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ADB's Role in Anti-Money Laundering and Combating the Financing of Terrorism

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ADB's AML Policy (2003)

4 Key Elements

- Assist developing member countries through policy dialogue and technical assistance
- Collaborate with donor organisations
- Participate in relevant fora, notably at the FATF and Asia/Pacific Group on Money Laundering
- Strengthen internal control and upgrade staff capabilities

Policy Dialogue

Part of program loans for 6 countries

- Cambodia – Financial Sector Program (2001)
- Vietnam – Second Financial Sector Program (2002)
- Lao PDR – Banking Sector Reform Program (2002)
- Indonesia – Financial Governance and Social Security Reform Program (2002)
- Sri Lanka – Financial Markets Program for Private Sector Development (2004)
- Philippines – Financial Regulation and Intermediation Program (2006)

Technical Assistance

10 TA grants for 7 countries

- Vanuatu - Capacity building for the Legal Sector (2000)
- Cambodia – Capacity Building for Banking and Financial Sector (2001)
- Vietnam – Capacity Building for Non-Bank Financial Institutions and the Capital Market (2002) and Capacity Building for the Financial Sector (2003)
- Indonesia – Development of an AML Regime I (2002) and II (2004)

Technical Assistance (continued)

- Philippines – Strengthening the AML Regime I (2002) and II (2005)
- Mongolia – Establishing an AML Regime (2004)
- Thailand – Promoting International Cooperation on AML/CFT (2005)

Cambodia - Program

132. For the release of the second tranche, the following eight conditions must be complied with.....

(iii) National Bank of Cambodia to adopt an anti-money-laundering regulation.....

Indonesia - Program

Reform Action 1

- *Prepare plan to address deficiencies identified by FATF*
- *AML law signed by President*
- *Confirm budget for FIU for 2003 for setup and operational costs*

Reform Action 2

- *Begin implementation of plan to address deficiencies in AML regime*
- *Provide funding for FIU in 2003 and prepare budget allocation for 2004*

Reform Action 3

- *FIU to be fully operational and to issue semi-annual reports to President, Parliament and related agencies*

Indonesia – Technical Assistance

- Facilitate implementation of AML law
- Establish IT system and database for FIU
- Develop supervisory procedures for non-bank financial institutions
- Establish computer-based training centre in FIU (in cooperation with United Nations Office on Drugs and Crime)
- Provide training to national authorities

Making a Difference?



Going Forward

Review of AML Policy (2003)

- Build upon development mandate by contributing to country programs and technical assistance
- Add value with regional experience and expertise
- Collaborate with other donor countries and organisations

Additional Information

- AML Toolkit

www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/default.asp

- ADB/OECD Anti-Corruption Initiative for Asia-Pacific

www1.oecd.org/daf/ASIAcom/

- Working paper on cellphone technology and AML/CFT

www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/documents/Working-Paper-March2007.pdf

Thank you

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