

# **PROMOTING REGIONAL COOPERATION FOR AML/CFT MEASURES**

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# Evolving AML/CFT Processes for Changing Risks



- Increased cash supply (remittances)
- Sophistication of criminals (internet, cell phones, relocate very quickly)
- Public gullible (and greedy)

# Recent Case Study

- Ponzi Scheme via internet
- HK regulators query to Swiss regulators
- Answer—no registration
- Warning issued
- Regulators from Malaysia, Philippines, Singapore found schemes

# How Do Regulators Respond?

- Effective **networks**
  - national/regional/global
  - share information
- Training, include private sector

# National Level Action

- Government **Commitment**
- **Policy** development
- **Legal** framework
- Regulatory **Agencies**
- Institutions
- **Procedural** arrangements
- Training and education—skills and knowledge

# National Cooperation

- **Essential** if the process is to work
- **Cooperation** within government
  - MOUs to agree on what is needed and how to achieve it
- **Consultation** with financial and business sector
  - Agreement on outcomes
  - Design solutions together—efficient and effective
- **Ongoing process**

# Impact of AML/CFT on Financial System

- Need to stay in **global financial system**
  - AML/CFT systems which meet international standards
  - Protect viability of your financial sector
- Clarify **regulatory responsibilities**
- Reflect **international norms** but **local responses**
  - Based on nature of financial sector
  - Analysis of risks
  - New functions for central banks, securities commissions and other supervisors
- **Change laws** if necessary

# Coordination Systems

- Government Agencies
  - High level
  - Working level
- Private Sector
  - Industry associations
  - They are the front line
  - Must be able to make the system work
  - Look for efficient and low cost systems
- National coordination
  - An effective forum to deal with issues

# Necessary Judicial Powers

Domestic/foreign **investigations powers** to

- locate, freeze and confiscate
- search and seize
- compel witnesses/prisoners
- transfer proceedings
- joint investigation
- enforce foreign orders
- share assets

# Develop an Integrated Plan

- At Agency level
- At Government level
- Business sector level
- Country-wide/provincial/district level
- Endorsed by government **and** industry associations
- Work together—share experiences and information
  - Process map (Philippines)

# Meeting Opposition and Resistance

- Some based on **genuine concerns**
  - Concerns about cost, privacy
  - Address with information, assistance
- Some based on **self protection**
  - Criminals, corrupt officials, and businesses
- **Political will** is essential
  - Government must be committed
  - Keep ministers aware of emerging issues

# Meeting Opposition and Resistance (con't)

- **Finance sector support** is essential
  - Bankers association
  - Foreign bankers
  - Other industry groups
  - Major institutions
- **Public support** important
  - Industry and professional groups (DNFBPs)
  - International
    - Neighbours
    - Regional associations (APEC, ASEAN, APG)
    - Donor community

# Responding to Concerns

- Fears and misinformation
  - Do not ignore
  - Educate
  - Inform
  - See AML/CFT as part of good governance-integrate
- Genuine concerns and real problems
  - Do not ignore—respond
  - Provide assistance internally
  - Engage external support
  - Seek and provide feedback both internally and externally

# Training and Skills Development

- Financial Intelligence Unit
- AML/CFT related agencies
- Bankers—internal AML procedures
- Other industry sectors
- Investigators/police/prosecutors
- Judges
- Foreign affairs
- Customs, border security agencies

# Current Developments

- Public awareness campaign
  - Press releases for journalists
- Link with anticorruption initiatives
- Trade-based money laundering
- Cross-border issues (C.I.Q.S.)
- UN assessment of CFT measures

# What do YOU Need?

- How do you identify needs?
  - FIU needs analysis
- Are these common needs in the region or specific to your country?
- Who can assist?
  - Various sources
    - ADB
    - IMF/World Bank
    - EC, regional (APEC/ASEAN) and bilateral (USAID, AusAID etc)
- What sort of process would assist you?
- How do you engage this support?

# Websites and Contact Details

AML Toolkit website

See [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)

ADB/OECD Anti-Corruption Initiative for Asia-Pacific

See [www1.oecd.org/daf/ASIAcom/](http://www1.oecd.org/daf/ASIAcom/)

The regional, web-based reference centre + anti-corruption knowledge tools.

See [www1.oecd.org/daf/ASIAcom/countries](http://www1.oecd.org/daf/ASIAcom/countries)

ADB's AML related activities.

See [www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/aml0500.asp](http://www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/aml0500.asp)

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# Thank You

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