

2008 DMC Officials Orientation Program

# **Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

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# ADB References

- ADB AML/CFT Policy (April 2003)
- OM C6 (October 2003)
- Board information paper on review of ADB AML/CFT Policy (April 2008)

# Key Elements of ADB Policy

- Assist DMCs through policy dialogue and technical assistance in implementing international norms and standards\*
- Collaborate with other international organisations and donors
- Strengthen internal controls
- Upgrade staff capacity

\*UN conventions, UN Security Council Resolutions and FATF 40+9 Recommendations

# Key AML/CFT Requirements

- Criminalise money laundering and terrorism financing
- Enable the freezing, seizing and confiscation of proceeds of crime and terrorism-related assets (including freezing without delay certain categories of terrorism-related assets)
- Institute a comprehensive regulatory regimes for banks and non-bank financial institutions
- Extend requirements to relevant aspects of the non-financial sector
- Establish a financial intelligence unit (FIU)
- Ensure cooperation and information sharing amongst national agencies
- Require monitoring of cross-border movements of cash and negotiable instruments
- Ensure the widest range of international cooperation, notably mutual legal assistance and information sharing

# Policy Dialogue

Part of program loans for 7 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)
- Pakistan – Accelerating Economic Transformation Program (2008)

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

# Range of Technical Assistance

- Preparation of national strategy and related policies
- Drafting of laws and regulations
- Strengthening regulatory frameworks in the financial sector and relevant aspects of the non-financial sector
- Establishment and operationalisation of FIUs
- Training of financial regulators, investigators, prosecutors and judges

# Collaborate with Other International Organisations and Donors

- Financial Action Task Force (FATF) (keep up with developments and contribute from regional perspective)
- FATF-styled regional bodies (FSRBs) (donor coordination)
  - Asia/Pacific Group on Money Laundering (APG) for 36 DMCs
  - Eurasian Group (EAG) for the PRC, Kyrgyz Republic Tajikistan, Turkmenistan and Uzbekistan
  - MONEYVAL for Armenia, Azerbaijan and Georgia
- IMF and World Bank (donor coordination)
- UN Office on Drugs and Crime (donor coordination - computer-based training and mentoring)
- UN Counter-Terrorism Executive Directorate (UNSCR 1373 assessments)

# Upgrade Staff Capacity

- Training for strengthening internal controls
- Develop knowledge-based products, particularly from the regional context
  - AML/CFT Toolkit [www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/default.asp](http://www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/default.asp)
  - Alternative remittances (2005)
  - Mobile phones and value transfers (2007)
- New priorities
  - Update AML/CFT Toolkit
  - Linkages between AML/CFT and anti-corruption
  - Application of AML/CFT requirements from the perspective of DMCs and development

# Making a Difference?



# Going Forward

- Build upon development mandate by contributing to country programs and technical assistance
- Add value with regional experience and expertise
- Strengthen collaboration with other donor countries and organisations
- Strengthen and reinforce internal control

# Thank you

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