

ASIAN DEVELOPMENT BANK

TAR: INO 38596

TECHNICAL ASSISTANCE

(Financed by the Cooperation Fund for Regional Trade and Financial Security Initiative)

TO THE

REPUBLIC OF INDONESIA

FOR

DEVELOPMENT OF AN ANTI-MONEY-LAUNDERING REGIME II

December 2004

CURRENCY EQUIVALENTS

(as of 15 December 2004)

Currency Unit	–	rupiah (Rp)
Rp1.00	=	\$.000107
\$1.00	=	Rp9350

ABBREVIATIONS

ADB	–	Asian Development Bank
AML	–	anti-money-laundering
APG	–	Asia/Pacific Group on Money Laundering
BAPEPAM	–	Badan Pengawas Pasar Modal (Capital Market Supervisory Agency)
BI	–	Bank Indonesia
CBT	–	computer-based training
CFT	–	combating the financing of terrorism
DGFI	–	Directorate General of Financial Institution
FATF	–	Financial Action Task Force on Money Laundering
FIU	–	financial intelligence unit
MOJHR	–	Ministry of Justice and Human Rights
NBFI	–	nonbank financial institution
NCCT	–	non-cooperative countries and territories
POLRI	–	Indonesian National Police
PPATK	–	Pusat Pelaporan Dan Analisis Transaksi Keuangan (Center for Financial Transaction and Reporting Analysis)
SOP	–	standard operating procedure
STR	–	suspicious transaction report
TA	–	technical assistance
UNODC	–	United Nations Office on Drugs and Crime
USAID	–	United States Agency for International Development

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting	–	General intervention
Classification		
Sector	–	Multi-sector: Finance, law, economic management, and public policy
Subsector	–	Anti-money-laundering: Banking; capital markets, insurance, pensions, law and judiciary
Themes	–	Governance, regional cooperation
Subthemes	–	Financial and economic governance, public governance, anticorruption

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Government of Indonesia has requested technical assistance (TA) from the Asian Development Bank (ADB) to strengthen its anti-money-laundering (AML) regime. The Center for Financial Transaction and Reporting Analysis (PPATK), the financial intelligence unit (FIU) mandated to combat money laundering in Indonesia, became operational in October 2003 when it first started receiving suspicious transaction reports (STRs). The request for this TA was made at the 2004 Annual Meeting of the Asia/Pacific Group on Money Laundering (APG). The Indonesia Country Strategy and Program 2003–2005 includes financial and corporate governance as a strategic sector in ADB's assistance program. The TA is also in line with ADB's policy, Enhancing ADB's Role in Combating Money Laundering and the Financing of Terrorism.¹ Based upon consultations from July–October 2004, the Government and ADB reached an agreement on the objectives, scope, cost estimates and financing plan, and implementation arrangements. This TA² will build capacity to effectively implement the AML laws and regulations established under ADB TA 3849: Development of an Anti-Money-Laundering Regime,³ and complement other assistance from funding agencies. The TA framework is in Appendix 1.

II. ISSUES

2. Indonesia has been diligently working to establish an effective AML regime to improve governance, fight corruption, and strengthen the financial system. Following the APG Mutual Evaluation Report on Indonesia in 2002, extensive efforts were made to address the weaknesses in the legal framework and develop operational capability for AML. The Financial Action Task Force on Money Laundering (FATF)⁴ recognizes Indonesia's progress in developing an AML regime, as well as areas for further action, including building AML systems and compliance programs with full on-site examinations, successfully prosecuting money-laundering cases, and demonstration of effective mutual legal assistance. An on-site visit by FATF to Indonesia is planned that may pave the way for removal of Indonesia from the non-cooperative countries and territories (NCCT) list⁵ in 2005.

3. To improve oversight and implementation of AML laws and regulations, the nonbank financial services supervisory agencies need to develop AML standard operating procedures (SOPs) and audit procedures for assessing compliance with AML laws and regulations. In November 2004, the Government announced plans to merge the nonbank supervisory agencies as a transitional measure to the consolidated regulatory and supervisory body for financial services mandated under Act No. 23 of 1999 concerning Bank Indonesia (BI Act). The merger is targeted for 2005 and would combine the Capital Market Supervisory Agency (BAPEPAM) and the Directorate General of Financial Institutions (DGFI), the supervisor for insurance, pensions, and other nonbank financial institutions (NBFIs). The new institution is expected to function as an independent supervisory agency for NBFIs. SOPs and compliance frameworks need to be developed to provide continuing effective AML oversight as BAPEPAM and DGFI merge. Continuing education and support is also needed by NBFIs for effective industry compliance.

¹ R45-03 issued in 2003.

² The TA first appeared in the *ADB Business Opportunities* (Internet edition) on 18 October 2004.

³ ADB. 2002. *Technical Assistance to Indonesia for the Development of an Anti-Money Laundering Regime*. Manila (TA 3849, approved for \$1.5 million) and ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Indonesia for the Financial Governance and Social Security Reform Program*. Manila (L1965, approved for \$250 million), also included actions to support the establishment of the AML regime.

⁴ OECD. 2002. *Annual Review of Non-Cooperative Countries and Territories*. Paris.

⁵ In 2001, FATF added Indonesia to the NCCT list after determining that the country lacked AML measures.

4. As supervisory agencies strengthen their AML systems and staff knowledge and understanding of STRs and financial institutions implement effective compliance programs, the number of STRs may increase. In addition, as people gain confidence in the Government regulation that provides personal protection to witnesses and reporting parties and their families,⁶ more information and STRs may emerge. An on-line web-based system for reporting STRs was launched by PPATK in December 2003.⁷ As of 15 October 2004, PPATK had received 984 STRs from 51 banks, 4 NBFIs, and 3 money changers. This includes STRs from the Special Unit for Banking Investigation at BI, which conducted PPATK's functions for banks before October 2003. PPATK reported 98 cases from 270 STRs to the Indonesian National Police, which passed 20 of these cases to the Attorney General's Office. Of these, 18 are being examined by the Attorney General's Office and 2 have been decided by the court. In one case, the defendant was found guilty of banking fraud, and in the other the defendant was found guilty of corruption. In one money-laundering case, the court decided that evidence was insufficient. On reviewing the case, PPATK recognized the need for more comprehensive presentation of evidence for successful prosecution. Increased capacity within the Attorney General's Office and the Ministry of Justice and Human Rights (MOJHR) will be very important for effective handling of evidence in court cases and prosecution.

5. Access to international information and evidence is also important for analysis and prosecution in certain AML cases. PPATK broadened its framework for international cooperation through memorandums of understanding with FIUs in Australia; Hong Kong, China;⁸ Malaysia; Philippines; Republic of Korea; Romania; and Thailand. PPATK's membership in the Egmont Group of FIUs (Egmont Group) will also significantly increase PPATK's access to international information. PPATK was accepted as a member of the Egmont Group at its plenary meeting in June 2004. The Egmont Group is an informal international organization established in 1995 to develop FIUs and a global information network, and currently has 94 member countries. A mutual legal assistance law is also under preparation with assistance from the United States Agency for International Development (USAID) that will provide a framework for broader cooperation and exchange. To maximize benefits from access to international information, it is important to build capacity in the Attorney General's Office and the MOJHR for proper handling and presentation of international information and evidence.

6. Sustainable, cost effective in-country AML training is important to accommodate the vast numbers of people who need basic training and education to sensitize staff to AML issues and dimensions in their work or business practices. The appropriate use of information technology in computer-based training (CBT) can enable organizations to train more people more effectively and cheaply. CBT can complement the specialized, mentored international assistance and provide core standardized training in line with best practices.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

7. The purpose of the TA is to strengthen the AML regime and combat money laundering effectively in order to strengthen the financial system and its governance. Proper controls for money laundering will reduce vulnerability to other types of crime such as trafficking in drugs and people, and corruption. The TA will support proper implementation of AML laws and regulations; strengthen nonbank supervision and audit procedures; build capacity to prosecute

⁶ Government Regulation 57 (2003) concerning Special Protection for Witnesses and Reporting Parties of Criminal Acts of Money Laundering.

⁷ www.ppatk.go.id.

⁸ An exchange of letters was signed with Hong Kong, China.

and adjudicate money-laundering cases; increase understanding of AML compliance among NBFIs; and support sustainable in-country AML CBT. The TA will provide assistance to DGFI, BAPEPAM, Attorney General's Office, and MOJHR. The project design draws upon the Government's request at the APG 2004 Annual Meeting, and has been developed through close ongoing dialogue with PPATK and other Government agencies. This TA complements AML assistance provided in the banking sector and other areas by agencies including Australian Agency for International Development (AusAID), Japan International Cooperation Agency (JICA), World Bank, USAID, International Monetary Fund (IMF), the Asia-Europe Meeting (ASEM), and others. The expected outputs of the TA are:

- (i) Nonbank AML supervision policies and procedures: The experts will provide the following in accordance with AML best practices
 - (a) Standard operating procedures for NBFIs supervisors.
 - (b) Audit procedures for NBFIs examiners to assess compliance with AML law and regulations.
 - (c) Analysis of test audit cases of NBFIs to determine if special issues hinder audit procedures, and recommendations to address these issues.
 - (d) International case studies on AML CFT best practices, including audit procedures and on-site examinations in the nonbank financial sector.
 - (e) Draft decrees for NBFIs supervisors to support implementation of the recommended supervision approaches and policies.
- (ii) Increased capacity for prosecution and adjudication of AML cases:

The Attorney General's Office and MOJHR will have an expanded capacity for prosecution and adjudication of AML cases through specialized, mentored training for prosecutors and judges in areas including asset forfeiture, seizure, custody, maintenance, and disposition procedures for presenting evidence; best practices for money-laundering prosecution and adjudication; obtaining assistance from other countries; making international requests for evidence; and handling foreign-obtained evidence and testimony in court. International case studies on best practices for AML CFT prosecution and adjudication will also be provided.

- (iii) Sustainable computer-based training (CBT) for AML:

A CBT center will be established at PPATK to train staff in Government agencies and financial services firms. CBT modules will be developed based on the training conducted under the TA for nonbank financial services supervisors, prosecutors, and judges. These modules will be developed in cooperation with the United Nations Office on Drugs and Crime (UNODC) and complement the AML CBT program developed by UNODC in 2003⁹. UNODC CBT programs¹⁰ are standardized training courses adapted to local environments and delivered in

⁹ UNODC AML CBT is currently being delivered in the Pacific and East and West Africa.

¹⁰ Since 1997, UNODC has also provided CBT for drug law enforcement training in Barbados, Cambodia, the People's Republic of China, Fiji, Jamaica, Lao People's Democratic Republic, Myanmar, Thailand, Turkey, and Viet Nam. The AML CBT will be implemented in Indonesia, Malaysia, and the Philippines.

local languages. The UNODC modules¹¹ will be installed at the PPATK center along with the new modules developed under the TA¹². CBT programs are advantageous because of the continuous availability, flexible scheduling, one-to-one training, economical delivery of knowledge and skills; and standardization of training for best practices. UNODC will implement its AML CBT program in Indonesia, Malaysia, and the Philippines during 2005-2006. UNODC CBT centers in Indonesia will be located at the Jakarta seaport, Jakarta international airport, four police offices, the national police training college in Semarang, and the criminal investigation training college in Bogor.

(iv) Education for nonbank financial institutions on AML compliance:

Nonbank financial institutions, including insurance firms, pension funds, finance companies, securities companies, and brokerage firms will be educated through AML seminars on best practices on AML compliance for nonbank financial services sector.

B. Methodology and Key Activities

8. The TA will be conducted in consultation with APG, the leading regional AML body that facilitates the adoption, implementation, and enforcement of internationally accepted AML standards as set out in FATF's 40 recommendations. As an observer international organization of APG and FATF, ADB coordinates with these bodies in its AML activities and programs. CBT materials will be developed in cooperation with the UNODC and its Global Programme Against Money Laundering. A letter of intent has been prepared between UNODC and ADB to facilitate cooperation in CBT in the Asian region. ADB will continue to coordinate closely with other funding agencies and participate in PPATK coordination meetings. AML assistance in Indonesia is centrally coordinated through PPATK to facilitate effective resource allocation and sequencing of assistance. Workshops will be conducted for (i) NBFIs supervisors in areas including AML nonbank supervisory frameworks, SOPs, and audit procedures; and (ii) the Attorney General's Office and MOJHR on best practices for AML CFT prosecution and adjudication. To build capacity, specialized, mentored training for prosecutors and judges will also be provided. Educational seminars on AML compliance will be conducted for NBFIs in Jakarta and selected provinces. To facilitate assessment of the TA and impact, the Government will provide ADB with a copy of APG and FATF country reports and assessments, PPATK reports and other information on a timely basis.

C. Cost and Financing

9. The TA is estimated to cost \$625,000 equivalent, comprising a foreign exchange cost of \$390,000 and a local currency cost of \$235,000 equivalent. The Government has requested ADB to provide \$500,000 to finance the entire foreign exchange cost of \$390,000 and \$110,000 equivalent of the local currency costs. The TA will be financed on a grant basis from the

¹¹ The UNODC AML modules are (i) what money laundering is, (ii) money-laundering methods, (iii) role of traditional financial institutions, (iv) nontraditional financial institutions; (v) money-laundering havens; (vi) FIUs; (vii) financial investigations; (viii) financial records; (ix) informants in financial investigations; (x) undercover operations for financial investigations; (xi) net-worth analysis; (xii) search operations during financial investigations; and (xiii) interviews for financial investigations.

¹² A CBT mobile unit will not be piloted at this stage based on UNODC experience in other countries which showed a higher cost and implementation risk relative to small CBT centers. Following the establishment of UNODC and PPATK CBT centers this option could be reevaluated.

Cooperation Fund for Regional Trade and Financial Security Initiative¹³ and administered by ADB. The Government will provide the remaining \$125,000 equivalent by providing counterpart staff and office facilities. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

10. PPATK will be the Executing Agency for the TA. The TA will be implemented over 12 months, from March 2005 to February 2006. The implementing agencies will be DGFI and BAPEPAM for components (i) and (iv), the Attorney General's Office and MOJHR for component (ii), and PPATK for component (iii). The TA will require an estimated 12 person-months of international consulting services. Requirements for consulting services include two international AML experts for non-bank supervision and compliance, and one international AML expert for prosecution and adjudication of AML cases. PPATK staff will jointly conduct the educational seminars for NBFIs with the international consultants. PPATK will also provide counterpart staff and office accommodation. ADB will engage individual consultants in accordance with the *Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers*. Outline terms of reference for the consultants are in Appendix 3. The consultants will provide inception, interim, and final reports, and provide weekly briefings to PPATK. The consultants will submit an inception report within two weeks of TA commencement, and an interim report and draft final report in accordance with schedules to be agreed with ADB and PPATK.

11. UNODC will install the UNODC CBT modules at PPATK and train the local CBT managers. For production of new CBT modules, ADB will directly select the firm that produced the UNODC CBT modules, based upon the extensive experience, specialized skills, and capacity to produce high-quality, compatible CBT modules. All services and equipment will be procured in accordance with ADB's *Guidelines for Procurement*.

12. TA results will be distributed through the PPATK, ADB, and APG web sites. Training materials will be distributed by the implementing agencies provided through PPATK's CBT center and locations designated by PPATK and UNODC, and posted on the PPATK, ADB, and APG web sites.

IV. THE PRESIDENT'S DECISION

13. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$500,000 on a grant basis to be financed by the Cooperation Fund for Regional Trade and Financial Security Initiative, to the Government of the Republic of Indonesia for Development of an Anti-Money-Laundering Regime II, and hereby reports this action to the Board.

¹³ The Cooperation Fund for Regional Trade and Financial Security Initiative is a multi-donor umbrella facility that supports ADB TA to developing member countries for enhancing port security and combating money laundering and terrorist financing. The Governments of Australia, Japan, and the United States have contributed to this fund.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions/Risks
<p>Goal To improve governance and strengthen the financial system.</p>	<ul style="list-style-type: none"> • Enhanced governance in financial transactions • Reduction of money laundering and related crimes • Successful prosecution of AML cases • Removal from the FATF list of NCCT with respect to money laundering 	<ul style="list-style-type: none"> • Dialogue with Government and industry associations • Assessment and evaluation by APG / FATF on money laundering regime • Reports from the Attorney General's Office and the courts 	
<p>Purpose Strengthen the AML regime</p>	<ul style="list-style-type: none"> • Strengthened nonbank AML supervision and compliance • Increased capacity for prosecution and adjudication of AML cases • Development of sustainable AML CBT • Increased knowledge of AML compliance among NBFIs • Increase in number and/or quality of STRs • Increase in PPATK referrals of AML cases for investigation • Increase in number of AML cases presented for prosecution <p>Increase in percentage of AML cases successfully prosecuted</p>	<ul style="list-style-type: none"> • Regular Government and donor meetings on money laundering • Progress reports • ADB review missions • PPATK reports • Assessments and reports by APG FATF 	<ul style="list-style-type: none"> • Institutional capacity in concerned agencies • Sufficient political will to satisfactorily resolve FATF concerns about deficiencies in the AML regime
<p>Outputs</p> <ul style="list-style-type: none"> • Nonbank AML supervision and compliance procedures strengthened 	<ul style="list-style-type: none"> • By 2006, DGF1 and BAPEPAM (or merged body) adopt standard operating procedures and best practices for AML audit procedures for examiners of NBFIs 	<ul style="list-style-type: none"> • Regular Government and donor meetings on money laundering • Progress reports • ADB review missions 	<ul style="list-style-type: none"> • Sufficient support and capacity in nonbank supervisory agencies

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Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions/Risks
<ul style="list-style-type: none"> • Increased capacity for prosecution and adjudication of AML cases • Sustainable CBT center established in PPATK for AML training • New AML CBT modules developed and produced in cooperation with UNODC • Increased capacity among NBFIs for AML compliance 	<ul style="list-style-type: none"> • By 2006, prosecutors in the Attorney General's Office and judges trained in areas including asset forfeiture, seizure, custody, maintenance, and disposition; AML prosecution and adjudication; presentation of evidence and handling of foreign-obtained evidence and testimony; and best practices for AML CFT • Sustainable CBT center established in PPATK in 2005 (including installation of UNODC AML CBT modules) • New AML CBT modules developed and produced by 2006 based on training conducted under the TA for nonbank financial services supervisors, prosecutors and judges. • NBFIs receive compliance training in 2005–2006 	<ul style="list-style-type: none"> • PPATK and Ministry of Finance reports • Assessments and reports by APG and FATF • Reports from industry associations, PPATK, and nonbank supervisors 	<ul style="list-style-type: none"> • Sufficient support and capacity in the Attorney General's Office and the Ministry of Justice and Human Rights • Adequate facilities and personnel at PPATK for CBT centers • Provision by experts of timely inputs and range of content to produce CBT modules • Commitment among NBFIs to AML compliance
<p>Activities</p> <ul style="list-style-type: none"> • Specialized mentoring and training for DGFI, BAPEPAM, Attorney General's Office and MOJHR • Workshops for 	<ul style="list-style-type: none"> • Specialized training and mentoring of agencies conducted in 2005–2006 • Seminars conducted for 	<ul style="list-style-type: none"> • Progress reports • ADB review missions • PPATK reports and reports from the related implementing agencies 	<ul style="list-style-type: none"> • Timely recruitment of consultants • Training and seminar materials appropriately tailored for the target audience • Receptive participants

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Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions/Risks
<p>DGFI and BAPEPAM officials and staff including AML nonbank supervisory frameworks, SOPs, and audit procedures</p> <ul style="list-style-type: none"> • Workshops for Attorney General's Office and judges on best practices for AML CFT. • AML seminars for NBFIs, including insurance, pension funds, securities firms, brokerage firms, and other nonbank financial institutions 	<p>insurance, pension funds, securities firms, brokerage firms, and other nonbank financial institutions in 2005–2006</p>		
<p>Inputs</p> <p>ADB</p> <ul style="list-style-type: none"> • International consulting services • Reports and communication • Equipment, printing, CDs • Seminars and workshops • CBT (installation and module development) • Translation, miscellaneous administration and support costs • Contingencies <p>Government</p> <p>Local counterpart staff and office facilities</p>	<ul style="list-style-type: none"> • \$268,000 • \$5,000 • \$20,000 • \$50,000 • \$80,000 • \$15,000 • \$62,000 • \$125,000 	<ul style="list-style-type: none"> • TA implementation progress reports • ADB missions and consultations with Government and industry 	<ul style="list-style-type: none"> • Competent consultants • Resources used efficiently

ADB = Asian Development Bank, AML = anti-money-laundering, APG = Asia/Pacific Group on Money Laundering, BAPEPAM = Badan Pengawas Pasar Modal (Capital Market Supervisory Agency), CBT = computer-based training, CFT = combating the financing of terrorism, DGFI = Directorate General of Financial Institution, FATF = Financial Action Task Force on Money Laundering, NBFIs = nonbank financial institution, NCCT = non-cooperative countries and territories, PPAATK = Center for Financial Transaction and Reporting Analysis, STR = suspicious transaction report, UNODC = United Nations Office on Drug and Crime.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Cooperation Fund for Regional Trade and Financial Security Initiative^a			
1. Consultants			
a. Remuneration and Per Diem of International Consultants	250.0	0.0	250.0
b. International and Local Travel	18.0	0.0	18.0
c. Reports and Communications	2.0	3.0	5.0
2. Equipment, ^b Printing, CDs	0.0	20.0	20.0
3. Seminars and Workshops	0.0	50.0	50.0
4. Computer-based Training (module production and installation)	80.0	0.0	80.0
5. Translation, Miscellaneous Administration and Support Cost	0.0	15.0	15.0
6. Contingencies	40.0	22.0	62.0
Subtotal (A)	390.0	110.0	500.0
B. Government Financing			
1. Local Counterpart Staff and Office Facilities	0.0	125.0	125.0
Subtotal (B)	0.0	125.0	125.0
Total	390.0	235.0	625.0

^a Administered by the Asian Development Bank (ADB).

^b The equipment consists of 10 computers (including 1 server) and 1 printer.
Source: ADB estimates .

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Consultants

1. **Anti-Money-Laundering Experts for Nonbank Financial Services Supervision and Compliance** (6 person-months), two experts

1. The experts must have expertise in the financial and legal aspects of money laundering, including in the capital markets and insurance and pension sectors, and extensive experience in implementing anti-money-laundering (AML) legislation and regulations, audit procedures for assessing compliance, and standard operating procedures (SOPs) for regulatory and supervisory bodies. The experts must have experience in developed countries with an effective AML regime, and knowledge of and experience in Asian countries. The experts will provide the following in accordance with AML best practices:

- (i) Standard operating procedures for the nonbank financial institution (NBFI) supervisors. SOP will be prepared for the Capital Market Supervisory Agency (Bapepam) and the Directorate General of Financial Institutions (DGFI), the supervisor for insurance, pensions and other NBFIs, in line with Government plans to merge the two bodies for a single NBFI supervisor.
- (ii) Audit procedures for NBFI examiners to assess compliance with AML law and regulations, including procedures for full on-site AML examinations for securities firms, brokerage firms, insurance firms, pension funds, and other NBFIs.
- (iii) Analysis of test audit cases of NBFIs to determine if special issues hinder audit procedures, and recommendations to address these issues.
- (iv) International case studies on AML CFT best practices, including SOP and audit procedures.
- (v) Draft decrees for NBFI supervisors to support implementation of the recommended supervision approaches and policies.
- (vi) Seminars/workshops for NBFI officials and staff on AML supervisory frameworks, SOPs, and audit procedures for examiners.
- (vii) Content for new AML computer-based training (CBT) modules based on training conducted under the TA. The selection of content will be made in consultation with PPATK, ADB, Asia/Pacific Group on Money Laundering (APG) and the United Nations Office on Drugs and Crime (UNODC) and its Global Programme Against Money Laundering. The experts will coordinate with the CBT production firm for appropriate integration of materials into the CBT modules.
- (viii) AML compliance seminars for NBFIs. The experts will conduct the seminars in conjunction with PPATK staff and seminars will be held in Jakarta and selected provinces.

2. **Anti-Money-Laundering Expert for Prosecution and Adjudication of Cases**
(6 person-months)

2. The expert must have significant AML expertise and experience in, among other areas, law enforcement, criminal and civil enforcement proceedings, investigation, prosecution, and adjudication of money laundering cases. The expert must have experience in developed countries with an effective AML regime, and knowledge of and experience in Asian countries. The expert will provide in accordance with AML best practices:

- (i) Training materials for prosecutors and judges, including international case studies of AML cases demonstrating best practices.
- (ii) Mentored training for prosecutors and judges for the handling, prosecution, and adjudication of AML cases.
- (iii) Training in asset forfeiture, seizure, custody, maintenance, and disposition of assets.
- (iv) Mentored training for intermediate money-laundering prosecution, including presentation of evidence, obtaining assistance from other countries, making international requests for evidence, and handling foreign-obtained evidence and testimony in court.
- (v) Seminars/workshops for the Attorney General's Office and Ministry of Justice and Human Rights on best practices for AML and combating the financing of terrorism (CFT), including international case studies.
- (vi) Content for new AML computer-based training (CBT) modules based on training conducted under the TA. The selection of content will be made in consultation with PPATK, ADB, Asia/Pacific Group on Money Laundering (APG) and the United Nations Office on Drugs and Crime (UNODC) and its Global Programme Against Money Laundering. The expert will coordinate with the CBT production firm for appropriate integration of materials into the CBT modules.