and report on APG revenue and expenditure in accordance with the agreed 2020–21 budget and legal obligations of the host government, Australia.
 - c) The secretariat will file monthly reconciliation reports of APG income and expenses related to its Special Reserve Bank of Australia account with the Deputy Commissioner of the AFP in accordance with the Hosting obligations of the secretariat
 - d) The secretariat will engage auditors to review of APG end-of-year financial statements and file an independent audit report to be attached to the APG's Annual Report 2020–21.

- 3) Effectively resource the APG and its operations and ensure proper management of APG assets.**
 - a) In addition to budget contributions, members and observers will support operations through voluntary contributions, project support, active working group participation, expert advice or other resources.
 - b) The secretariat will manage and report on APG assets in the APG Business Report for 2020-21.
 - c) The secretariat will annually review and revise the formal hosting arrangement with the Australian government to ensure that it continually supports APG operations in a transparent and effective manner and that it provides for accountability and management of secretariat staff

GOAL 2:

EFFECTIVELY ORGANISED AND ENGAGED MULTILATERAL ORGANISATION

1) Continuously utilise and effectively support priority work streams within the APG Operations Committee and Mutual Evaluation Committee.

- a) The Mutual Evaluation Committee will meet five times in the year to consider reports, implementation and training, third round mutual evaluation programme and the third round schedule. The Mutual Evaluation Committee will make recommendations as necessary.
- b) The Operations Committee will/may consider and approve new typologies projects and implementation activities in consultation with APG members and observers.
- c) The APG will engage with members and key stakeholders within the context of the Operations and Mutual Evaluation Committees.

2) Engage with all relevant AML/CFT regional and international stakeholders.

- a) The APG will continue engagement with FATF, FSRBs, and other relevant bodies on strategically important regional initiatives as well as conferences, seminars, workshops.
- b) The secretariat will encourage bilateral and multilateral engagement between members, observers and other jurisdictions and organisations to advance strategic objectives.
- a) Continue engagement with existing observer jurisdictions of APG.
- b) Identify relevant international organisations for possible observer status.

3) Actively participate in international AML/CFT policy development and standard-setting processes through cooperation with the FATF and international partners.

- a) Participate in FATF plenaries and working groups with the express goal of shaping and influencing global AML/CFT policy.
- b) Coordinate input to FATF and other bodies' projects, policy development, assessment work and studies of risks, trends and methods.

GOAL 3: CONDUCTING AND RESPONDING TO ASSESSMENTS

1) Complete the APG's third-round mutual evaluation programme

- a) Complete the mutual evaluation reports of Tonga and Vietnam including face-to-face meetings and the adoption of those MERs at either a special plenary or the 2021 annual meeting.
- b) Complete four other mutual evaluation reports for the 2021 annual meeting: New Zealand (jointly with FATF), Brunei Darussalam, Lao PDR, Republic of Marshall Islands including pre-mutual evaluation visits, on-site and face-to-face meetings as required.
- c) Commence four (4) mutual evaluations to be adopted at the 2022 annual meeting as follows: Timor-Leste, Nepal, Papua New Guinea [and one joint evaluation with FATF]¹.
- d) Further implement third round mutual evaluation schedule.

2) Respond to mutual evaluations with follow-up processes

- a) Amend third round follow-up procedures to monitor members' progress and examine policy and procedures relating to the 5th year follow-up evaluations.
- b) Consider and adopt follow-up reports, either through the Mutual Evaluation Committee and Governance Committee out of session or at the 2021 annual meeting.
- c) Document cases of insufficient progress for the Mutual Evaluation Committee, Governance Committee and Co-Chairs.
- d) Membership to make decisions in cases of insufficient progress by specific members.

3) Seek assessment experts, conduct training and improve assessment procedures in order to effectively deliver the APG's assessment programme

- a) Members and observers to provide assessors and reviewers for evaluations including participating in pre-evaluation visits, face-to-face meetings and plenary meetings to adopt reports.
- b) Deliver at least one assessor training workshop for mutual evaluations planned in 2020-21 and another dependant on external funding.
- c) Amend third round mutual evaluation procedures in harmony with FATF Universal Procedures.

4) Support FATF's ICRG process and APG members in ICRG process

- a) Actively participate in FATF's ICRG meetings and inter-sessional Asia-Pacific Joint Group meetings.

¹ Dependent on secretariat resources.

- b) Provide assistance, advice and support to the Asia-Pacific Joint Group Co-Chairs as required.
- c) Provide assistance, advice and engagement with members and technical assistance donors on FATF's ICRG rules and procedures and strategic responses to ICRG review.
- d) Provide input to FATF on ICRG processes and the development of ICRG procedures.

GOAL 4:

WORKING COOPERATIVELY & SUPPORTING IMPLEMENTATION

- 1) Conduct and/or support research on existing and emerging AML/CFT risks and contextual issues.**
 - a) Complete the Human Trafficking and People Smuggling Project (Phase 2).
 - b) The APG will deliver a joint event, either as a standalone workshop or within the Typologies workshop, with the Alliance for Financial Security-with Information Technology (AFS-IT) on the implementation of digital KYC and scope the second phase of the project including outreach and capacity building on applying the FATF Guidance on Digital ID.
 - c) The APG will work with the Global Center on Cooperative Security on a joint implementation project on the use of financial intelligence related to foreign fighters, returnees, and their facilitation networks in South East Asia.
 - d) Participate in FATF and other FSRB typologies projects if relevant to APG business.
- 2) Identify domestic, regional and global issues that may affect implementation of the FATF standards and assess members' assistance needs and opportunities to improve international cooperation.**
 - a) Engage with members and technical assistance providers to identify domestic and regional assistance needs, and implementation issues, arising from members' experience of international cooperation, risk assessments, typologies work, mutual evaluations (including follow-up) and FATF processes.
 - b) Continue to identify other domestic and regional technical assistance and implementation issues.
- 3) Provide guidance, advice, and technical assistance on implementation of the FATF standards in collaboration with regional and global partners.**
 - a) Support work by FATF and other global partners to share experience and implementation support resources on topics including risk assessments, international cooperation, investigating and prosecuting ML, terrorist financing, proliferation financing, illicit financial flows from wildlife smuggling and risk-based supervision of financial and non-financial sectors.
 - b) Deliver strategic implementation planning support pre- and post-mutual evaluations.
 - c) Support members to build AML/CFT capacity and mechanisms consistent with the FATF standards, including through technical assistance visits, workshops and desk-based assistance.
- 4) Support the coordination of technical assistance between members and relevant providers of assistance.**
 - a) Deliver the Annual Technical Assistance and Training Forum in 2021.
 - b) Collect information and analyse gaps in members' AML/CFT systems.
 - c) Coordinate and support assistance provided by the DAP Group.
 - d) Conduct virtual meetings to coordinate technical assistance in sub-regional groups.

- e) Deliver technical assistance and training programmes funded under voluntary grants pursuant to specific implementation plans.
- f) Deliver Pacific technical assistance and training in accordance with the five-year New Zealand funding programme by completing scoping visits and coordinating activities identified in implementation plan.