

APG ANNUAL BUSINESS PLAN



**Asia/Pacific Group
on Money Laundering**

2018 – 2019

Asia/Pacific Group on Money Laundering

Approved and adopted, 24 July 2018

APG Annual Business Plan 2018 – 2019

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CONTENTS

| | |
|---|---|
| INTRODUCTION | 1 |
| APG PROGRAMMES AND PLANS 2018–2019 | 2 |
| GOAL 1: Effective multilateral organisation | 4 |
| <ul style="list-style-type: none">• Relevant regional and international stakeholders• Effective governance structures• Resource the APG and its operations• Participating in international AML/CFT policy development | |
| GOAL 2: Working cooperatively and supporting implementation | 5 |
| <ul style="list-style-type: none">• Supporting research• Identify domestic and regional issues• Providing guidance, advice, and technical assistance• Supporting technical assistance coordination | |
| GOAL 3: Conducting and responding to assessments | 6 |
| <ul style="list-style-type: none">• Conducting third round mutual evaluations• Responding to mutual evaluations with follow-up processes• Supporting mutual evaluation programme and follow-up• Participating in the FATF's ICRG | |
| ANNEX A: Details of APG business activities against the strategic plan | 4 |



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APG BUSINESS PLAN 2018–2019

INTRODUCTION

1. This year's business plan is derived from a four-year strategic plan for 2016–2020. The three strategic goals of the APG are:
 - 1) Operating effectively as a multilateral organisation;
 - 2) Working cooperatively within the global network of FSRBs and also among individual APG members and delegates; and
 - 3) Conducting mutual evaluations and ensuring that our members respond effectively to those evaluations.
2. The APG Strategic Plan 2016-2020 also provides, amongst other things, that in developing annual business plans those plans will incorporate key performance indicators for the strategies contained in each goal using the following criteria:
 - 4) The activity must be clearly stated and achievable within time frames contemplated;
 - 5) Proposed activities must contribute directly to the achievement of the desired outcomes;
 - 6) Each and every activity is cost-effective and supported by available funding;
 - 7) The number of activities is targeted and manageable, given the resources available; and
 - 8) All activities must be linked directly or indirectly to the primary business objectives and purposes outlined in the Vision, Mission and Values statements in the strategic plan.
3. Each of the goals in this plan is supported by a number of key indicators which will be assessed at the end of the business year in a report against the business plan. Annex A provides a statement of how those key indicators will be completed during the year.
4. Major APG activities in the upcoming year include the following:
 - Six mutual evaluations will conclude (including one led by the IMF, jointly with FATF and EAG, and one jointly with the FATF);
 - Four mutual evaluations (including two jointly with FATF) will commence;
 - 2018 APG typologies workshop in Novosibirsk, Russian Federation; and
 - 2019 annual meeting and technical assistance forum.

Endorsed by:

APG members
21st APG annual meeting
Kathmandu, Nepal
24 July 2018

The APG's key tasks for 2018–19 (some of which are dependent on external funding) are as follows:

GOVERNANCE

1. The following key meetings will occur in 2018–19:
 - 22nd APG annual meeting and annual forum on technical assistance and training in July 2019;
 - 2018 Joint APG/EAG typologies workshop, from 3 to 7 December 2018 in Novosibirsk, Russian Federation;
 - APG governance committee will meet at least five times in the year as follows: August/September 2018; November/December 2018; February/March 2019; May/June 2019; and in July 2019.
2. Up to two membership-related visits 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. As an associate member of the FATF, the APG will continue to participate in:
 - three FATF plenary meetings;
 - either one FATF inter-sessional meeting (if required) or the FATF typologies meeting;
 - an FSRB meeting;
 - working group meetings in the FATF; and
 - meetings of the Asia-Pacific Joint Group.
4. Information from the FATF and other AML/CFT bodies will be communicated to members when received, APG website and/or individual correspondence/communication.
5. The APG secretariat will provide communications, information and liaison assistance to the Asia-Pacific Joint Group in further support of APG members in accordance with the *APG Strategic Plan 2016–2020*.

MUTUAL EVALUATIONS

6. The APG will:
 - continue the APG's third round of mutual evaluations, including assessor/reviewer and pre-mutual evaluation training; complete a revised mutual evaluation schedule; and continue to support the Mutual Evaluation Committee;
 - deliver at least one assessor training workshop under the 2013 assessment methodology in support of the APG's third round of evaluations;
 - deliver/support one regional pre-ME workshop for APG members;
 - undertake six mutual evaluations with reports to be considered at the 2019 annual meeting;
 - commence the mutual evaluations of four members with reports to be adopted in July 2020;
 - review and prepare analysis reports of members under APG third round follow-up;
 - review the progress of members subject to the transitional follow-up procedures for the 2019 annual meeting;
 - continue to contribute to preparation of updated assessment methodology training materials; and
 - review the FATF rules relating to mutual evaluation follow-up and the ICRG.

IMPLEMENTATION, TECHNICAL ASSISTANCE AND ICRG ACTIVITIES

7. The APG will provide priority assistance and support for members involved in the FATF's 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.
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 priority recommendations in those reports.
10. The APG will continue to provide implementation assistance relating to combating proliferation financing 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 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 NPO sector and
 - regional programmes to improve capacity to utilise financial investigation techniques to combat corruption.

TYOLOGIES

13. The APG will plan the annual typologies workshop scheduled for December 2018 in Novosibirsk, Russian Federation and work with APG member jurisdictions and observers on the second phase of the human trafficking project to include people smuggling and implementation issues.
14. The APG will commence project work on a joint project with EAG on terrorist financing using proceeds of crime including organised crime.
15. The APG will also work on the Risks and Vulnerabilities of Trans-Pacific Drug Routes project; support regional training initiatives and collaborate with the FATF and other strategic partners including other FSRBs directly relevant to APG business.

DETAILS OF APG BUSINESS ACTIVITIES AGAINST THE STRATEGIC PLAN KEY INDICATORS**GOAL 1: Effective multilateral organisation****(1) Include all relevant regional and international stakeholders in the work of the APG:**

- Encourage bilateral and multilateral engagement between members, observers and other jurisdictions and organisations to advance strategic objectives.
- Continue engagement with FATF, FSRBs, FATF TREIN, ADB, IMF, World Bank, PIFS, UN agencies, UNODC, the Egmont Group and other relevant bodies on conferences, seminars, workshops, technical assistance activities and strategically important regional initiatives.
- Continue engagement with existing observer jurisdictions APG.
- Identify relevant international organisations for possible observer status.

(2) Ensure effective governance structures, including plenary of members and observers, steering group, co-chairs, working groups and secretariat:

- Deliver 22nd Annual Meeting in July 2019.
- Implement revised governance and other strategic workload management mechanism(s) to address the growing workload, in accordance with decisions made at the 21st annual meeting in Kathmandu in July 2018.
- 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, the membership decisions and directions made at the 2018 annual meeting.
- APG committees and project groups will deliver projects and programmes as agreed by the membership and consider others as suggested by the membership or by the secretariat during the year.

(3) Resource the APG and its operations and ensure proper management of APG funds and activities:

- Members and observers will support operations through voluntary contributions, project support, active working group participation, expert advice or other resources in addition to budget contributions.
- The secretariat will manage and report on APG revenue and expenditure in accordance with the agreed 2018–19 budget and legal obligations of the host government, Australia.
- 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 2017–18.
- The secretariat will implement decisions made by members at the 2018 annual meeting on additional resources required to manage work relating to 5th year follow-up evaluations and other workload challenges.

(4) Actively participate in international AML/CFT policy development and, standard setting processes through cooperation with the FATF and international partner organisations:

- Participate in FATF plenaries, working groups and other inter-sessional meetings.
- Participate in one other FSRB meeting in 2018–19.
- Coordinate input to FATF and other bodies' projects, policy development, assessment work and studies of risks, trends and methods.

GOAL 2: Working cooperatively and supporting implementation

(1) Support research on AML/CFT risks and contextual issues:

- In collaboration with the Eurasian Group (EAG), deliver 2018 typologies and capacity building workshop in December 2018 in Novosibirsk, Russian Federation.
- Complete the joint APG/MENAFATF typologies project on social media and terrorism financing.
- Commence project work on tracking illicit flows relating to human trafficking and/or smuggling in accordance with UNSCR 2331 of 20 December 2016.
- Commence project work on a joint project with EAG on terrorist financing using proceeds of crime including organised crime.
- Participate in FATF and other FSRB typologies projects relevant to APG business.
- Implement Terms of Reference for the Operations Committee.

(2) Identify domestic and regional issues that affect implementation of the FATF standards, including members' assistance needs and opportunities for enhanced international cooperation:

- 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 (e.g. terrorist financing fact finding initiative).
- Continue to identify other domestic and regional TA and implementation issues.

(3) Provide guidance, advice, and technical assistance on implementation of the FATF standards, in collaboration with global partners:

- 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 and risk-based supervision of financial and non-financial sectors. Deliver strategic implementation planning support pre- and post-mutual evaluations.
- 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:

- Deliver the annual technical assistance and training forum in July 2019.
- Collect information and analyse gaps in members' AML/CFT systems.
- Coordinate and support assistance provided by the DAP Group.
- Conduct teleconferences to coordinate technical assistance in sub-regional groups.
- Deliver technical assistance and training programmes funded under voluntary grants pursuant to specific implementation plans.
- 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 plans.

GOAL 3: Conducting and responding to assessments

(1) Conduct the APG's third round mutual evaluation programme:

- Complete mutual evaluation reports for 2019 annual meeting as follows: China (led by the IMF, jointly with FATF and EAG); Hong Kong, China (jointly with FATF); Pakistan; Philippines; Solomon Islands; and Chinese Taipei including pre-mutual evaluation visits, on-site and face-to-face visits.
- Commence four (4) mutual evaluations to be adopted at the 2020 annual meeting as follows: Japan (jointly with FATF), Republic of Korea (jointly with FATF), Vietnam and Tonga.
- Update third round mutual evaluation schedule for approval at 2019 annual meeting.

(2) Respond to mutual evaluations with follow-up processes:

- Implement transitional mutual evaluation follow-up procedures to monitor members' progress.
- Implement and amend third round follow-up procedures to monitor members' progress and examine policy and procedures relating to the 5th year follow-up evaluations.
- Document cases of insufficient progress for MEC, governance committee and co-chairs.
- Membership to make decisions in cases of insufficient progress by specific members.

(3) Support the mutual evaluation programme and follow-up with experts, training and procedures:

- 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.
- Deliver assessor and pre-mutual evaluation training workshops for mutual evaluations planned in 2019-20.
- Provide support to members undergoing mutual evaluations.

(4) Participate in the FATF's ICRG and its processes on behalf of APG members:

- Provide assistance, advice and engagement with members and technical assistance donors on FATF's ICRG rules and procedures and strategic responses to ICRG review.
- Provide input to FATF ICRG processes and the development of ICRG procedures.
- Actively participate in FATF ICRG meetings and inter-sessional AP-JG meetings.

BUSINESS PROGRAMME DELIVERY FRAMEWORK

Participation

- APG events are delivered in accordance with established procedure and agreed practice.
- Members and observers provide experts to key projects and events including mutual evaluations.
- The secretariat obtains voluntary funding to sponsor travel for delegates.
- Sponsorship funding to APG events is offered in accordance with project plans.
- Business arising is identified and delegated to members, or referred for appropriate attention.

Preparations

- Required resources are identified and secured for all APG events.
- Hosting and logistical planning is efficiently documented and budgets prepared.
- Hosting arrangements include security of delegates.
- Policy documents and discussion papers are prepared and distributed within agreed timeframes.

Outcomes

- Major events or project objectives are met and/or outputs achieved.
- All plans are realised within the projected budgets and agreed timeframes.
- Resources are accounted for, or acquitted as required.
- Records of meetings, including lists of participants, are distributed to delegates.
- Required follow-up reports are prepared and circulated within the projected timeframes.

Communication

- Outcomes of key events are reported to the APG membership.
- APG delegates feedback on any aspect of APG events (administrative, policy) is encouraged and considered.
- Media engagement on key outcomes as per the *APG Information and Communications Strategy 2015*.