



Asia/Pacific Group
ON MONEY LAUNDERING

December 2025

APG Global Fourth Round Transitional Follow-up Procedures

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Table of Abbreviations

AML/CFT	Anti-money laundering/countering the financing of terrorism (also used for <i>combating the financing of terrorism</i>)
APG	Asia/Pacific Group on Money Laundering
C	Compliant
DNFBP	Designated non-financial businesses and professions
FATF	Financial Action Task Force
FSRB	FATF-Style Regional Body
FUR	Follow-up report
ICRG	International Cooperation Review Group
IO	Immediate outcome
LC	Largely compliant
ME	Mutual evaluation
MER	Mutual evaluation report (including executive summary)
MEC	Mutual Evaluation Committee (of the APG)
ML	Money laundering
NC	Non-compliant
PC	Partially compliant
TC	Technical compliance
TF	Terrorist financing
UNSCR	United Nations Security Council Resolution

APG Global Fourth Round Transitional Follow-Up Procedures

Introduction

- 1.1 The APG Plenary adopted these *APG Transitional Follow-Up Procedures* (**Transitional Procedures**) in August 2025 to govern how the APG will continue to monitor the progress of members under the follow-up reporting process for the Global Fourth Round.
- 1.2 The APG completed the mutual evaluations (**MEs**) under the Global Fourth Round in August 2025. On this basis, the APG repealed the APG's mutual evaluation procedures for the Global Fourth Round (*APG Third Round Mutual Evaluation Procedures 2023*).
- 1.3 Follow-up reporting under the APG's Global Fourth Round will continue for all APG non-FATF members in accordance with these Transitional Procedures until they exit the process. A member exits the process 24 months (two years) prior to the commencement of their Global Fifth Round ME. The commencement of the ME is the date the member is required to submit its technical compliance questionnaire.
- 1.4 The APG's follow-up process for the Global Fourth Round is intended to:
 - a. encourage members' implementation of the FATF Standards;
 - b. provide regular monitoring and the collection of up-to-date information on members' compliance with the FATF Standards (including the effectiveness of their AML/CFT systems); and
 - c. apply sufficient peer pressure and accountability.
- 1.5 While these Transitional Procedures are consistent with the global network's *Universal Procedures* and FATF's procedures, the process has been adapted to suit the specific needs and circumstances of the APG's diverse membership. However, the procedures for follow-up reporting under the Global Fourth Round under these transitional procedures do not depart materially from the repealed *APG Third Round Mutual Evaluation Procedures 2023*.
- 1.6 The Transitional Procedures do not preclude the APG from deciding to take membership action at any time in relation to any member in accordance with the APG Terms of Reference. The general expectation is for members to have addressed most, if not all, of the TC deficiencies by the end of the third year following adoption of the MER.¹

Application of Transitional Procedures

- 1.7 These Transitional Procedures come into effect on adoption at the APG annual meeting in August 2025. They apply to all APG members who have not exited the follow-up process for the Global Fourth Round of MEs, except for joint APG/FATF members.
- 1.8 Joint APG/FATF members are subject to the FATF's transitional follow-up processes under the Global Fourth Round until they exit the process. All FATF Global Fourth Round follow-up

¹ The plenary determines the extent to which its members are subject to this general expectation, depending on the member's context.

reports (**FURs**) on joint members will be endorsed by the MEC and adopted by the APG membership either during plenary or out-of-session.

Type of follow-up

- 1.9 The APG membership may, at any stage, including following the discussion and adoption of a MER, decide to place a member under either:
- a. **Regular follow-up:** This is the default monitoring mechanism requiring biennial reporting.
 - b. **Enhanced follow-up:** This is the monitoring mechanism for members with significant deficiencies (for TC or effectiveness) in their AML/CFT systems and provides for a more intensive process of follow-up.
 - c. **Enhanced (expedited) follow-up:** Where a member meets the criteria for enhanced follow-up and has very serious deficiencies, the APG membership may place the member in enhanced follow-up (expedited) and impose additional reporting requirements.

Timing of follow-up reporting

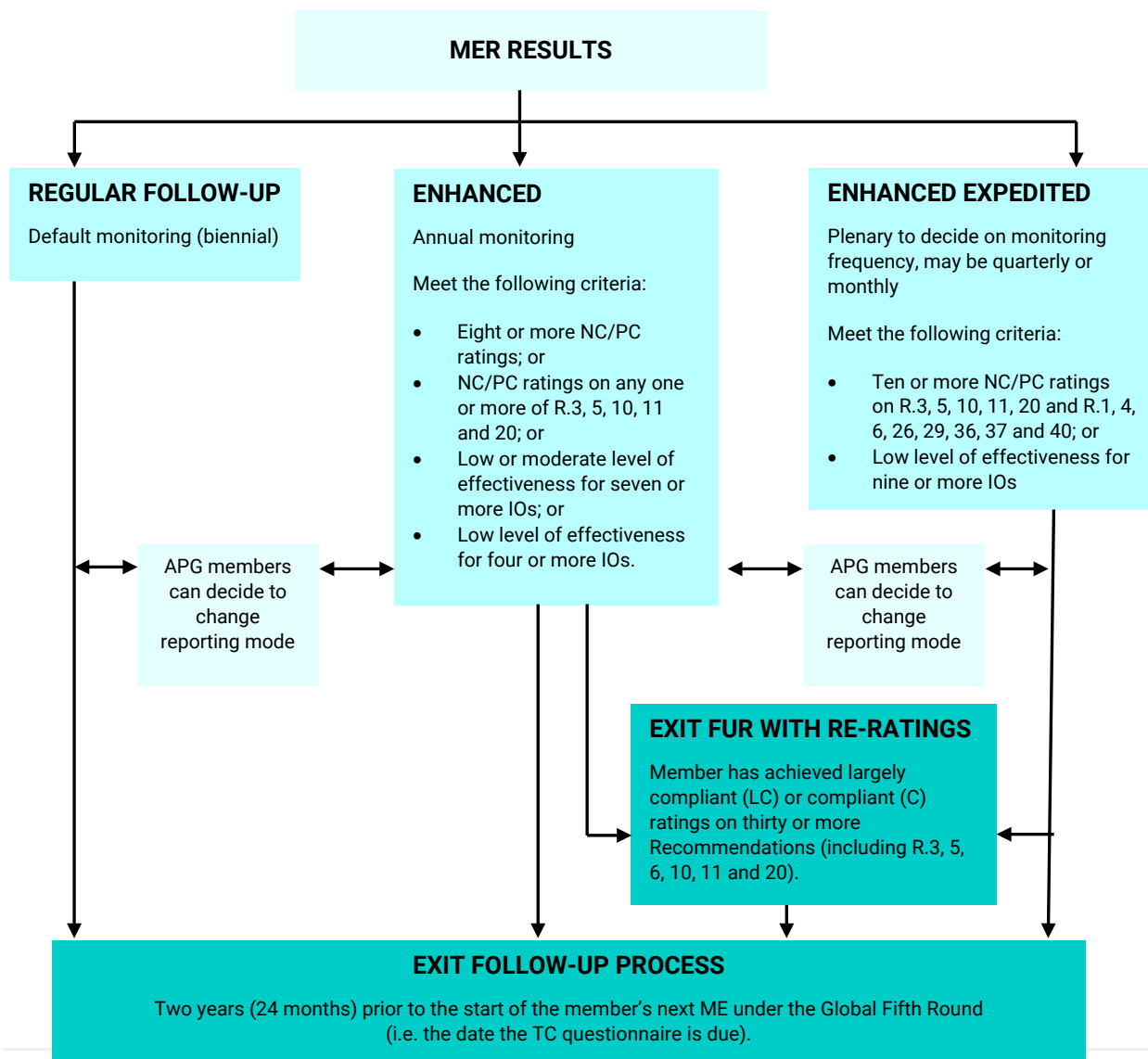
- 1.10 All APG non-FATF members in the follow-up reporting process for the Global Fourth Round are placed in one of three reporting streams which determines the timing for reporting. The allocation of these members across the three reporting streams is set out in **Annex A**.
- 1.11 Separate dates apply for submission of progress reports under the follow-up reporting process in each of the three streams. These are 1 February, 1 June and 1 October each year for each of the respective streams. These submission dates are also the cut-off dates for progress to be reflected in the FUR findings. For example, for a member reporting under the 1 February stream, changes to the legal, institutional or operational framework must be in place by 1 February for the relevant year will be considered and reflected in the FUR.
- 1.12 There are two types of FURs:
- a. FURs with re-ratings; and
 - b. FURs without re-ratings.
- 1.13 Re-ratings for technical compliance (**TC**) under the follow-up reporting process may only be made with membership approval. The follow-up reporting process does not provide re-ratings for effectiveness of any of the 11 Immediate Outcomes (**IOs**) under the FATF Methodology. Where a member is submitting a progress report seeking re-ratings under either the regular (biennial) or enhanced follow-up reporting process, members must indicate one month before the submission date if they are seeking TC re-ratings, and if so, for which Recommendations.
- 1.14 A member's draft FUR will be discussed by the Mutual Evaluation Committee (**MEC**) and adopted (where possible) approximately four months after the progress report is provided, through an out-of-session process or, if necessary, after plenary discussion (as outlined below). At the same time the FUR is adopted, the timing for the filing of the next progress report under the follow-up process will be confirmed with the relevant member.

1.15 FURs with re-ratings will cease once a member has achieved largely compliant (LC) or compliant (C) ratings on thirty or more Recommendations, including Recommendations 3, 5, 10, 11 and 20. Those members will still be required to file follow-up reports without re-ratings. However, such members can request approval from the MEC Co-Chairs to file a follow-up report with re-ratings in extenuating circumstances. The MEC Co-Chairs will review the request to determine whether the member requesting re-rating has provided sufficient evidence of an “extenuating circumstance”. An extenuating circumstance is one that is exceptional or unforeseen and where refusing the request could have significant adverse impacts for the jurisdiction. Where the MEC Co-Chairs consider extenuating circumstances are demonstrated, the MEC Co-Chairs can confirm the request subject to available resources.

1.16 Members will cease follow-up reporting 24 months before their Global Fifth Round ME commences.

1.17 Table 1 below sets out how members enter and exit the follow-up reporting process.

Table 1: Flow chart of how members enter and exit the follow-up reporting



Use of FATF Methodologies for FURs with re-ratings

- 1.18 The FATF Assessment Methodology (2013) applies to jurisdictions engaged in follow-up processes under the Global Fourth round of MEs, including for consideration of TC re-ratings.
- 1.19 The FATF has adopted several changes to the Recommendations during the Global Fourth Round. Under paragraph 6 of the Universal Procedures, jurisdictions are expected to implement these changes from the time that they are adopted by the FATF.
- 1.20 If the FATF has revised any of the Recommendations and included these changes in the FATF Assessment Methodology (2013) after a jurisdiction's Global Fourth Round ME on-site visit (or after its last FUR, if applicable), the jurisdiction will be assessed against the revised standards when it submits a re-rating request for any Recommendation. Revised Recommendations will be assessed even if the rating in the MER or the last FUR was LC or C.
- 1.21 If a jurisdiction requests a re-rating for a Recommendations that has been revised only under the FATF Assessment Methodology (2022), as updated from time to time, it will be assessed using the 2022 version of the Methodology.²

Use of expert reviewers

- 1.22 FURs with re-ratings will be analysed by a team of expert reviewers from APG members and observers (drawing on former assessment team members whenever possible). To the extent possible, the original assessors or ME reviewers or ICRG lead reviewers or previous follow-up reviewers will be sought as follow-up experts, if available. Follow-up experts other than original assessors or ME reviewers or previous follow-up reviewers should have successfully completed assessor training with the relevant legal, financial or law enforcement background, and be nominated by their Heads of Delegation. The number of follow-up experts assigned to a report, and their expertise, will depend on the number and nature of Recommendations to be considered for re-rating.
- 1.23 Follow-up experts will need to be able to commit time and resources to reviewing all members' submissions, collaborating with any other follow-up experts involved in the follow-up exercise, being open and flexible and seeking to avoid narrow comparisons with their own national requirements or practices, raising queries, participating in conference calls if necessary, conducting and writing up the analysis and adhering to the deadlines indicated. If any issues for which a follow-up expert is primarily responsible require discussion at the MEC meeting, the follow-up expert will be requested to attend the MEC discussions.

² If a jurisdiction requests a re-rating for a Recommendation revised only under the FATF Assessment Methodology (2022), this does not mean it will automatically be re-assessed against all other revised Recommendations in that Methodology. The re-assessment will only apply to the specific Recommendation(s) included in the re-rating request. Jurisdictions may defer their assessment against the 2022 Methodology until their Global Fifth Round ME by not submitting re-rating requests for Recommendations that have only been revised under the 2022 Methodology.

1.24 To ensure accurate and comprehensive analysis, the follow-up experts should consider all criteria of the Recommendations under review and examine the relevant legal, regulatory or operational framework in its entirety, even when some elements of the framework remain unchanged from the member's MER. The follow-up experts may highlight relevant strengths or weaknesses not previously noted in the member's MER. If the follow-up experts reach a different conclusion to the previous MER (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion.

Review of progress and drafting of FUR

1.25 FURs without re-ratings do not include analysis of compliance with any FATF Recommendations, therefore the APG Secretariat will conduct a very limited review of information provided by members focusing on readability and consistent use of terms only. FURs without re-ratings will be prepared by the APG Secretariat to be discussed and endorsed by the MEC. Once endorsed, the MEC will recommend to APG members to adopt the FUR without re-ratings out-of-session.

1.26 The APG Secretariat conducts a *prima facie* review of all requests for TC re-ratings to determine whether there is material progress to warrant the conduct of the full re-rating assessment once a request for a re-rating has been submitted. The APG Secretariat prepares a draft outcome of the *prima facie* review, which is then submitted to the review team for consideration. Re-rating requests will not be progressed to a full assessment where the review team determines that there are no material changes to the legal, institutional or operational framework³ since the MER or previous FUR and there have been no changes to the FATF Recommendations or their interpretation.⁴

1.27 The analysis of a FUR with re-ratings is a desk-based review. The type of substantive issues considered in the analysis report include:

- a. **Re-ratings for technical compliance.** Re-ratings for any one or more of the 40 FATF Recommendations rated NC or PC will be possible if requested by the assessed member if the legal, institutional or operational framework has changed. The review team will analyse the changes to determine whether the member has sufficiently addressed the underlying key deficiencies identified in the MER (or previous FUR) to warrant a re-rating. In line with the FATF Methodology, the review team's analysis will consider the entirety (all criteria) of the Recommendation under review, noting that this will be cursory where, for specific criterion, the legal, institutional or operational framework is unchanged since the MER or previous FUR. In highly exceptional circumstances, the FUR analysis may identify and address a deficiency not assessed or incorrectly assessed due to a material

³ Only relevant laws, regulations or other AML/CFT/CPF measures that are in force and effect by the deadline to submit information for a FUR, will be taken into account for determining whether there have been material changes.

⁴ Where there is disagreement between the expert(s) and the assessed member in this respect, they should discuss with MEC Co-Chairs to achieve an agreement.

or factual error in the original MER (including through plenary and external Q & C processes), but which is material to the assessment.⁵

- b. **Revised Recommendations:** The FUR analysis must cover re-ratings required for revised FATF Recommendations transposed into the FATF Assessment Methodology (2013) since the member's onsite or previous FUR. Re-ratings for revised Recommendations transposed only into the FATF Assessment Methodology (2022) will only be conducted if the re-rating is requested by the member and will apply the FATF Assessment Methodology (2022).
- c. **Change in TC:** Significant changes in the member's legal or institutional frameworks leading to an increase or a decline in TC.
- d. **Inadequate progress:** Insufficient progress made by the member against the priority actions in its MER.
- e. **Progress against specific actions:** Sufficient or insufficient progress made against specific actions agreed by members as part of the follow-up process in more serious cases.
- f. **Change in mode of reporting:** Whether it is recommended that the member changes reporting mode (for example, moves from regular to enhanced follow-up reporting, or from enhanced to regular follow-up reporting).

1.28 When preparing the FUR, the APG Secretariat/review team may consult the original assessors, if available. The FUR will contain a recommendation(s) regarding the next steps in the follow-up process, together with the analysis of compliance. The draft FUR will be provided to the assessed member for comments before it is sent to the global network for consideration and to APG members for adoption.

Confidentiality

- 1.29 All documents and information produced for the purposes of a FUR should be treated as confidential. This includes documents and information produced:
- a. by an assessed member during the follow-up assessment (e.g., updates and responses, documents describing a member's AML/CFT regime, measures taken or risks faced (including those for which there will be increased focus), or responses to assessors' queries);
 - b. by the APG Secretariat or reviewers (e.g., reports from reviewers, draft FUR); and
 - c. comments received through the consultation or review mechanisms.

⁵ Such circumstances exclude cases in which the assessed jurisdiction, the review team, or any delegations seek to re-litigate previous APG decisions.

- 1.30 All reviewers appointed to review FURs are required to sign a confidentiality agreement, which includes the requirement to declare any actual or potential conflict of interests or appearance of such conflict between their responsibilities in the FUR and their duties or private interests, before the follow-up process commences. The reviewers should use password protected computers/devices and USBs for saving, viewing or transferring confidential materials related to the follow-up assessment.
- 1.31 All documents and information provided under the follow-up reporting process must only be used for the specific purpose provided and not be made publicly available or disclosed to unauthorised third parties unless the assessed member and the APG (and where applicable, the originator of the document) consents to their release.
- 1.32 These confidentiality requirements apply to the review team, the APG Secretariat, officials of the assessed member, and any other person with access to the documents or information.

Regular Follow-up

- 1.33 Regular follow-up reporting is the default mechanism for APG members to ensure a continuous and ongoing system of monitoring and is the minimum standard for reporting. Members subject to regular follow-up will report to the plenary every two years.

Biennial reporting

- 1.34 Members placed in regular follow-up will provide a progress report to the APG Secretariat on a biennial basis after adoption of the MER. The progress report should be submitted by the reporting deadline set in the schedule at **Annex A** and the next reporting deadline confirmed with each adopted FUR.
- 1.35 The progress report should set out the actions the assessed member has taken since adoption of the MER/previous FUR. This should include relevant changes to the laws, regulations, guidance and relevant data, as well as other contextual and institutional information. The expectation is that satisfactory progress would have been made.

Enhanced (and enhanced expedited) follow-up

- 1.36 The plenary has the discretion to decide, either when a member's MER is adopted or at any other time, that a member should be placed in the enhanced or enhanced expedited follow-up reporting process rather than the regular follow-up reporting process.
- 1.37 Enhanced and enhanced expedited follow-up requires the member to report more frequently than for regular follow-up and may involve other measures being taken under the *Graduated Steps*.

Criteria – Enhanced Follow-Up

1.38 The plenary can make decisions about the type of follow-up reporting that applies to a member:

- a. after the discussion of the member's MER;
- b. after the discussion of a member's FUR; and
- c. as may be decided by APG members at any time, in relation to any member, in accordance with the APG Terms of Reference.

After the discussion of the MER

1.39 A member will be placed immediately on enhanced follow-up after the discussion of the member's MER if any one of the following applies:

- a. it has eight or more NC/PC ratings for TC; or
- b. it is rated NC/PC on any one or more of R.3, 5, 10, 11 and 20; or
- c. it has a low or moderate level of effectiveness for seven or more of the 11 effectiveness outcomes (IOs); or
- d. it has a low level of effectiveness for four or more of the 11 effectiveness outcomes.

After the discussion of a FUR

1.40 The plenary may decide to place a member on enhanced follow-up at any stage in the regular follow-up process, if any one of the following applies:

- a. a significant number of priority actions have not been adequately addressed on a timely basis; or
- b. its level of TC changed to a level that the plenary agrees is equivalent to NC/PC on any one or more of R.3, 5, 10, 11 and 20.

1.41 The plenary may decide to move a member from enhanced to regular follow-up where the member entered enhanced follow-up based solely on meeting the TC criteria in paragraph 1.39 (a)-(d) above, and the plenary agrees that the member no longer meets the TC criteria (after the re-ratings process).

Additional criteria – Enhanced Follow-up (Expedited)

After the discussion of the MER

1.42 A member with very serious deficiencies will be placed immediately on enhanced follow-up (expedited) after the discussion of the member's MER if either of the following applies:

- a. it has 10 or more of the following 13 Recommendations rated NC/PC for TC: R.3, 5, 10, 11, 20; and, R.1, R.4, R.6, R.26, R.29, R.36, R.37, R.40; or
- b. it has a low or moderate level of effectiveness for nine or more of the 11 effectiveness outcomes.

After the discussion of a FUR

- 1.43 The plenary may decide to place a member on enhanced follow-up (expedited) after the discussion of a FUR if any one of the following applies:
- a. a significant number of priority actions have not been adequately addressed on a timely basis (for members already subject to enhanced follow-up); or
 - b. in exceptional circumstances such as a significant decline in TC or effectiveness (for members on regular follow-up).
- 1.44 Members may move out of enhanced follow-up (expedited) and into enhanced follow-up at any time in the following situations:
- a. where the plenary is satisfied that the member has made significant progress against the priority actions in its MER, or has taken satisfactory action to address its deficiencies (after the re-rating process), even if the member still meets the criterion outlined at paragraph 1.39 (b) above; or
 - b. the member no longer meets the criteria for enhanced follow-up based on the re-ratings for TC.

Annual reporting under enhanced follow-up

- 1.45 Members on enhanced follow-up will provide a short (one to two page) summary of progress against the recommendations contained in their MER one year after adoption of the MER by the reporting deadline set in the schedule at **Annex A**.
- 1.46 Reporting will then occur on an annual basis (beginning approximately two years after adoption of the MER). The member should send the detailed progress report to the APG Secretariat setting out the actions it has taken since its MER, or is taking to address the priority actions and recommendations, and deficiencies outlined in its MER. This should include relevant changes to laws, regulations, guidance etc., as well as relevant data and information, and other contextual and institutional information.
- 1.47 While only TC is assessed under the follow-up process, a member can report progress related to effectiveness for the information of members. This material will not be subject to detailed review but will be reflected in summary form in the FUR. The expectation is that satisfactory progress should be reported in each detailed progress report, failing which the member could be moved to expedited reporting. The APG Secretariat will provide the follow-up reporting template to members.

Reporting under expedited enhanced follow-up

- 1.48 For members placed on enhanced follow-up (expedited) on adoption of the member's MER, or at any other time, the plenary will decide on the frequency and time of the member's follow-up reporting. The plenary may impose quarterly reporting, and in the most serious cases, monthly reporting requirements, until such time the issues have been satisfactorily addressed.
- 1.49 The APG Secretariat will provide the template to members for reporting.
- 1.50 Reports submitted by members on enhanced and enhanced (expedited) reporting will be analysed in accordance with the procedures set out above.

ICRG

- 1.51 The APG's follow-up reporting process considers a member's involvement in the FATF's International Cooperation Review Group (ICRG) process and seeks to complement and support the ICRG process and avoid any undue reporting burden on relevant members. For example, the timing of preparation and adoption of a member's FUR can be adjusted to coincide with the ICRG's post observation period report on a relevant member. This can ensure that relevant analyses of TC re-ratings are available for the ICRG at the appropriate time.
- 1.52 Members subject to ICRG review are not expected to report to the APG on progress in addressing deficiencies for the Recommendations that are included in an agreed ICRG action plan. However, overall progress on each Recommendation is still expected to be achieved, including on parts of Recommendations that are not covered by the ICRG action plan, under the normal timelines, or as soon as the member has completed its ICRG action plan (if this is after the regular timelines).
- 1.53 The APG's analysis of a member's progress report under the follow-up reporting process may draw on any ICRG review report adopted by the FATF within the 12 months prior to the APG's annual meeting. While the APG will generally rely on the ICRG's analysis of compliance with the FATF Recommendations, the APG is not bound by the conclusions of the ICRG report. For TC re-rating purposes, an APG review team may need to update and complement the analysis contained in the ICRG report (e.g. where additional information is provided by the member, or an ICRG action plan item does not cover all the essential criteria for a particular FATF Recommendation).

Global Q & C Review for FURs

- 1.54 FURs involving TC re-ratings are to be subject to quality and consistency (Q & C) review by the global network.
- 1.55 All draft FURs with TC re-ratings should be circulated to all members and observers, including the FATF Secretariat (for circulation to FATF members), at least five weeks prior to

consideration by the MEC (four-monthly meeting) and/or plenary meeting. All delegations then have two weeks to provide written comments on the draft.

- 1.56 If no comments are received, the FUR will be submitted to the MEC for consideration and endorsement. If comments are received on the draft FUR (including from the assessed member), the draft FUR will be revised as appropriate. If there are substantive changes to the draft FUR, the FUR will be recirculated to the global network for further comment in accordance with paragraph 1.54.
- 1.57 Where there are major issues raised by two or more delegations through the global Q & C process which cannot be resolved, the FUR will be discussed by the APG plenary in-session.⁶ The APG plenary will also consider a FUR in-session where there is a major disagreement between the review team and the assessed member on the findings contained in the FUR after the FUR has been revised following the Q & C process and recirculated.

FUR Adoption Process

- 1.58 All FURs must be adopted by the APG membership and can be adopted out-of-session or in-session by the plenary.
- 1.59 FURs are generally adopted out-of-session but will be tabled for discussion and adoption by the plenary in-session in the circumstances described in paragraph 1.56 or if the MEC otherwise decides to refer a FUR for plenary consideration (see also the process flow-chart at **Annex B**).
- 1.60 Where a FUR is scheduled for discussion and adopted by the plenary, the APG Secretariat will circulate a short list of the most significant issues to members and observers at least two weeks prior to the MEC and/or plenary discussion of those referred elements of the FUR. The uncontested portion of the FUR will proceed to MEC consideration and out-of-session adoption by members. The MEC meeting (held in the margins of the plenary meeting) and/or plenary discussion should prioritise discussion of these issues and should be limited in time and scope.
- 1.61 The consensus rule applicable to out-of-session and plenary consideration of FURs is consistent with the consensus rule applied by the APG for governance and membership issues.
- 1.62 After adoption, and prior to publication, there is a global Q & C *ex-post* review process for FURs with TC re-ratings where Q & C issues are raised through the pre-MEC review or during the relevant MEC or plenary discussions (see paragraph 1.67 (b)).

⁶ The MEC Co-Chairs will review the concern before the issue is referred for in-session consideration to determine whether *prima facie* it meets the substantive threshold for a “major issue”. Issues to be considered may include: the substance of the particular concern raised and the consistency of the analysis; interpretation or application of the standards / methodology / procedures; or material facts not being reflected (e.g. entry into force of legal instruments).

FURs without re-ratings

- 1.63 FURs with no TC re-ratings will be submitted to the MEC to consider and endorse out-of-session in the first instance (at one of the MEC's four-monthly meetings). As part of this process, the MEC will also consider and recommend the appropriate follow-up status of jurisdictions and next steps for the membership's consideration.
- 1.64 Once endorsed by the MEC, the FUR will be submitted to all members for consideration and adoption through an out-of-session process. Members will have one week to comment on the draft FUR. If no comments are received (including from the assessed member), the report will be deemed approved and will proceed to publication.
- 1.65 If two or more members (not including the assessed member), or the assessed member, raise concerns regarding the FUR, then those contested elements of the FUR will not be adopted and will be referred to the plenary for consideration and adoption.

FURS with re-ratings

- 1.66 FURs with TC re-ratings will be considered by the MEC following the completion of the Q & C process outlined at paragraph 1.53 to 1.56 above.
- 1.67 Where a reviewer's findings for a FUR with re-ratings is not disputed by the assessed member, and the reviewer's findings are not subject to concerns raised by two or more delegations, the FUR will be submitted to the MEC for out-of-session consideration and adoption.
 - a. If no comments are received (including from the assessed member) the report will be deemed approved and will proceed to out-of-session adoption by the membership. The MEC may, however, use its discretion to refer a FUR to plenary for consideration and adoption where the report has been disputed by one member, or by any observers or other members of the global network during the review process.
 - b. If comments are received (disputed by the assessed member, or subject to concerns raised by two or more delegations), the disputed issues in the report will be referred for consideration and adoption in plenary but may go to the MEC first depending on the comments received. The uncontested portion of the FUR will proceed to MEC consideration and out-of-session adoption by members and subsequent publication in keeping with the procedures set out below. The MEC will advise the assessed member of any objections to the out-of-session adoption of a FUR, including any concerns raised regarding the content of a FUR. The FUR will then be considered in accordance with the procedures set out at paragraphs 1.57 to 1.61 above.
- 1.68 Where there are major disagreements between the reviewers and the assessed member on the findings contained in the FUR (e.g. re-ratings), and/or major issues raised through the pre-plenary review process, the APG Secretariat will compile a short list of the most significant issues, and will circulate this to all members and observers at least two weeks prior to the MEC and/or plenary discussion. The MEC and/or plenary discussion should prioritise

discussion of these issues and should be limited in time and scope. Although FURs will first be discussed at MEC, plenary remains the only decision-making body.

- 1.69 With consideration to time constraints, the MEC may opt to prioritise discussion of FURs that involve (a) re-ratings for technical compliance, or (b) proposals to change the mode of follow-up, such as from enhanced follow-up to expedited follow-up (expedited).
- 1.70 The scope and time for any plenary discussions of FURs with TC re-ratings will generally be limited to a maximum of one hour, and only if, in the view of the APG Co-chairs, the discussion could feasibly result in a re-rating. Plenary will not discuss an individual criterion rating unless it will affect an overall Recommendation rating.

Membership action

- 1.71 The MEC will make recommendations to the membership for reports involving the application of less serious membership action (graduated steps (a)-(b) in paragraph 1.72). The MEC through the APG Governance Committee will make recommendations to the membership for reports involving the application of more serious membership action (refer graduated steps (c)-(f) in paragraph 1.72) and the reports will be circulated to members for adoption at the plenary meeting or out-of-session, where appropriate.

Membership decisions

- 1.72 Whether through the out-of-session process or plenary discussion, APG members will consider and adopt all FURs and decide on the category of follow-up, e.g., expedited follow-up (expedited), including frequency and timing of reports; enhanced follow-up; or regular follow-up. Where expedited reports are involved (or under exceptional circumstances), this could be done out-of-session and not at the annual meeting. In the exceptional case that it comes to the plenary's attention that a member has significantly lowered its compliance with the FATF Recommendations, the plenary may request the member to address any new deficiencies as part of the follow-up process.

Graduated Steps

- 1.73 In addition to more frequent reporting, the membership may also apply other enhanced measures to members placed on enhanced follow-up, as follows:
- a. Send a letter from the APG Co-Chairs to the relevant Minister(s) drawing their attention to the evaluated member's lack of implementation/progress against the FATF Standards and/or with APG ME follow-up requirements and/or membership requirements.
 - b. Arrange a high-level visit. This visit would meet with Ministers and senior officials.
 - c. Refer the matter to the FATF for possible consideration under the FATF's ICRG process.
 - d. In the context of the application of Recommendation 19 by members, issuing a formal APG statement to the effect that the member is insufficiently in compliance with the FATF

Standards, and recommending appropriate action, and considering whether additional counter-measures are required.

- e. Suspend a member from some/all APG activities until membership requirements are met.
- f. Terminate APG membership.

1.74 Step (a) above will apply to all members placed on enhanced follow-up. Subsequent steps may be applied to members on enhanced follow-up (expedited), as determined by the membership.

Publication of FURs

1.75 The APG publication policy applies to actions taken under the APG's follow-up reporting procedures.

1.76 FURs with re-ratings will be published on the APG and the FATF websites. The plenary will retain flexibility on the frequency with which FURs without re-ratings are published. If requested by a member, a link will be provided from the APG website to a website of the member on which it has placed additional updates or other information relevant to the actions it has taken to enhance its AML/CFT system, including for effectiveness.

1.77 After adoption, and prior to publication, final FURs with TC re-ratings should be provided to the FATF Secretariat and the global network for consideration in the post-plenary Q & C review process described in these Transitional Procedures. FURs are not subject to this post-plenary Q & C review process in the circumstance where no issues are raised through the pre-plenary review process or during the MEC or plenary discussions.

1.78 FURs without ratings cannot also be published.

1.79 The APG can amend previously published FURs if factual inaccuracies are later discovered. This process would be conducted by the APG Secretariat with confirmation through the MEC and Governance Committee.

Follow-up for joint APG/FATF Members and other joint evaluations

1.80 Joint APG/FATF members placed under regular follow-up provide their first progress report to the FATF two and a half years after the FATF's adoption of the MER. Joint APG/FATF should provide the APG with a copy of the report once it is provided to the FATF.

1.81 Joint APG/FATF members' FURs and any associated FATF Secretariat analysis will be tabled at the MEC for endorsement. Once endorsed by the MEC, the FURs will be distributed to APG members for adoption out-of-session. For members of the APG that are also members of another FSRB, but not members of the FATF, the APG follow-up procedures will apply, in consultation with the other assessing body.

1.82 In an exceptional case where a FUR was agreed within FATF but subsequently the APG identified major concerns with the text of the report, the APG Secretariat would advise the FATF Secretariat of the concerns.

Annex A: APG members' follow-up reporting deadlines ('streams')

Report by 1 February	Report by 1 June	Report by 1 October
Cambodia Maldives Mongolia Myanmar Nepal Pakistan Papua New Guinea Philippines Thailand	Bangladesh Brunei Darussalam Lao PDR Marshall Islands Palau Samoa Solomon Islands Sri Lanka Timor-Leste	Bhutan Chinese Taipei Cook Islands Fiji Macao, China Nauru Niue Tonga Vanuatu Vietnam

Annex B: FUR adoption process flow-chart

