



Asia/Pacific Group  
ON MONEY LAUNDERING

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# APG Global Fifth Round Mutual Evaluation Procedures

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# APG Global Fifth Round Mutual Evaluation Procedures for AML/CFT/CPF

## I. Introduction

1. The APG is conducting a global fifth round of mutual evaluations (MEs) of its members based on the Financial Action Task Force (FATF) Standards<sup>1</sup>, and in accordance with the *FATF Methodology for Assessing Technical Compliance with the FATF Recommendations and the Effectiveness of anti-money laundering / countering the financing of terrorism/countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF) Systems (FATF Methodology)*, as amended from time to time. This document sets out the procedures that are the basis for the APG's global fifth round of MEs and follow-up.
2. The FATF's *High-Level Principles and Objectives for the relationship between the FATF and the FSRBs (HLPO)* sets out that there will be a set of core elements which should apply to all AML/CFT/CPF assessment bodies, which are set out in the *Consolidated Processes and Procedures for Mutual Evaluations and Follow-Up (Universal Procedures)*. The *Universal Procedures* form the basis of the *APG Global 5<sup>th</sup> Round Mutual Evaluations Procedures*. In accordance with the *Universal Procedures*, the APG should periodically review its procedures to identify on-going challenges and update its procedures to address those challenges. When an FSRB's evaluation procedure is updated, the FATF will check the changes against the *Universal Procedures*. When the *Universal Procedures* are updated, e.g. after the *FATF Procedures* are changed, all FSRBs' evaluation procedures should be updated within a reasonable amount of time and will be checked against the updated *Universal Procedures*.
3. In December 2023 APG members endorsed the *Universal Procedures*. At the 2024 APG Annual Meeting members adopted the APG 4<sup>th</sup> Round Procedures (now known as the APG Global Fifth Round Procedures). Updates may be made to these procedures from time to time as the global 5<sup>th</sup> round proceeds.

## Scope, Principles and Objectives for the APG's Global Fifth Round

4. As set out in the FATF Methodology, the scope of evaluations will involve two inter-related components: technical compliance (TC) and effectiveness. The TC component assesses whether the necessary laws, regulations or other required measures are in force and effect, and whether the supporting AML/CFT/CPF institutional frameworks are in place. The effectiveness component assesses whether the AML/CFT/CPF systems are working, and the extent to which the member is achieving the defined set of outcomes.
5. The follow-up process, including the FATF's International Cooperation Review Group (ICRG) process, is intended to:
  - i. encourage members' implementation of the FATF Standards;

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<sup>1</sup> The FATF Standards comprise the Recommendations themselves and their Interpretive Notes, together with the applicable definitions in the Glossary. References to an individual Recommendation includes reference to any Interpretive Note or relevant Glossary definition.

- ii. provide regular monitoring and up-to-date information on members' compliance with the FATF Standards (including technical compliance; the effectiveness of their AML/CFT/CPF systems; and progress against Key Recommended Actions (KRA)); and
  - iii. apply sufficient peer pressure and accountability. Although the ICRG process applies to all the Global Network, it remains an FATF-led process.<sup>2</sup>
6. There are a number of general principles and objectives that govern procedures for APG MEs and follow-up, as well as AML/CFT/CPF assessments and follow-up conducted by the FATF, other FATF-Style Regional Bodies (FSRBs), IMF or World Bank. These principles are reflected in the procedures and provide for:
  - i. require application of the peer review principle in all ME and follow-up processes;
  - ii. producing objective and accurate reports of a high standard in a timely way;
  - iii. ensuring that there is a level playing field, where MERs, including the KRAs and Roadmap, (KRA Roadmap) and executive summaries, are consistent, especially with respect to findings, recommendations and ratings;
  - iv. ensuring that there is transparency and equality of treatment, in terms of the assessment, follow-up and ICRG processes, for all members assessed;
  - v. seeking to ensure that the evaluations and assessment exercises conducted by all relevant organisations and bodies (APG, FATF, IMF, World Bank, other FSRBs) are equivalent, and of a high standard;
  - vi. facilitating ME and follow-up processes that are: clear and transparent; encourage the implementation of higher standards; identify and promote good and effective practices; and alert governments and the private sector to areas that need strengthening; and,
  - vii. be sufficiently streamlined and efficient to ensure that there are no unnecessary delays or duplication in the process and that resources are used effectively.

## Changes in the FATF Standards

7. All members will be evaluated on the basis of the FATF Standards and the *FATF Methodology* as they exist and are published at the date the member's TC submission is due (that is, at least seven months before the on-site visit). This date is agreed on by the APG Plenary when it adopts the ME schedule, as amended from time to time. For the purposes of regular or enhanced follow-up, members will be evaluated on the basis of the *FATF Methodology* as it exists at the date the member's submission is due for its Follow-Up Report (FUR). The FUR should state clearly if an assessment has been made against any recently amended Standards.
8. To ensure equality of treatment and protect the international financial system, TC with any FATF Standards that have been revised after the date the member's TC submission is due are assessed as part of the follow-up process if they have not been assessed as part of the ME (see Section VIII below).
9. From time to time, the FATF Plenary makes decisions regarding interpretation of the Standards and application of the *FATF Methodology* and Procedures. These decisions are recorded in the

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<sup>2</sup> As such, procedures related to ICRG are set out in the *FATF Procedures*.

FATF Summary Record<sup>3</sup> of the Plenary where the decision is made, take effect immediately and are applied to all subsequent reports. However, such decisions do not constitute changes to the FATF Standards or the *FATF Methodology*, and do not trigger automatic reassessment as part of the follow-up process.

## Schedule for the APG's Global Fifth Round

10. The schedule of MEs, and the number of MEs to be prepared each year is primarily governed by available resources and number of MERs that can be discussed at each APG Plenary meeting and by the need to complete the entire round in the prescribed timeframe. Members should ensure that the APG has the necessary resources to complete the entire round in the prescribed timeframe.
11. The APG decides the sequence of mutual evaluations based on risk-related considerations. The APG's global fifth round ME schedule was adopted by APG Members at the 2023 APG Annual Meeting. The schedule was prepared by applying the FATF risk-based sequencing model<sup>4</sup> used to determine the sequence of FATF MEs in the next Round.
12. Any proposed changes to ME scheduling require Plenary approval. The APG may consider member requests to volunteer for an earlier position in the ME sequence provided that sufficient time has passed since the requesting member's previous ME, and that the earlier sequencing is practicable and convenient for both the APG and other affected members. Adjustments to the schedule may be made due to force majeure events.
13. The APG will maintain a schedule of ME showing the fixed or proposed date of the on-site visit and the date for the Plenary discussion of the MER.
14. In line with the FATF Procedures, APG members that are also members of FATF will undergo a joint ME by FATF and the APG. These MEs will be scheduled by the FATF in consultation with APG.<sup>5</sup> APG members that are also members of another FSRB(s) will undergo a joint ME by these bodies, which will be scheduled in consultation with the relevant FSRB(s).

## Coordination with the FSAP Process

15. The International Financial Institutions (IFIs)<sup>6</sup> recognise the FATF Standards as one of 12 key standards and codes for which Reports on the Observance of Standards and Codes (ROSCs) are prepared, often in the context of a Financial Sector Assessment Program (FSAP). Under current FSAP policy, every FSAP and FSAP update should incorporate timely and accurate input on AML/CFT/CPF. Where possible, this input should be based on a comprehensive quality AML/CFT/CPF assessment, and on any follow-up assessment conducted against the prevailing standard. When there is a reasonable proximity between the date of the FSAP mission and that

<sup>3</sup> All Summary Records of non-confidential items are available to all assessment bodies.

<sup>4</sup> The FATF sequentially applies three elements for risk-based selection; (i) a time-based parameter for a maximum and minimum time since a previous ME of 11 and 5 years, respectively; (ii) a ME ratings-based parameter that prioritises countries that would be in enhanced follow-up and ICRG at the time of the selection, (iii) a macro-economic based risk factor that prioritises GDP size, and size of financial sector relative to GDP.

<sup>5</sup> See section VI for further information on joint MEs.

<sup>6</sup> The International Financial Institutions (IFIs) are the IMF and the World Bank.

of a ME or follow-up assessment conducted under the prevailing *FATF Methodology*, the IMF and World Bank allow for the key findings (including the KRA Roadmap) of that ME to be reflected in the FSAP. Members are encouraged to coordinate the timing for both processes internally and with the APG Secretariat and IFI staff.<sup>7</sup>

16. The basic products of an evaluation process are the MER, KRA Roadmap and the executive summary (for the FATF and FSRBs) and the Detailed Assessment Reports (DAR) and, if requested, ROSC (for the IFIs)<sup>8</sup>. Where possible, the KRA Roadmap and executive summary, whether derived from a MER or follow-up assessment report, will form the basis of the ROSC. Following the Plenary adoption of a MER, and after the finalisation of the executive summary, the summary is provided by the Secretariat to the IMF or World Bank so that a ROSC can be prepared following a pro forma review.
17. The substantive text of the draft ROSC will be the same as that of the executive summary, though the following formal paragraph will be added at the beginning:

“This report on the Observance of Standards and Codes for the FATF Recommendations and Effectiveness of AML/CFT/CPF Systems was prepared by the Asia/Pacific Group on Money Laundering (APG). The report provides a summary of [the/certain]<sup>9</sup> AML/CFT/CPF measures in place in [*Jurisdiction*] as at [*date*], the level of compliance with the FATF Recommendations, the level of effectiveness of the AML/CFT/CPF system and contains recommendations on how the latter could be strengthened. The views expressed in this document have been agreed by the APG and [*Jurisdiction*], but do not necessarily reflect the views of the boards or staff of the IMF or World Bank.”

## Supra-nationality

18. When a member undergoing a ME is a member state of a supra-national jurisdiction,<sup>10</sup> the onus is on the member to provide all relevant and necessary information (both in relation to TC and effectiveness) about any applicable supra-national measures that are relevant to its AML/CFT/CPF framework. This includes being responsible for facilitating the assessment team’s appropriate access to representatives of any supra-national authorities, and any agencies that conduct operational AML/CFT/CPF activities of direct relevance to a member’s implementation of AML/CFT/CPF measures. The assessment team may also request that meetings with certain national government agencies or supra-national agencies are restricted to those agencies only.

<sup>7</sup> If necessary, the staff of the IFIs may supplement the information derived from the ROSC to ensure the accuracy of the AML/CFT/CPF input. In instances where a comprehensive assessment or follow-up assessment against the prevailing standard is not available at the time of the FSAP, the staff of the IFIs may need to derive key findings on the basis of other sources of information, such as the most recent MER, FUR and/or other reports. As necessary, the staff of the IFIs may also seek updates from the authorities or join the FSAP mission for a review of the most significant AML/CFT/CPF issues for the jurisdiction in the context of the prevailing standard and methodology. In such cases, staff would present the key findings in the FSAP documents but not prepare a ROSC or ratings.

<sup>8</sup> The DAR and ROSC use the common agreed template that is annexed to the *FATF Methodology* and have the same format, although the ROSC remains the responsibility and prerogative of the IMF/World Bank.

<sup>9</sup> For ROSCs based on an MER, the word “the” should be used; for ROSCs based on a MER follow-up assessment, the alternative wording “certain” would be used (since the follow-up assessment is not a comprehensive one).

<sup>10</sup> For the purposes of this section, a supra-national jurisdiction refers to an entity comprising jurisdictions in the Global Network which the FATF Plenary has designated as a supra national jurisdiction for the purposes of assessing compliance with any FATF Standards where supra national laws, regulations or other measures apply in line with the *FATF Procedures*.

19. Any entity comprising jurisdictions in the Global Network may petition the FATF Plenary at any time to be designated as a supra-national jurisdiction for the purposes of an assessment of compliance with any FATF Standards where supra-national laws, regulations or other measures apply. To petition the FATF Plenary, the entity should submit a written request and supporting materials to the FATF Secretariat in accordance with the *FATF Procedures*. Upon receiving such a request, the FATF Secretariat will, in accordance with the *FATF Procedures*, consult with any relevant FSRB Secretariat(s) where the entity is located.
20. For some members, AML/CFT/CPF issues are addressed not just at the national government level, but also at state/provincial or local levels. Such members will need to indicate the AML/CFT/CPF measures that are the responsibility of state/provincial/local level authorities and provide an appropriate description of these measures. Assessors should also be aware that AML/CFT/CPF measures may be implemented at one or more levels of government. Assessors should therefore examine and take into account to the extent practical all the relevant measures, including those taken at a state/provincial/local level. Equally, assessors should take into account and refer to any supra-national laws or regulations that apply to a member.

## II. Roles and Responsibilities in the Evaluation and Follow-Up Processes

### Responsibilities of the Assessed Member

21. The onus is on the member to demonstrate that it has complied with the FATF Standards and that its AML/CFT/CPF regime is effective.
22. Members should provide all relevant information to the assessment team as early as possible during the ME process, and to follow-up experts during follow-up monitoring. The member should ensure that all information provided is accurate and up to date. As appropriate, assessors and follow-up experts should be able to request or access documents (redacted if necessary), data and other relevant information.
23. All updates and information should be provided in an electronic format. Members should also ensure that laws, regulations, guidelines and other relevant documents are made available in English and the original language.
24. Members should consider designating an official as the co-ordinator<sup>11</sup> responsible for the ME process as early as possible to ensure adequate co-ordination and establish clear channels of communication between the Secretariat and the assessed member.
25. During the on-site visit, the assessed member should ensure that confidentiality is maintained, and appropriate security protocols are in place. This includes measures to prevent use of listening or recording devices during meetings with authorities and deliberations of the assessment team. If interpretation from the member's language to English is required, the member should ensure the availability of professional and well-prepared interpreters who are subject to confidentiality requirements (as outlined in paragraphs 42-44). Interpreters should

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<sup>11</sup> The co-ordinator should have the appropriate seniority to be able to co-ordinate with other authorities effectively and make certain decisions when required to do so. The co-ordinator should also have an understanding of the ME process and be able to perform quality control of responses provided by other agencies.

ideally be able to provide simultaneous translation or consecutive interpretation. The APG should clearly outline any additional responsibilities of the member during the ME and follow-up processes.

## Responsibilities of the Mutual Evaluation Assessment Team

26. The core function of the assessment team is to collectively produce an independent report (containing analysis, findings and recommendations) concerning the member's compliance with the FATF standards, in terms of both TC and effectiveness. A successful evaluation of an AML/CFT/CPF regime requires, at a minimum, a combination of financial, legal, Financial Intelligence Unit (FIU) and law enforcement expertise, particularly in relation to the assessment of effectiveness. To safeguard their independence, assessors should maintain as confidential all documents and information produced during the ME (as outlined in paragraphs 42-45), and disclose any potential bias or conflict of interest between their responsibilities as an assessor and their professional or private interests.
27. Experts therefore have to conduct an evaluation in a fully collaborative process, whereby all aspects of the review are considered holistically by the entire team. Each expert is expected to actively contribute to all parts of the review, but should take the lead on, or take primary responsibility for, topics related to his or her own area of expertise. Assessors need to be open and flexible and seek to avoid narrow comparisons with their own national requirements or practices.
28. The Secretariat will clearly outline any additional responsibilities of the assessment team. An overview of assessors' respective primary responsibilities will be shared with the assessed member. Nevertheless, the ME remains an all-team responsibility and as such, assessors will be actively involved in all areas of the report including those beyond their assigned primary areas of responsibility.
29. It is critical that assessors devote time and resources for the duration of the ME process. This includes:
  - i. reviewing all the documents provided by the assessed member (including the information updates on TC, and information on effectiveness);
  - ii. collaborating with other team members;
  - iii. consulting with the assessed member (via the Secretariat) on an ongoing basis;
  - iv. raising queries and participating in conference calls prior to the on-site;
  - v. preparing for, and conducting, the on-site assessment;
  - vi. drafting the MER;
  - vii. attending post-onsite meetings (e.g. the face-to-face meeting, and the MEC and Plenary discussions of the draft MER);
  - viii. finalising the report after adoption by Plenary
  - ix. keeping to the deadlines indicated; and

- x. if necessary, participating in a handover meeting with ICRG's Joint Group (JG) members after Plenary adoption of the MER.

## Responsibilities of the Mutual Evaluation Reviewers

- 30. The main functions of the external reviewers are to ensure MERs are of an acceptable level of quality and consistency (Q & C); and to assist the assessment team and the assessed member by reviewing and providing timely input on the scoping note and the draft MER, including the TC Annex and Key Recommended Actions and Roadmap (KRA Roadmap).
- 31. Reviewers should maintain as confidential all documents and information produced during the ME (as outlined in paragraphs 42-45), and disclose any potential bias or conflict of interest between their responsibilities as an ME reviewer and their professional or private interests. The APG through the Secretariat should clearly outline any additional responsibilities of the ME reviewers.
- 32. The external reviewers will need to be able to commit time and resources to review:
  - i. the scoping note; and
  - ii. the quality, coherence and internal consistency of the second draft TC Annex (prior to the on-site) and the second draft MER (prior to the face-to-face), taking into account consistency with the FATF Standards, in line with interpretations made by the FATF Plenary and, where relevant, taking into account past APG Plenary decisions. When conducting their review of the second draft MER, reviewers must review the effectiveness components and any TC analysis which has substantially changed since the second draft TC Annex.

## Responsibilities of Follow-up Experts

- 33. The function of experts for follow-up processes (follow-up experts) is to contribute to producing an independent report (including analysis, conclusions and proposed ratings) outlining the measures a member has taken to address the KRA in its KRA Roadmap, improve its technical compliance with the FATF Standards, to comply with FATF Standards that have changed since its MER or last FUR with technical compliance re-ratings (TCRR), and any area in which the member's technical compliance has diminished.
- 34. To safeguard their independence, follow-up experts should maintain as confidential all documents and information produced during the follow-up exercise (as outlined in paragraphs 42-45) and disclose any potential bias or conflict of interest between their responsibilities as a follow-up expert and their professional or private interests. The APG through the Secretariat should clearly outline any additional responsibilities of the follow-up experts.
- 35. Follow-up experts will need to be able to commit time and resources to reviewing all the jurisdiction's 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, 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 in the MEC or Plenary, the follow-up expert should attend the MEC/Plenary discussions.

## Responsibilities of the Secretariat

36. The APG Secretariat will engage and consult the assessed member well before the start of the ME process. This will include early engagement with higher level authorities to obtain support for, and organise the co-ordination of, the entirety of the ME process. The APG Secretariat will also provide training for the assessed member to familiarise stakeholders with the ME process. APG will review from time to time whether the modes of engagement can be improved to best support members to be assessed.
37. The APG Secretariat will facilitate all engagement between the assessment team and assessed member on an ongoing basis, commencing as early as possible, but not less than eight months before the on-site. The Secretariat will ensure that the assessors can access all relevant material and that regular conference calls take place between assessors and the assessed member to ensure a smooth exchange of information and open lines of communication.
38. The APG Secretariat will, among other things:
  - i. facilitate identification of suitable assessors;
  - ii. provide impartial support to both the assessment team and the assessed member;
  - iii. focus on Q & C<sup>12</sup> of the MER, including taking steps necessary to ensure that the assessors' analysis is clearly and concisely written, comprehensive, objective and supported by evidence, including on ratings, and that statistics and legislative references are cited correctly;
  - iv. ensure compliance with process and consistent application of the procedures;
  - v. assist assessors and assessed member in the interpretation of the FATF Standards and application of the *FATF Methodology* and process in line with past FATF decisions and consideration of approaches taken in other MERs adopted across the Global Network and published by the FATF;
  - vi. ensure that assessors and assessed members have access to relevant and accurate documentation; and
  - vii. coordinate the process, and other tasks outlined in these procedures.
39. On joint APG/FATF MEs, the APG Secretariat's role is mainly focused on responsibilities under paragraph 38(ii) to 38(v). Noting the broader role of the APG as an Associate Member of the FATF, the APG Secretariat will avoid conflicts of interest where they may arise from the Secretariat's participation in a joint ME and its role as Associate Member of the FATF.
40. During the follow-up and ICRG processes, the APG Secretariat should impartially support the relevant members, and impartially assist follow-up experts and ICRG JG members in achieving quality reports and consistency in the application of the FATF Standards, and the *FATF Methodology* and Procedures. The Secretariat will also advise the MEC and Plenary on process

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<sup>12</sup> In this context, "quality and consistency" refers to a good quality evaluation that is consistent with the processes and procedures laid down by the FATF and report based on analysis that is consistent with the FATF Standards, Methodology and Plenary decisions.

and procedural issues (e.g. in cases where all KRA are not fully or largely addressed or where no progress has been made).

41. The APG should review from time to time whether the APG Secretariat is sufficiently staffed to adequately support the mutual evaluation process, understanding that three staff members should be considered optimal for the majority of evaluations.<sup>13</sup> Where resource issues exist, the APG should review its work plan and allocation of resources to other projects to ensure that work on MERs/FURs is adequately prioritised. APG Members should provide sufficient resources to ensure that this prioritisation does not prevent the APG from fulfilling its core functions, as defined in the High-Level Principles and Objectives of FATF and FSRBs (*HLPOs*).

## Confidentiality and Conflict of Interest

42. The APG, in keeping with all assessment bodies, has confidentiality requirements that apply to the assessed member, and confidentiality and conflict of interest requirements that apply to the assessment team, external reviewers, follow-up experts, (collectively referred to in this section as “participants”) and any other person with access to assessment documents or information.<sup>14</sup> Confidentiality requirements apply to all discussions, internal deliberations and documents and information produced during a ME, follow-up or ICRG process. This includes information provided:
  - i. by an assessed member (e.g., updates and responses, documents describing a member’s AML/CFT/CPF regime, measures taken or risks faced (including those for which there will be increased or decreased focus), or responses to participants’ queries);
  - ii. by the APG Secretariat or participants (e.g., reports from participants, draft MER, draft FUR, etc.); and
  - iii. as part of comments received through the consultation or review mechanisms.
43. Information obtained during discussions and internal deliberations, and provided in documents must only be used for the specific purpose the information was provided for, and should not be disclosed to any person who is not a participant, unless the assessed member and the APG (and where applicable, the originator of the document) consent to their release. Participants and external reviewers should use password protected computers/devices and external drives for saving, viewing or transferring confidential materials related to the ME.
44. These confidentiality requirements apply to participants, the Secretariat, external reviewers, officials from the assessed member and any other person with access to the documents or information. In addition, all meetings held during a ME, including on-site interviews with officials from the assessed member, or any other person, shall remain confidential. Details of these discussions must not be disclosed to unauthorised third parties by any means, including to media personnel and media outlets. This obligation also applies to the publication of any confidential information on social media networks.

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<sup>13</sup> There may be instances where more than three staff members would be optimal, depending on the size, complexity and needs of the assessment.

<sup>14</sup> Confidentiality, bias and conflict of interest requirements also apply to ICRG JG members, including lead reviewers, as set out in paragraphs 33 and 37-39 of the *FATF Procedures*.

45. Upon appointment, the members of the assessment team and external reviewers are required to sign a confidentiality agreement, which will include text regarding the need to declare any bias or conflict of interest between their responsibilities as a participant in the assessment, follow-up or ICRG process and their professional or private interests.

## Respecting Timelines

46. It is important that all parties respect the timelines for a ME. The timelines are intended to provide guidance on what is required if MERs are to be prepared within a reasonable timeframe and in sufficient time for discussion in the Plenary.
47. Delays may significantly impact the fairness of the process, the quality of the MER and the ability of delegates and the Plenary to fully consider and discuss the MER in a meaningful way. The timeline of each ME should be prepared to allow enough time between the on-site visit and the Plenary discussion and reflects the ideal that the assessed member and assessment team will gradually narrow the range of issues under discussion over the course of the ME process. Timelines for follow-up reports are also designed to allow enough time to complete the FURs and allow for consideration by delegations. A failure to respect the timetables may mean that this would not be the case. By agreeing to participate in the ME process and follow-up process, the member and the assessors undertake to meet the necessary deadlines and to provide full, accurate and timely responses, reports or other material as required under the agreed procedure.
48. Where there is a failure to comply with the agreed timelines, the following actions could be taken (depending on the nature of the default):
  - i. **Failure by the member to comply with the agreed timelines:** The Executive Secretary or the APG Co-Chairs may write to the member's primary contact point or relevant Minister. Where the delay results in a report not being discussed at the next Annual Meeting, members are to be advised of the reasons for deferral and publicity could be given to the deferral (as appropriate). APG members may consider whether the deferral amounts to a breach of APG membership requirements and what action, if any, may need to be taken. In addition, the assessment team may have to finalise and conclude the report based on the information available to them at that time.<sup>15</sup>
  - ii. **Failure by the assessors or reviewers, and follow-up experts to comply with the agreed timelines:** the Executive Secretary or the APG Co-Chairs may write a letter to, or liaise with, the primary contact point for the member, or organisation, from which the assessor has come.
  - iii. **Failure by the Secretariat to comply with the agreed timelines:** the APG Co-Chairs will liaise with the Executive Secretary.
49. The APG Secretariat will keep the APG Co-Chairs and APG Governance Committee (GC) advised of any failures so that the APG Co-Chairs can respond in an effective and timely way. The Plenary and GC will also to be advised if the failures result in a request to delay the discussion of the MER or FUR.

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<sup>15</sup> In the case of a member under active ICRG review, deferral is not possible except in extraordinary circumstances". As per paragraph 39 of the *Universal Procedures*, "Where there is a failure to comply with the agreed timelines by any participant in an ICRG process, the Procedures for the FATF AML/CFT/CPF Mutual Evaluations, Follow-up and ICRG apply."

## Meetings

50. While in-person meetings are generally preferred, they are not always possible. Except in cases where in-person participation is specifically required (e.g. on-site visits), meetings referred to in these Procedures may take place by video or teleconference if an in-person meeting is not practicable.

## Mutuality and Assessor Contributions

51. The APG will work to ensure that the mutuality of the ME and follow-up processes is maintained, and all members should provide qualified experts<sup>16</sup> who are able to devote the time and resources required to fully participate in all aspects of the processes and adhere to the deadlines indicated. This includes reviewing all documents (including the information updates on TC, and information on effectiveness), raising queries prior to the on-site, preparing and conducting the assessment, drafting the MER, attending the meetings (e.g. on-site, face-to-face meeting, and Plenary discussion). Members with greater capacity should provide more assessors.
52. A list of members' contribution of assessors for ME and follow-up processes under the APG's global fifth round will be maintained and monitored by the APG Secretariat and the Mutual Evaluations Committee (MEC) and distributed to members and observers for information at each Annual Meeting.
53. The APG will adopt frameworks to assist members to provide assessors and reviewers to meet all the priority elements of the APG ME program.

## III. Composition of Teams and Selection of Participants in ME and Follow-Up Processes

54. Assessors and reviewers should be very knowledgeable about the FATF Standards and *FATF Methodology*, and have successfully completed an FATF, FSRB or joint FATF/FSRB assessor training course before they conduct an ME. Assessor training courses include:
  - i. clear expertise requirements for potential candidates;
  - ii. initial assessment ahead of the course;
  - iii. performance assessment and feedback to candidates at the end of the training event; and
  - iv. feedback to the trainee's delegation following the course.

## Composition and Formation of Mutual Evaluation Assessment Team

55. Assessors for MEs are initially selected by the APG Secretariat and confirmed by the APG Co-Chairs. Selection of assessors will take place approximately nine months, and at least seven

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<sup>16</sup> In accordance with APG non-binding and aspirational goals for contributing assessors and reviewers.

months, before the on-site. The APG Secretariat will coordinate with any member or observer that volunteers assessors for upcoming MEs.

56. The APG Secretariat will provide the list of assessors to the member undergoing the ME for information and comment before the visit. Any requests for changes to the composition of the team will be taken into account, but the final decision concerning the composition of the team rests with the APG Co-Chairs.
57. The number of assessors on an assessment team may differ depending on the member and the ML/TF/PF<sup>17</sup> risks, context and any other relevant factors.<sup>18</sup> An assessment team will consist of expert assessors (comprising at least one legal, one financial<sup>19</sup> and one law enforcement expert), principally drawn from APG members, and will be supported by members of the APG Secretariat. Depending on the member and the ML, TF and PF risks, additional assessors or assessors with specific expertise may also be required. Preferably, at least one of the assessors should have had previous experience conducting an ME.
58. To ensure that the assessment team has a suitable balance of knowledge, skills and expertise; in selecting the assessors, a number of factors will be considered:
  - i. their relevant AML/CFT/CPF operational and assessment experience;
  - ii. their level of performance in the FATF, FSRB or joint FATF/FSRB assessor training course;
  - iii. their willingness and ability to conduct the evaluation impartially and abide by the APG ME Procedures, including requirements related to confidentiality and conflict of interest or potential bias;
  - iv. their commitment, and the commitment of their sending agency, supported by their Head of Delegation, to take part in a mutual evaluation or follow-up process and to contribute fully, including attending the relevant meetings;
  - v. their interpersonal skills to work well in a multi-cultural team, and to communicate with diplomatic sensitivity;
  - vi. the language of a joint evaluation, noting APG MEs are conducted in English;
  - vii. the nature of the legal system (civil law or common law) and institutional framework;
  - viii. regional and gender balance among members of the assessment team; and
  - ix. any specific characteristics of the assessed member (e.g., size and composition of the economy and financial sector, geographical factors, and trading or cultural links).
59. For joint evaluations, the assessment team will be made up of assessors from both the APG and the FATF/other FSRB, as appropriate (see Section VI), and will be supported by members of the APG and/or other Secretariat staff.

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<sup>17</sup> "Proliferation financing risk" refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions obligations referred to in Recommendation 7.

<sup>18</sup> Other relevant factors include: the size, maturity and complexity of the member's AML/CFT/CPF system and its financial system; and whether the assessed member is a joint member of the FATF and one or more FSRBs.

<sup>19</sup> The assessment team should have assessors with expertise relating to the preventive measures necessary for the financial sector and designated non-financial businesses and professions.

60. For some APG MEs, the APG Secretariat may, with the consent of the assessed member, include an expert (member or Secretariat) from another FSRB, FATF, the IMF/World Bank<sup>20</sup> or the Group of International Finance Centre Supervisors (GIFCS), to participate as an expert on the assessment team. In certain circumstances, an expert may be invited from a non-AML/CFT/CPF assessment body. Normally there should be no more than one, or in exceptional cases two, such experts per evaluation from other bodies on the assessment team.
61. Where appropriate, an additional assessor may form part of the assessment team for developmental purposes. Such an assessor will normally be an expert who has not previously participated in an ME or will be from a member that has not previously been involved in an ME.

## Selecting Mutual Evaluation External Reviewers

62. In addition to the APG Secretariat's ongoing work to ensure Quality and Consistency (Q & C), as part of the APG ME process, there will be an external Q & C review. An external Q & C review team will be formed for each ME to review:
  - i. the scoping note before the on-site (per Section IV, sub-section Risk and Scoping Exercise below);
  - ii. the second draft TC Annex; and
  - iii. the second draft of the MER.
63. The APG Secretariat will invite qualified volunteer experts from APG members and observers to participate in review teams. Qualified volunteer experts (i.e., trained in the *FATF Methodology*) will include experts from members and Secretariats of the APG, FATF, other FSRBs, and staff of the IFIs and other observer organisations. The Secretariat may take into account the balance of knowledge, skills and expertise of potential expert reviewers that were outlined above at paragraph 58 when selecting external reviewers. APG members should provide qualified experts as ME reviewers to ensure the peer review nature of the process.
64. To avoid potential conflicts of interest, the external reviewers selected for any given Q & C review will be from members other than those of the assessors and will be made known to the member and assessors in advance. Generally, at least three external reviewers will be allocated to each assessment; comprising at least two reviewers from the APG and at least one reviewer (non APG member) from the FATF, another FSRB, the IMF/World Bank or other observer organisations, each of whom could in principle focus on certain parts of the report. The FATF Secretariat is a ME reviewer for all non FATF-led MEs. The APG Secretariat will determine the final make-up of each external review team.

## Selecting Follow-up Experts

65. Assessments of a member's TC re-ratings and progress against its KRA when in enhanced follow-up, will be undertaken by other members consistent with the peer review principle of the ME process. These follow-up experts will analyse the member's submission and prepare their

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<sup>20</sup> Participation (on a reciprocal basis) of experts from other observers that are conducting assessments, such as the UN Counter-Terrorism Executive Directorate, could be considered on a case-by-case basis.

contribution to the summary report. To the extent possible, the original assessors or ME reviewers or ICRG's JG lead reviewers should be sought as follow-up experts, if available. The number of follow-up experts assigned to a report, and their expertise, will depend on the nature of the KRA being reviewed and any particular Recommendations to be considered for re-rating. Follow-up experts are initially selected by the APG Secretariat (coordinated with any member or observer that had volunteered assessors for the proposed follow-up process) and confirmed by the APG Co-Chairs.

#### IV. Procedures and Steps in the Mutual Evaluation Process

66. A summary of the key steps and timelines in the APG ME process for the assessment team and the assessed member is set out at [Appendix 1](#). Those steps are described more fully below.
67. The assessed member and the APG Secretariat should begin informal engagement as far in advance of the on-site visit as possible. In particular, assessed members are encouraged to engage early with the APG Secretariat to share information and seek support on technical compliance. Earlier engagement will enable assessed members to prepare and engage with the donor and provider community to address technical compliance gaps. For the global fifth round, the APG plans to hold regional ME planning workshops (R-MEP) focused on the ME processes and good practice for ME preparedness and coordination. On a bi-lateral level, the APG Secretariat will also conduct member-specific preliminary ME planning visit (P-MEP), including leveraging the ME process for AML/CFT/CPF reforms (approximately two years before the commencement of the member's ME).
68. Assessed members and assessment teams may commence the ME process up to two months earlier, including the submission of the TC update by the assessed member, to accommodate circumstances such as translation requirements, timing of Plenary adoption, or events or holidays.
69. The assessed member and the APG Secretariat should agree on the broad timeline for the ME at least 24 months before the Plenary discussion.

#### Preparation for the on-site visit

70. At least nine months before the on-site visit, the APG Secretariat will finalise the timelines for the whole ME process in consultation with the assessed member. This will include the dates for the ME on-site visit and will be based on the timelines in [Appendix 1](#) (some flexibility is permissible).
71. Members should provide the necessary updates and information to the APG Secretariat no less than eight months before the on-site visit. These updates and information are intended to provide key information for the preparatory work before the on-site visit, including building an understanding the member's ML/TF/PF risks, identifying potential areas of increased focus for the on-site, and preparing the draft MER. Prior to that, it is desirable to have informal engagement between the member and the APG Secretariat.

## Ensuring adequate basis to assess international cooperation

72. Approximately eight months before the on-site visit, APG members, the FATF<sup>21</sup> and FSRBs<sup>22</sup> will be invited to provide information on their experience of international cooperation with the member being evaluated. The feedback could relate to: (i) general experience, (ii) positive examples, and (iii) negative examples, on the assessed member's level of international cooperation and should include information on any results achieved based on cooperation with the assessed member. Delegations may also provide any comments regarding AML/CFT/CPF issues they would like to see raised during the on-site visit or information that may assist the assessment team in identifying areas of lower and higher risk that require increased or reduced focus during the on-site (see section IV, sub-section *Risk and Scoping Exercise*) below).
73. In addition, the assessment team and the member should identify and seek specific feedback from key jurisdictions that, based on the ML/TF/PF risks of the assessed member, would be able to provide valuable feedback on international cooperation or risk. During the risk and scoping exercise (see paragraphs 76-81), the assessment team should also identify the specific types of information that would be most valuable to be provided by these jurisdictions.
74. The APG Secretariat will advise the assessed member which jurisdictions the assessment team has selected to be approached for specific feedback. The Secretariat will then reach out to the selected jurisdictions, inviting them to provide both general and specific feedback regarding their experience of participating in international co-operation with the assessed member or their perspective on risks. This feedback should be provided to the Secretariat before completion of the scoping note.
75. All feedback received, whether from the general call for feedback or a specific request, will be made available to the assessment team and the assessed member. The assessed member should have an opportunity to respond to or supplement any information that may be used for the purposes of the evaluation. At least six weeks before the on-site, the Secretariat will provide the information from the selected jurisdictions to the assessed member.

## Risk and Scoping Exercise

76. The assessment team will, from the beginning of the ME process, review the assessed member's risk, context and general situation to ensure the ME is, from the outset, fully informed by risk. The assessment team may identify specific areas to which it would pay more attention during the on-site visit and in the MER, as well as possible areas of reduced focus. This will usually relate to effectiveness issues but could also include TC issues.
77. To facilitate this review, the assessed member should provide the information required to complete Chapter 1 of the MER and any other information necessary to explain its identification, assessment and understanding of its risks, context and materiality, including material relevant to core issue 1.1 of Immediate Outcome 1. The member should provide this information approximately eight months before the on-site visit. At least two weeks after submission of the

<sup>21</sup> Noting the FATF 2015 policy of releasing such requests from FSRBs to its members only three times a year, being February, June and October.

<sup>22</sup> FATF and FSRB members will only be invited to provide this information where they are willing to reciprocally invite APG members to provide the same type of information in relation to their mutual evaluations.

risk and context submission, the member and the assessment team should begin to engage to discuss their understanding of the assessed member's risks, context and materiality. This engagement will include an oral presentation by the assessed member, accompanied by any material it considers to be relevant, to explain its understanding of its risks, context and materiality. The presentation will be made virtually.

78. The assessment team may consider multiple sources of information to develop its preliminary understanding of the assessed member's risks, context and materiality and a scoping note. The information provided by the member, as well as the member's explanation of its understanding of ML/TF/PF risks, serve as a starting point. The assessment team will also consider information from credible and reliable sources external to the assessed member, including the assessed member's most recent MER and FUR and the list of contextual factors outlined in the introduction to the *FATF Methodology*. A list of the information sources used in the risk and scoping exercise should be attached as an annex to the MER, and the assessment team should be able to explain their use when asked by the assessed member.
79. The scoping note should set out briefly the areas for increased focus, as well as areas of reduced focus, and clearly articulate why these areas have been selected on the basis of risk, context and materiality. While the final decision lies with the assessment team, the areas for increased/reduced focus should, to the extent possible, be mutually agreed with the assessed member. In addition to determining areas for increased or reduced focus, the assessment team should use their conclusions from the scoping exercise to determine the level of weight given to risk, context and materiality when providing ratings in MERs.
80. The draft scoping note, along with relevant background information, should be sent to the external reviewers and to the assessed member at least six months before the on-site. Having regard to the material made available to them, as well as their general knowledge of the member, being assessed, external reviewers should provide their feedback to the assessment team regarding whether the scoping note reflects a reasonable view on the focus of the assessment. Reviewers should provide this feedback at least two weeks after receiving the scoping note. The assessment team should consider the merit of the external reviewers' comments, and amend the scoping note as needed, in consultation with the member.
81. After reviewing the member's submissions on TC and effectiveness, the assessment team should update the scoping note as needed, in consultation with the assessed member. The final version should be sent to the member and the reviewer, at least six weeks before the on-site, along with any requests for additional information on the areas of increased focus. The member should seek to accommodate any requests arising from the additional focus.

## Technical Compliance Review

### Information on Technical Compliance

82. The ME technical compliance review should be a continuation of the follow-up process of the previous round. It is a desk-based review focused on assessing the member's level of compliance in areas where changes have occurred, either in the FATF Standards or in the legal, operational or institutional framework since the member's last previous MER (or FURs with TCRR). The overarching objective is to ensure that the TC Annex is accurate, up to date and consistent with the member's current risk and context.

83. Twelve months prior to the on-site visit, the APG Secretariat will provide the assessed member with a TC questionnaire highlighting the criteria where there have been changes to the FATF Standards for which the member has not previously been assessed. The TC questionnaire will also include the latest TC analysis from the member's most recent MER and/or FURs with TCRR.
84. The TC questionnaire serves as a structured tool to guide the assessed member in submitting relevant information and supporting materials that reflect its current TC status, including any developments since the last MER/FURs with TCRR. In particular, the assessed member should:
- a) provide detailed information on the measures taken to meet each criterion where changes have occurred (i) in the FATF Standards as highlighted in the TC questionnaire, and (ii) in the member's legal, operational or institutional framework;
  - b) update TC information for any criteria where the assessed member considers the existing information is inaccurate or outdated, confirm that these changes do not affect the previous analysis and, where needed, provide a basic overview of the member's legal and institutional framework to support understanding;<sup>23</sup> and
  - c) for criteria where the member considers the existing TC information accurate and up to date, retain the prior analysis included in the TC questionnaire, confirm that no changes have occurred in the member's legal, operational or institutional framework that would affect the previous analysis and, where needed, provide a basic overview of the member's legal and institutional framework to support the assessment team's understanding.
85. The completed TC questionnaire, along with supporting materials, should be submitted seven months before the on-site visit. The assessed member may also choose to present other information in whatever manner it considers to be most expedient or effective.

## Desk-based review of technical compliance

86. Prior to the on-site visit, the assessment team will conduct a desk-based review of the member's level of TC with the Recommendations. The review will be based on information provided by the member in the questionnaire/information updates on TC, pre-existing information drawn from the member's most recent MER, FUR with TCRRs and other credible or reliable sources of information. The assessment team will undertake a detailed analysis of each criterion where changes have occurred either in the FATF Standards and/or in the member's legal, operational or institutional framework and determine whether each criterion is met, mostly met, partly met or not met, providing a clear rationale for its conclusion. For other criteria, the previous analysis from the most recent MER, or FUR with TCRRs should normally be retained, unless the assessment team considers that the existing assessment is inaccurate or outdated<sup>24</sup>. In such cases, the assessment team may update or clarify the analysis to reflect the current situation<sup>25</sup>.

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<sup>23</sup> It is the responsibility of the assessed member to substantiate that the updates do not affect its compliance, in line with paragraph 19 of the Procedures.

<sup>24</sup> This provision also covers the cases where the assessment team identifies relevant strengths or weaknesses not previously noted in the country's MER or FUR.

<sup>25</sup> These situations should be clearly identified and justified by the assessment team, only in exceptional circumstances to maintain consistency and credibility.

87. The assessment team should focus its follow-up questions on the information necessary to conduct the analysis related to information submitted under paragraph 84(a). Where other criteria warrant further review, the assessment team may seek additional information from the assessed country to ensure the TC Annex remains accurate and up to date.
88. The assessment team's conclusions and ratings on each Recommendation should consider all relevant criteria. Where one or more criteria have been newly analysed, the assessment team should ensure consistency and accuracy in the overall assessment of the Recommendation. If the analysis and conclusions for all criteria of a Recommendation remain unchanged, the overall rating should be maintained unless a correction is necessary to protect the FATF brand.
89. In conducting the review, assessors should only take into account relevant laws, regulations or other AML/CFT/CPF measures that are in force and effect at that time, or will be in force and effect by the end of the on-site visit. Where relevant bills or other specific proposals to amend the system are made available, these will, as appropriate, be referred to in the MER (including for the purpose of the recommendations to be made to the member) but will not be taken into account in the conclusions of the assessment or for ratings purposes.
90. The TC Annex is drafted based on the assessment team's analysis of the Recommendation and the analysis retained from the last MER or FURs with TCRR. While drafting the TC Annex, the Secretariat takes into account the quality and consistency MERs, including interpretation of the FATF Standards and application of the FATF Methodology and Procedures in line with past FATF Plenary decisions, and should revise the draft TC Annex accordingly.
91. The assessment team will provide the member with a first draft of the TC Annex approximately five months before the on-site visit. This will include a description, analysis and list of potential technical deficiencies identified at that time. The first draft of the TC Annex need not contain ratings. The member will have approximately three weeks to clarify and comment on the first draft TC Annex.
92. After considering the assessed member's clarifications and comments on the first draft, the assessment team will prepare a revised draft TC Annex. The revised TC Annex (second draft) should be sent to the member and the external reviewers approximately three months before the on-site visit. The second draft TC Annex should contain preliminary ratings. The member and external reviewers should have approximately three weeks to comment on the second draft TC Annex. Although the primary focus of the on-site visit is assessing effectiveness, a limited number of outstanding TC issues may be discussed during the on-site.

## Information and preliminary review on effectiveness

93. The assessment team will examine the member's level of effectiveness in relation to all of the 11 Immediate Outcomes set out in the *FATF Methodology*. Members should provide detailed information on effectiveness based on the 11 Immediate Outcomes no less than four months before the on-site. Members should set out fully how each of the core issues for each Immediate Outcome is being addressed. It is important for members to provide a full and accurate description (including examples of information, data and other factors) that would help to demonstrate the effectiveness of the AML/CFT/CPF regime. The APG Secretariat will provide the template to assessed members to use.

94. The assessed member should highlight areas where it believes recommended actions could improve effectiveness. The Secretariat should facilitate communications between the assessment team and assessed member to promote clarity and ensure a smooth exchange of information. In examining a member's level of effectiveness, assessors should consider the output of AML/CFT/CPF systems (data, statistics, case studies, etc.) that have been completed by the end of the on-site visit.
95. The assessment team will review the information on effectiveness, and any clarifications provided by the assessed member, and prepare a preliminary outline of initial findings and requests for further information. In preparing this outline, the assessment team will bear in mind the assessed member's risk, context and general situation as identified in the risk and scoping exercise. The preliminary outline of initial findings and requests for further information should be provided to the assessed member approximately two months before the on-site visit. The assessed member should provide any comments on the findings and provide requested information not later than six weeks before the on-site.
96. To expedite the ME process and facilitate preparing the program for the on-site visit, the assessment team will identify potential recommended actions for discussion. This document should be provided to the assessed member at least one month before the on-site visit.

### Initial Mutual Evaluation Meeting

97. If needed, and on a voluntary basis, the assessment team may undertake an Initial ME meeting (I-MEM) with the member to discuss the first draft of the TC annex and other matters related to the ME, including the member's effectiveness response, team's scoping note, and on-site requirements. The timing of such a meeting will be agreed between the assessment team and the member. The I-MEM will be held virtually, with an in-country visit only occurring in exceptional circumstances<sup>26</sup>. To maximise the benefits of I-MEMs, these should occur after the member has received the first draft of the TC annex.

### Program for the on-site visit

98. The member, through its designated coordinator, should work with the APG Secretariat to prepare a draft program and coordinate the logistics for the on-site visit. The draft program, together with any specific logistical arrangements, should be sent to the assessment team no later than two months before the visit. Please see Appendix 3 for an illustrative list of authorities and businesses that would usually be involved in the on-site visit. The assessment team may also request additional meetings during the on-site visit.
99. The draft program should take into account the areas where the assessment team may want to apply increased or decreased focus based on the risk and scoping exercise. However, attention to any sector or category of financial institutions, Designated Non-Financial Business and Profession (DNFBPs) or Virtual Asset Service Provider (VASPs) identified as an area of

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<sup>26</sup> Exceptional circumstances may include the assessed member being unable to take part in regional or member-specific ME preparation workshops prior to the ME. In such a case, the assessment team will likely participate virtually.

decreased focus should be commensurate with the level and nature of associated risk and should not be completely excluded from the program.

100. To reduce travel time between venues and security challenges, and ensure the availability of suitable premises, meetings should generally be held at one venue or just a few venues per day allowing for maximum use of meeting times by the assessment team. However, in some circumstances it may be warranted for meetings to be held in the premises of the agency/organisation being met (e.g. the FIU). The program should be generally finalised approximately three weeks before the on-site visit, with the understanding that the assessment team may request additional meetings shortly before or during the on-site, particularly where information gathered during meetings with assessed member's authorities and the private sector indicates higher risk levels than those identified in the risk and scoping exercise. When necessary for clarification, the assessment team may also request follow-up meetings with the assessed member's authorities or the private sector.
101. The time required for interpretation, and for translation of documents, must be taken into account in terms of the program and more generally. To ensure the efficient use of time, meetings should generally be conducted in the APG's official language, which is English. However, if translation from the member's language into the language of the assessment is required, please see paragraph 255 under Responsibilities of the Assessed Member.

## On-site visit

102. The on-site visit provides the best opportunity to clarify issues relating to the member's AML/CFT/CPF system. Assessors need to be fully prepared to review the 11 Immediate Outcomes relating to the effectiveness of the system and clarify any outstanding TC issues. Assessors should also pay more attention to areas where higher ML/TF/PF risks are identified. Assessors must remain cognisant of different members' circumstances and risks, and that members may adopt different approaches to meet the FATF Standards and create an effective system. Assessors need to be open-minded and flexible and avoid narrow comparisons with their own jurisdictional requirements or practices.
103. Experience has shown that at least nine to ten days of meetings are required for members with developed AML/CFT/CPF systems, but the exact time needed may vary. A typical APG on-site visit, depending on the maturity and complexity of the member's AML/CFT/CPF system, could allow for the following:
  - i. An initial half-day preparatory meeting between the Secretariat and assessors<sup>27</sup>.
  - ii. Seven to eight days, but a maximum of ten, of meetings with representatives of the member, the private sector or other relevant non-government bodies or persons, including an opening and closing meeting. Time may have to be set aside for additional or follow-up meetings, if the assessors identify new issues that need to be explored, or if they need further information on an issue already discussed.
  - iii. One to two days, but a maximum of three, where the assessment team works on the draft MER (supported by the APG Secretariat), ensures that all the major issues that arose during the evaluation are noted in the report, and discusses and agrees on

<sup>27</sup> The assessment team should also set aside time midway through the on-site to review the progress of the mutual evaluation and where relevant, the identified areas of increased focus for the on-site initially.

preliminary ratings, key findings and recommended actions. The assessment team should provide a written summary of its key findings and recommended actions to the assessed members' officials at the closing meeting.

104. On this basis, the total length of the mission for a usual ME is likely to be in the order of ten working days. However, actual time needed may be shorter or, in exceptional cases, longer, based on the size and complexity of the jurisdiction.
105. It is important that the assessment team be able to request and meet with all relevant agencies during the on-site. The member being evaluated, and the specific agencies met, should ensure that appropriate staff members are available for each meeting. While the level and type of officer required will vary from agency to agency, generally speaking members should ensure that both senior managers, who can 'speak for' the agency/jurisdiction at a policy level, as well as 'operational' staff who can, if necessary, answer, detailed questions on AML/CFT/CPF implementation, are present at each meeting. Agencies should be made aware by the member that they may be asked quite detailed and probing questions. The persons present should be familiar with the content of the member's TC and effectiveness responses, especially as it relates to their area of expertise, and be prepared for detailed questions relating to that response. Adequate time should be allocated for each meeting.
106. Meetings with the private sector or other non-government representatives<sup>28</sup> are an important part of the visit. Generally, assessors should be given the opportunity to meet with such bodies or persons in private without a government official present, if there is concern that the presence of the officials may inhibit the openness of the discussion. The team may also request that meetings with certain government agencies are restricted to those agencies only.

## Post on-site – Preparation of the draft MER, KRA Roadmap and Executive Summary

107. There should be an adequate amount of time (at least 29 weeks) between the end of the on-site visit and the discussion of the MER and KRA Roadmap by the Plenary. The steps in finalising a draft report for discussion by the Plenary, and the approximate time that is required for each part, should be set out in greater detail in the agreed timeline, following the steps below (see [Appendix 1](#)). The format for the draft MER will be as per Annex I of the Assessment Methodology and will follow the guidance on how to complete the KRA Roadmap, Executive Summary and MER, including with respect to its expected length.
108. The timely preparation of the MER, KRA Roadmap and Executive Summary<sup>29</sup> will require the assessors to work closely with the APG Secretariat and the member. Depending on when the Plenary discussion is scheduled, the time period may also be extended or adjusted. In exceptional cases, and based on justified circumstances (and with the consent of the assessed member), a shorter period of time may be allowed.
109. In drafting the MER, the assessors should focus on providing their analysis, conclusions and the reasons for conclusions rather than just reciting facts. In notes to the assessed member that

<sup>28</sup> E.g. those listed in Appendix 3.

<sup>29</sup> The format for the Executive Summary, MER and KRA Roadmap is contained in Annex I of the Methodology. Assessors should pay special attention to the guidance on how to complete the Executive Summary, KRA Roadmap and MER in the Introduction to the Methodology, including with respect to the expected length of the MER (100 pages or less, together with a technical annex of up to 60 pages).

accompany the first and second draft MER, and/or during calls, assessors and/or the APG Secretariat should aim to clarify as much as possible (subject to resource and time constraints) how information submitted by the assessed member was taken into account, what information was not taken into account, and why and where additional information is still needed. The Secretariat of the relevant assessment body should oversee this process and improve the draft as necessary to ensure the assessors' analysis is clearly and concisely written, comprehensive, objective and supported by evidence.

110. With the aim to ensure communication between the assessment team and the assessed member, the Secretariat should facilitate regular conference calls between all parties, particularly after the circulation of an updated draft MER. The assessment team will seek further clarification from the assessed member about information submitted via virtual meeting if needed.

### 1st draft MER and Key Recommended Actions Roadmap

111. The assessment team shall complete as much as possible of the first draft MER during the on-site visit. The assessment team will then have at least five weeks to coordinate and refine the first draft MER (including the key findings, potential issues of note and recommended actions to the member). The first draft MER will include the preliminary recommended actions and ratings. During this time, the assessment team should also consider which recommended actions should be considered as KRA and compile the KRA in a separate list for the member (the KRA Roadmap).<sup>30</sup> These documents are then sent to the member for comment.
112. The member should have at least four weeks to review and provide its comments on the first draft MER, including the KRA Roadmap and other recommended actions, to the assessment team. During this time the assessment team should be prepared to respond to queries and clarifications that the member may raise and to discuss the KRA Roadmap.

### 2nd draft MER and KRA Roadmap

113. On receipt of the member's comments on the first draft MER and KRA Roadmap, the assessment team will have four weeks to review the various comments and make further amendments, as well as refine the KRA Roadmap. As in the case of the first draft, assessors should aim to clarify as much as possible, in writing, how specific information was taken into account in their analysis. The second draft MER, KRA Roadmap and updated TC annex will then be sent to the member and to the external reviewers.

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<sup>30</sup> Assessors should review the Methodology Introduction para. 72-76 for guidance on developing recommended actions, determining which will be Key Recommended Actions and other recommended actions and preparing the KRA Roadmap. Subject to Methodology Introduction para. 72, Key Recommended Actions should only relate to IOs rated ME or LE or Recommendations rated PC or NC where these relate to any IO rated ME or LE. Normally, there should be no more than two to three KRA related to each IO, including KRA for technical compliance for Recommendations related to that IO. In addition, there may be one KRA for each of Recommendations 3, 5, 6, 10, 11, and 20 that is rated NC or PC, where these do not pertain to any IO rated ME or LE.

## Pre-Plenary Quality & consistency review

114. The external reviewers will have two weeks to examine the scoping note and provide their comments to the APG Secretariat for dissemination to the assessment team. The assessment team will consider the merit of the external reviewers' comments, and amend the scoping note as needed, in consultation with the member.
115. As part of the ME process, the external reviewers will conduct a pre-Plenary Q & C review with a view to:
  - i. commenting on assessors' preliminary review and analysis of the member's risks, materiality and context and the draft scoping note;
  - ii. reflecting a correct interpretation of the FATF Standards and application of the *FATF Methodology* (including the assessment of risks, integration of the findings on TC and effectiveness, and identifying areas where the analysis and conclusions are clearly deficient);
  - iii. checking whether the description and analysis supports the conclusions (including ratings);
  - iv. considering whether sensible, relevant, measurable and achievable recommended actions for improvement are made and whether the most strategic recommended actions have been identified as KRA;
  - v. highlighting, where applicable, potential inconsistencies with earlier decisions adopted by the FATF and/or APG on TC and effectiveness issues; and
  - vi. checking that the substance of the draft MER is generally coherent and comprehensible.
116. When conducting their review of the TC Annex and draft MER, the external reviewers will be provided with access to all key supporting documents, including the assessed member's TC and effectiveness submissions, available risk assessments and a copy of the comments provided by the member on the first draft MER and KRA Roadmap.
117. The external reviewers and the assessed member will have at least three weeks to review the second draft MER, updated TC Annex and draft KRA Roadmap and to provide their comments to the APG Secretariat. The APG Secretariat will also conduct an internal review for Q & C.
118. The assessed member should work to provide the assessment team with its response to the external reviewers' comments on the second draft MER ahead of the face-to-face meeting.
119. To ensure transparency, all comments from the external reviewers will be disclosed to the assessors and member. The external reviewers do not have any decision-making powers or powers to change a MER.
120. The assessment team are responsible for considering the external reviewers' comments and deciding whether any changes should be made to the MER. In addition to any changes made, assessors should respond to all substantive comments provided by external reviewers. When the draft MER and KRA Roadmap are circulated to the Global Network for comment, the assessment team will provide a short response to the Plenary regarding the decisions and any substantive changes it made to the report or KRA Roadmap based on the external reviewers' comments.

121. As noted above, the assessed member will have the opportunity to submit further comments on the second draft MER and KRA Roadmap, in parallel with the review process. The comments from the member and the external reviewers will be used as input for any revisions to the MER and for the face-to-face meeting.
122. Where any reviewer in the Q & C process considers that an FATF, FSRB, IMF or World Bank report has significant problems of quality or consistency, the external reviewer should wherever possible raise such concerns with the Secretariat for the assessment body as soon as possible during this Q & C process. The Secretariat, assessment team and assessed member should consider and work, in consultation with the external reviewers, to appropriately address the concerns before circulation of the report to the Global Network for review. If an external reviewer identifies fundamental concerns, a targeted review may be considered as outlined in paragraph 132(ii).
123. Following the conclusion of the Q & C review, the assessment team and the member will have no less than three weeks to consider member and external reviewers' comments received on the second draft MER, updated TC Annex and KRA Roadmap, discuss likely changes and unresolved issues, and identify issues for discussion at the face-to-face meeting. At this stage, the draft MER should be as close as possible to the final text, with a narrow range of unresolved issues for discussion.

### Face-to-face meeting

124. Once the Secretariat's internal review is completed, and the external reviewers' comments, and any comments from the assessed member on the second draft MER and KRA Roadmap and/or on the external reviewers' comments have been received, the assessment team and the member will have no less than three weeks to consider those comments in preparation for the face-to-face meeting. Assessors should respond to all substantive comments by external reviewers and the Secretariat should liaise with external reviewers as needed to facilitate this process. During this time, they shall discuss likely changes and unresolved issues, and identify issues for discussion at the face-to-face meeting. The member shall also provide the assessment team with its responses to the external reviewers' comments. At this stage, the draft MER should be as close as possible to the final text, with a narrow range of unresolved issues for discussion.
125. The second draft of the MER, and any issues identified subsequently, shall serve as the basis for discussion during the face-to-face meeting. If time permits, and as appropriate and if agreed by all the parties, the assessment team may prepare a third draft of the MER prior to, and for discussion at, the face-to-face meeting.
126. The timing, scope and duration of the face-to-face meeting will be determined through consultation between the assessment team and the assessed member, reflecting key issues with the progress of the assessment. To make the most efficient use of the limited time available during the face-to-face meeting, the assessed member should provide the assessment team with a list of priority issues for discussion at the face-to-face meeting at least one week prior to the meetings.
127. A face-to-face meeting is an important way to assist the assessed member and the assessment team to resolve outstanding issues. The assessment team (including Secretariat) and the

assessed member should have a face-to-face meeting to further discuss the second draft MER and KRA Roadmap, following the external reviewers' and member's comments on the second draft. During this session, the assessment team and member should work to resolve any disagreements over TC or effectiveness issues and identify potential key issues for Plenary discussion. Sufficient time during the face-to-face meeting should be allocated to discuss the KRA Roadmap.

128. The face-to-face meeting should occur at least nine weeks before the scheduled Plenary discussion and would normally be held in the jurisdiction of the assessed member, but it could be held elsewhere at a location mutually agreed upon by the assessment team and the assessed member. If a face-to-face meeting cannot be held in-person, a virtual meeting will be arranged to cover the same set of issues.
129. Following the face-to-face meeting, the assessment team and the member will brief the MEC co-chairs of key issues discussed, including any unresolved issues. After the face-to-face meeting, the assessment team will consider whether any further changes should be made to the draft MER or KRA Roadmap. The assessment team, in consultation with the assessed member, will then prepare the Executive Summary.<sup>31</sup> The assessment team will also consider if any further changes are to be made to the draft MER
130. Unless otherwise agreed between the assessment team and assessed member, the TC Annex will be considered complete once the third draft of the MER is completed, with any remaining substantive disagreements between the assessment team and the assessed member to be resolved in the MEC and Plenary.
131. The assessment team and assessed member should work to (i) resolve any disagreements over the content of the second and third draft MER, and (ii) identify potential issues for Plenary discussion before the final draft MER is circulated to members and observers for consideration prior to MEC discussion and Plenary consideration of the draft MER. This cannot be left to the margins of the Plenary meeting in which the report is being considered, as late amendments to the draft MER would preclude proper Plenary discussion and consideration of the draft MER.

### Targeted Review (for exceptional cases only)

132. The Secretariat should consider circulating a revised second draft to ME external reviewers for a targeted review in exceptional cases where:
  - i. changes made after the face-to-face meeting to the analysis or conclusions in the MER are so extensive or substantively different from the previous draft as to have a potential significant impact on the quality and consistency of the MER; or
  - ii. in the pre-Plenary Q & C process, the external reviewers identified fundamental concerns with the MER quality and consistency or misapplication of the FATF Standards or *FATF Methodology*.
133. Ideally, a targeted review should involve no more than five substantive issues and the Secretariat should ensure that at least two weeks is allocated for the external reviewers and the assessment

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<sup>31</sup> The Executive Summary will describe the key risks, the strengths and weaknesses of the system, and the KRA for the jurisdiction to improve its AML/CFT/CPF regime.

team to respond to any reviewers' comments prior to circulating the pre-plenary draft MER to the Global Network. The comments provided in the targeted review will be circulated with the draft MER, or as soon as possible thereafter.

134. In exceptional cases, the APG Secretariat and MEC Co-Chairs, in consultation with the APG Co-Chairs and acting on the recommendation of the external reviewer/s, may consider postponing the circulation of the pre-plenary draft MER to the membership and the Global Network. This would occur where:
  - i. a targeted review is triggered but there is not enough time to conduct such a review; or
  - ii. There remain fundamental concerns with the quality and consistency of the MER or misapplication of the FATF Standards or FATF Methodology<sup>32</sup> that cannot be addressed in time to circulate the pre-plenary draft MER at least six weeks before Plenary.
135. Any such postponement should not exceed one Plenary cycle.

### Identifying issues and preparing for plenary discussion

136. The final draft MER, KRA Roadmap and Executive Summary (collectively the pre-Plenary drafts), together with the external reviewers' and assessors' responses and assessed member's formal response to the final draft MER, will be sent to the Global Network at least seven weeks prior to plenary for their comments. There should be no further changes to the substance of the draft MER after this point in time to allow delegations to provide comments and prepare for the discussion at the MEC and Plenary.
137. Delegations (all members of the Global Network) will have two weeks to provide any written comments on the pre-Plenary drafts, and, in particular, to identify any substantive key issues that they wish to discuss in the MEC meeting or Plenary. The comments should focus on the substantive key issues, or on other high-level or horizontal aspects of the assessment, though other observations may also be made. The comments received will be made available to all delegations.
138. Based on the final draft MER, and comments received, the Secretariat will engage the member and assessment team and prepare a list of (usually three to five and not more than seven) priority and substantive issues for inclusion in the key issues document that will be discussed in the MEC<sup>33</sup> prior to referral to the plenary. This engagement will be based on the MER, KRA Roadmap, Executive Summary and delegation comments received. The key issues selected should reflect equally the issues that the assessed member and delegations are most keen to discuss. Key issues should focus on effectiveness but may include issues related to technical compliance as well as the assessed member's risk and context. The list of key issues for discussion in the MEC would include key issues arising from the report (whether referenced by the member, the assessment team or delegations), as well as any questions of interpretation or inconsistency with the FATF Standards, and application of the *FATF Methodology* in line with

<sup>32</sup> Any such concerns should be consistent with the substantive threshold required to trigger the Post Plenary Q & C process (see Section IX) and the Q & C aspects of draft MERs in line with FATF Plenary decisions.

<sup>33</sup> The Secretariat will notify the assessed member and the assessment team of the key issues selected for discussion and ask them to briefly explain their respective positions on each key issue.

interpretations made by the FATF Plenary and, where relevant, taking into account past APG Plenary decisions.<sup>34</sup>

139. To the extent possible, the Secretariat staff directly involved in preparing the MER should not be included in the process of identifying and selecting priority and substantive key issues.
140. The finalised list of priority and substantive key issues will be set out in the Key Issues Document (KID), which will be distributed to delegations at least two weeks before the Plenary discussions. After discussions in MEC early in the Plenary week, a revised KID and any proposed amendments to the MER, KRA Roadmap and Executive Summary are submitted to the plenary for discussion<sup>35</sup> by way of an MEC Co-Chairs' report. To the extent possible, the revised KID should be circulated at least 24 hours before the Plenary discussion to give members sufficient time to prepare for discussion.
141. The MEC meeting and discussion of the final draft MER will result in an updated KID by way of an MEC Co-Chairs' report that will be circulated for Plenary discussion of the MER. The MEC Co-Chairs' report will include information on the discussion and the status of unresolved/resolved key issues. Unresolved key issues will be presented in the report as active for discussion by the Plenary. Resolved issues will remain in the report but be moved to an item for discussion by exception.

## MEC discussion

142. All members and observers are encouraged to take part in the MEC discussion of key issues pertaining to the final draft MER, as set out in the KID. If, in very exceptional circumstances, the MEC meeting cannot be held in-person, a virtual or a hybrid meeting will be arranged to discuss the key issues. The MEC meeting is aimed at facilitating Plenary discussion of the final draft MER by refining or potentially resolving issues identified by the assessment team, the assessed member or any delegation. While the Plenary retains the final decision on the wording of any MER, consistent with the requirements of the FATF Standards and *FATF Methodology*, it is expected that the Plenary will only need to consider, on an exception basis, minor textual amendments to the MER or TC issues as agreed to by the MEC. This will allow the Plenary to focus on more substantive MER issues without compromising the right of members in the Plenary to raise concerns, make final decisions and to adopt reports.
143. The MEC meeting and discussion of the final draft MER will :
  - i. be chaired by the MEC Co-Chairs and open to all APG members and observers; and
  - ii. allow the assessment team and suitable representatives from the assessed member to discuss issues in the final draft MER.
144. The discussion of the final draft MER in the MEC will consider the priority issues in the KID and attempt to reach a conclusion for each issue, time permitting. The delegation that raised the priority issue will be asked to briefly outline that item to which the assessment team and the

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<sup>34</sup> The representative of the FATF Secretariat at the APG Plenary will be expected to assist and advise on all issues relating to the interpretation of the FATF Standards, and the quality and consistency aspects of the draft MERs in line with past FATF Plenary decisions. The Plenary discussion will provide members and observers another opportunity to raise and discuss concerns about the quality and consistency of an MER.

<sup>35</sup> The MEC Co-Chairs will consult with the assessed member and assessment team when changes are proposed to the text of the MER, KRA Roadmap or Executive Summary in the revised key issues document for Plenary discussion.

assessed member will be given the opportunity to respond.<sup>36</sup> The issue will be opened for response by other delegations. Upon determining any consensus or not, the MEC Co-Chairs will note whether any amendment is required/agreed to or not. The MEC will need to endorse and the Plenary to agree upon any amended analysis presented as an annex to the key issues document in the event of support by the MEC and/or Plenary for a TC or effectiveness upgrade or downgrade.

## Plenary discussion

145. The Plenary discussion of each MER, KRA Roadmap and Executive Summary will be based on the list of key issues and focus on high level and substantive issues, primarily concerning effectiveness and the KRA Roadmap. Where appropriate, important technical issues would also be discussed.
146. In accordance with the APG Virtual and Hybrid Event Policy, if, in very exceptional circumstances, the Plenary meeting cannot take place in-person, the discussion of the MER, KRA Roadmap and Executive Summary will take place in a virtual or hybrid format.
147. Adequate time should always be set aside to discuss the KRA Roadmap, member's response to the key issues and other issues, including any significant and unresolved issues. The discussion is managed by the APG Co-Chairs and will likely, on average, take three to four hours. The procedure for the Plenary discussion will be as follows:
  - i. The assessment team will briefly present, in high-level terms, the key issues and findings from the MER. The team will have the opportunity to intervene or comment on any issue concerning the MER, KRA Roadmap or Executive Summary.
  - ii. The assessed member will make a short opening statement. This may include a brief outline of any remaining areas of disagreement from the member's perspective.
  - iii. The Plenary will discuss (a) the list of priority issues identified in the MEC Co-Chairs' report. (b) the KRA Roadmap. This would usually be introduced briefly by the MEC Co-Chairs, with the assessors, the assessed member and Secretariat having the opportunity to provide additional information. The Plenary will need to endorse any amended analysis presented as an annex to the key issues document in the event of support by the MEC and/or Plenary for an upgrade or downgrade.
  - iv. An APG member that has an expert on the assessment team will not be constrained from either supporting or not supporting a proposal for a change to the MER, including a possible rating upgrade or downgrade.
  - v. It is the role of the APG Co-Chairs to control meeting procedure and agenda timings, and decide on how discussion of a request for a rating upgrade or downgrade will be handled, including whether to hear first from members objecting or from members supporting an upgrade or downgrade depending on the circumstances of the issues at hand. Where there are multiple proposals for rating upgrades or downgrades, each affected FATF Recommendation or Immediate Outcome will be discussed one at a time.
  - vi. The consensus rule applicable to MEC and Plenary consideration of MERs is consistent with the consensus rule applied by the APG for governance and membership issues.

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<sup>36</sup> If the delegation which raised the issue is not present, the MEC Co-Chair will summarise the issue.

- vii. Time permitting, other issues could be raised from the floor, and discussed by the Plenary. The assessed member and assessment team may be called on to respond to any issues raised.
148. The Plenary discussion of a joint APG/FATF MER, having already been adopted by the FATF with the opportunity for input from APG members, will be abbreviated as follows:
- i. The APG or FATF Secretariat or an assessor will introduce the MER and summarise the process leading up to the Plenary consideration, the main findings of the joint MER and outline the key issues that were discussed in the FATF when the report was adopted. The Secretariat or an assessor will outline the decisions of the FATF that resulted in changes, including any rating changes to the MER.
  - ii. The assessed member may provide a brief statement, should it choose to.
  - iii. The Plenary will discuss the report.
149. This process will likely, on average, take up to one hour.
150. All observers are permitted to attend discussions of APG MERs. Such representatives may participate by making comments, asking questions or suggesting changes to a draft MER but cannot participate in the formal adoption of an MER, which is a matter for APG members only.
151. The FATF Secretariat's representative at the Plenary will be expected to assist and advise on all issues relating to the interpretation of the Recommendations, and the quality and consistency aspects of the draft MER. The Plenary discussion will provide members and observers adequate opportunity to raise and discuss concerns about quality and consistency of an MER.
152. In highly exceptional circumstances, fundamental concerns may be raised regarding the quality of the draft MER or KRA Roadmap or misapplication of the FATF Standards or *FATF Methodology* which cannot be addressed during MEC/Plenary discussions.<sup>37</sup> The APG will take all possible steps, including, when this concerns a report of an FSRB, IMF or World Bank, through engagement with the FATF Secretariat,<sup>38</sup> to resolve any such concerns or issues arising from misapplication of the FATF Standards or *FATF Methodology*. If, despite best efforts, the concerns or issues cannot be resolved, the APG should consider, in consultation with the relevant MEC Co-Chairs and APG Co-Chairs, postponing the discussion, or further discussion, of the draft MER and KRA Roadmap until the concerns or issues can be addressed. Any such postponement should be highly exceptional, decided in line with the APG governance processes, and include agreement to discuss the draft MER KRA Roadmap and the Executive Summary at a scheduled special Plenary meeting, a virtual Plenary session, or as the final option the following year's Plenary.

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<sup>37</sup> Any such concerns or issues should be consistent with the substantive threshold required to trigger the Post Plenary Q & C process (see Section IX). Deferring Plenary discussion or adoption of an MER should not be based on any disagreement between the assessment team and assessed member regarding the assessment team's conclusions or provide an opportunity for the assessed member to unilaterally delay the adoption and publication of an MER.

<sup>38</sup> In the case of an FATF MER, this engagement should include the FATF Secretariat and ECG Co-chairs.

## Adoption of the MER, KRA Roadmap and Executive Summary

153. At the end of the Plenary discussion, the Plenary will be asked to adopt the final draft MER, KRA Roadmap and the Executive Summary. The Plenary may direct that changes be made to the proposed MER, KRA Roadmap or Executive Summary if Plenary agreed to do so.
154. If Plenary does not agree to adopt the MER, KRA Roadmap and the Executive Summary, the assessors, the member and the Secretariat should prepare amendments to address the issues raised by the Plenary. Where substantive changes are required, either because additional information is required to be added, or the MER has to be substantially amended, the Plenary could decide to:
  - i. adopt the report subject to it being amended, with the amended MER to be approved through out-of-session adoption by members ahead of any post-Plenary Q & C process; and
  - ii. where the required changes are significant, defer adoption of the MER, and agree to have a further discussion of an amended report at a scheduled special Plenary meeting, a virtual Plenary session, or as the final option the following year's Plenary.
155. The final MER is a report of the APG and not simply a report by the assessors. As such, the Plenary will retain the final decision on the wording of any report (including any minor textual changes to the report that the Plenary decides is needed), consistent with the requirements of the FATF Standards and *FATF Methodology*. The Plenary will give careful consideration to the views of the assessors and the assessed member when deciding on the wording, as well as take into account the need to ensure consistency between MERs.
156. Following the adoption of the MER, the Secretariat will indicate to the Plenary in which level of follow-up the assessed member should be placed based on the final ratings and the date of the Plenary at which the assessed member will be expected to report on its progress in addressing the KRA (the relevant Plenary) (see Section VIII). Based on Plenary's decision regarding follow-up, the KRA Roadmap will be updated to reflect the expected reporting date.
157. The assessment team is responsible for ensuring that all the changes to the MER agreed by the Plenary have been made. Care will be taken to ensure that no confidential information is included in any published report. The Secretariat will check the adopted report, KRA Roadmap and Executive Summary for typographical or similar non-substantive errors and will circulate a revised version of the report to the member ideally within one week of the Plenary. Within two weeks of receiving it from the Secretariat, the member must confirm that the report is accurate and advise of any typographical or similar errors. The report, KRA Roadmap and Executive Summary will then be subject to post-Plenary Q & C review (see Section IX).

## KRA Roadmaps

### Notice to Minister

158. When an MER is published (following post-Plenary Q & C review), the APG Co-Chair will provide a copy of the KRA Roadmap to the appropriate Minister of the assessed member and advise the Minister regarding the APG's expectations for follow-up by the assessed member. For members

in regular and enhanced follow-up processes, the APG Executive Secretary should provide a copy of this communication, or a similarly informative communication, to the assessed member's Primary Contact Point annually while the assessed member remains in the follow-up process.

## ICRG Handover

159. When an assessed member meets ICRG entry criteria based on its MER results, and a preliminary determination by the APG Secretariat is that the member also meets the ICRG prioritisation criteria, the assessment team and assessed member, supported by the APG Secretariat, should meet briefly with representatives of the ICRG's Asia-Pacific JG. Whenever possible, this meeting should take place on the margins of the Plenary at which the MER is adopted and virtual participation of ICRG JG Co-chairs, interested JG members and FATF Secretariat supporting the JG, should be facilitated. If such a meeting is not possible, a virtual handover meeting should take place as soon as possible, and not later than two months after adoption of the MER. This meeting is for information only to ensure a shared understanding of the KRA Roadmap.

## V. Evaluations of Non-Members

160. If agreed by the APG Plenary, in exceptional circumstances, the APG may conduct or participate in an assessment of an APG observer jurisdiction. The procedures laid out in this document will apply. If necessary, the APG Secretariat will coordinate arrangements with the secretariat of another assessment body.

## VI. Joint Mutual Evaluations with the FATF and other FSRBs

161. In line with the FATF Procedures, FATF members that are also members of an FSRB or multiple FSRBs will undergo a joint ME by these bodies. Generally, the FATF will be the principal organiser, and will provide three assessors, while one to two assessors could be provided by the participating FSRB(s). The APG Secretariat will participate, with the level of participation depending on the resources available. The APG Secretariat may conduct internal Q&C on the drafts of joint reports and will share the comments with the whole FATF/APG assessment team. Reviewers should be provided by FATF, the APG, other FSRB(s), and/or another assessment body. To ensure adequate attention is given to consistency, a joint ME may use additional reviewers beyond the three set out in paragraph 46 of the *Universal Procedures*. The first discussion of the MER should take place in the FATF and, given the additional measures adopted by the FATF for joint MEs (outlined below), the presumption is that the FATF's view would be conclusive.
162. The processes (including the FATF procedures for preparing the draft MER, KRA Roadmap and Executive Summary and follow-up monitoring) for joint MEs would be the same as for other FATF MEs. All APG members and the APG Secretariat have opportunities to participate directly through being part of the assessment team and providing comments and input on the draft MER, KRA Roadmap, Executive Summary and follow-up reports like other delegations. Any APG Secretariat interventions in ECG and in the FATF plenary on a joint report will generally reflect

APG inputs to the ME and issues of process and consistency in consideration and adoption of the report. The APG will allow reciprocal participation in ME discussions for FATF members.

163. The APG may undertake joint MEs with other FSRBs when an APG member is also a member or observer of another FSRB, but not of the FATF. Where an APG member is a member/observer of another FSRB, and not of the FATF, the principal organiser will be either the APG or the other FSRB, based on discussions between the joint member and the APG Secretariat, and the other FSRB Secretariat. The composition of the assessment team and the process for adoption of the MER will be decided after close consultation between the joint member and the two Secretariats, and may include GIFCS when the assessed member is also a GIFCS member. If scheduling permits, the Plenary discussion of a joint MER may take place at a joint Plenary meeting of the APG and the respective FSRB, with the full participation of both FSRBs.

## VII. IMF or World Bank Led Assessments of APG Members

164. The APG is responsible for the ME process for APG members, and there is a presumption that the APG will conduct the MEs<sup>39</sup> of all APG members as part of this process. This presumption can be overridden at the discretion of the APG Plenary on a case-by-case basis, and with the agreement of the member to be evaluated.<sup>40</sup> For the purposes of the APG's global fifth round of MEs, the APG Plenary has discretion to decide that an APG assessment could be conducted by the IMF or World Bank. Any such assessments should be agreed and fixed on the same basis as other MEs in the schedule. The APG should be involved at an early stage in the process of determining which members will be assessed by the IMF or World Bank, and the APG Plenary will decide on any such requests.
165. Where the IMF or World Bank conducts an AML/CFT/CPF assessment of an APG member, they should use procedures and a timetable similar to those of the APG, including any procedures that the APG has in addition to what is required by the *Universal Procedures*. The IMF and World Bank should maintain regular dialogue with the APG Secretariat throughout the assessment process. The relevant APG Plenary will in all cases have to approve an assessment its member led by the IMF or World Bank for it to be accepted as a ME.

## VIII. Follow-up and ICRG Processes

### Overview

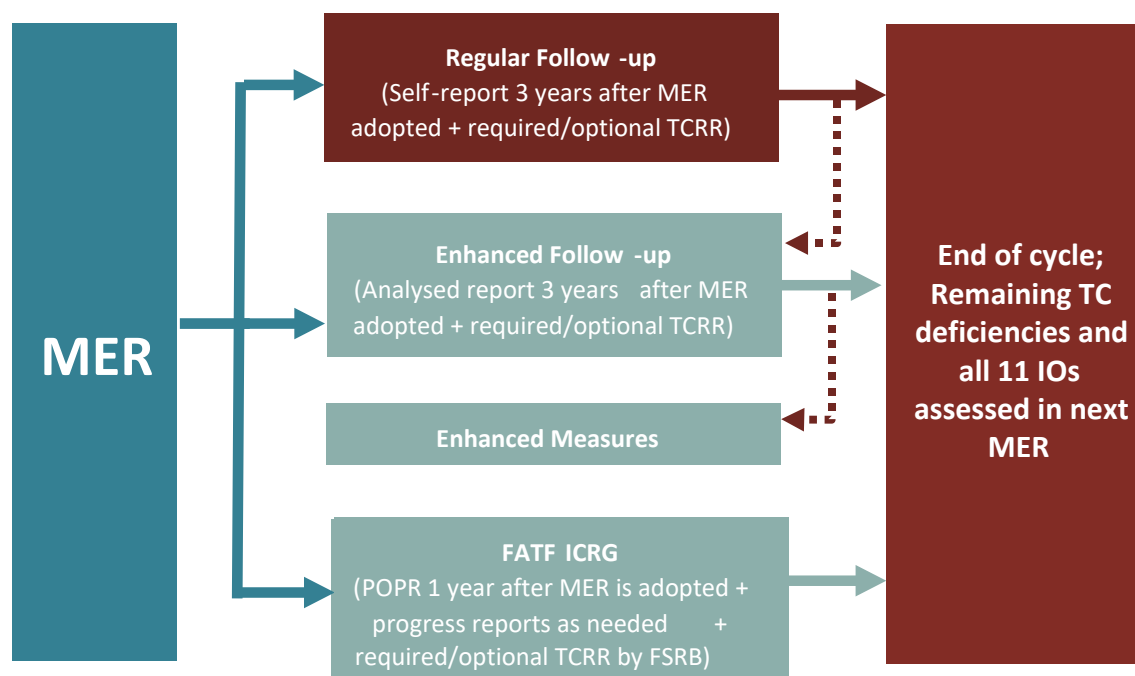
166. Following the discussion and adoption of an MER, the member could be placed in either regular follow-up, or enhanced follow-up, or referred to the ICRG. Regular follow-up is the default monitoring mechanism for all jurisdictions. Members are placed in enhanced follow-up where the AML/CFT/CPF system needs major improvements (for TC or effectiveness) and involves a more intensive process of follow-up. The ICRG is a compliance enhancing mechanism for jurisdictions across the Global Network where the system needs fundamental improvements

<sup>39</sup> Including any follow up that may be required.

<sup>40</sup> The key consideration is resourcing the APG's global 5<sup>th</sup> round of evaluations with the APG, IMF and WB committed to working cooperatively to complete the APG's global 5<sup>th</sup> round of evaluations within seven years.

and involves more direct monitoring by the FATF. The following figure provides a basic overview of the follow-up and ICRG processes.

Figure 1. **Follow-up and ICRG Processes**



## General Expectations

167. In the three-year period following the adoption of the MER,<sup>41</sup> jurisdictions ideally should have:
- fully or largely addressed all KRA in their KRA Roadmap;
  - improved their TC with all Recommendation rated non-compliant (NC) or partially compliant (PC) to the extent that re-rating to largely compliant (LC) or compliant (C) is warranted; and
  - made necessary changes to comply with any FATF Standards revised since the date the jurisdiction's TC submission was due.
168. The follow-up report provided 3 years after adoption of the MER is intended to be a targeted but more comprehensive report on the extent to which the member has addressed the KRA in its KRA Roadmap and any actions taken that might justify TCRR. The timing of the Plenary at which the follow-up report will be presented (the relevant Plenary) will be included as part of the KRA Roadmap.<sup>42</sup>

<sup>41</sup> In line with the *FATF Procedures*, deadlines to address specific KRA may be shorter than 3 years for jurisdictions in the ICRG process, on the basis of particular risks identified in the assessment process.

<sup>42</sup> APG Plenary may retain the discretion to vary the specific reporting date.

169. All APG members are subject to follow-up reporting that involves progress with KRA Roadmaps and TCRR:
  - i. Joint FATF/APG members' follow up will be conducted by the FATF.
  - ii. APG members that qualify for ICRG review and meet the prioritisation threshold will report to the ICRG as outlined in the FATF Procedures.
  - iii. All assessed APG members that are not subject to active ICRG monitoring (including APG members in the "FATF ICRG Pool") should report back to the APG approximately 3 years after the adoption of the member's MER.
170. In addition to reporting on progress with the KRA Roadmap, all members should seek re-ratings for TC with Recommendations rated as NC or PC<sup>43</sup> as part of the follow-up process.<sup>44</sup> Requests for TC re-ratings will not be considered where the expert(s) determines that the legal, institutional, or operational framework has not changed since the member's MER (or previous FUR, if applicable) and there have been no changes to the FATF Standards.
171. If any of the FATF Standards have been revised since the date the member's ME TC submission was due, the member will be assessed for compliance with all revised Standards at the time its follow-up report is considered as outlined in paragraph 8. This includes cases where the revised Recommendation was previously rated LC or C.
172. Any recommended actions which are not the subject of a KRA or TC issues that remain after the follow-up report or exit from the ICRG process will be assessed as part of the member's next ME, unless the APG Plenary directs the member to report sooner.

## Reporting Requirements

173. For both regular and enhanced FURs, the member will provide an update to the APG Secretariat identifying changes made to the legal, regulatory or operational AML/CFT/CPF framework since its MER was adopted and setting out the actions it has taken or is taking to address the KRA Roadmap.<sup>45</sup> Information relevant to KRA may include information identified in the lists in the *FATF Methodology on the Examples of Information* that could support the conclusions on core issues for each Immediate Outcome and should demonstrate sufficient progress against the relevant KRA so that the KRA is addressed or largely addressed.
174. Some KRA may relate to TC deficiencies, and the member will also submit material on its progress to improve compliance with any Recommendation rated NC or PC where it is requesting re-rating<sup>46</sup> and with any revised FATF Standards as outlined in paragraph 8. TC updates should be provided in a similar format to the ME TC questionnaire.

<sup>43</sup> Requests for technical compliance re-rating (TCRR) may include Recommendations not included in the KRA Roadmap that are rated PC or NC where the legal, regulatory or operational AML/CFT/CPF framework has changed.

<sup>44</sup> APG members under ICRG review should make their TCRR requests to the APG in line with para. 162 and the APG's procedures.

<sup>45</sup> Representative timelines for preparing follow-up reports are outlined in Appendix 2.

<sup>46</sup> For members under active ICRG review, requests for TCRR should be made once they have exited ICRG, or three years after adoption of their MER, whichever comes first. TCRR requests will not be considered for recommendations which form part of a KRA Roadmap until the member has exited ICRG.

175. For the FUR, only relevant laws, regulations or other AML/CFT/CPF measures that are in force and effect by the deadline to submit information for a follow-up report, will be taken into account for determining the extent to which a KRA is addressed, or a TC re-rating is justified.<sup>47</sup>
176. 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 previous MER (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion.

## Diminished Compliance

177. If, at any time, delegations or the APG Secretariat become aware that a member has significantly diminished its TC to a level that the APG Plenary considers as equivalent to Non-Compliant/Partially Compliant (NC/PC) on any one or more of R.3, 5, 6, 10, 11 and 20, the Plenary may require a TCRR report on the Recommendation. If it comes to the Plenary's attention that a member has significantly lowered its compliance with any other FATF Standards, the Plenary may request the jurisdiction to address any new deficiencies as part of the follow-up process.
178. If, at any time, delegations or the Secretariat become aware that a member has significantly diminished its level of effectiveness for any one or more Immediate Outcome since its MER, Plenary may require the jurisdiction to provide an overview report of the relevant Immediate Outcome to determine whether a more comprehensive analysis of the Immediate Outcome by a follow-up expert is required.
179. In cases where the APG Plenary considers whether a member's level of TC or effectiveness is significantly diminished,<sup>48</sup> the APG Secretariat will contact the assessed member for comment and prepare a decision paper for consideration by Plenary. The assessed member will have an opportunity to explain its position to Plenary orally or in writing.

## KRA Rating Scale

180. To ensure clear and comparable decisions, a member in regular follow-up, follow-up experts, and ICRG JG members should reach a conclusion about the extent to which the member has (or has not) addressed each KRA. For each KRA, there are four possible ratings based on the extent to which the KRA is addressed: 'Fully addressed', 'Largely addressed', 'Partly addressed', and 'Not addressed'. These ratings should be decided on the basis of the following:

<sup>47</sup> This rule may only be relaxed in the exceptional case where the legislation is not yet in force at the deadline to submit information for follow up, but the text will not change and will be in force by the time the report is adopted. In other words, the legislation has been enacted, but is awaiting the expiry of an implementation or transitional period before it is enforceable. In all other cases, the procedural deadlines should be strictly followed to ensure that experts have sufficient time to do their analysis.

<sup>48</sup> Illustrative examples could include judicial decisions that diminish the powers or responsibilities of law enforcement authorities, the FIU or other competent authorities or that render elements of the AML/CFT/CPF legal framework unenforceable; the repeal or replacement of important elements of the AML/CFT/CPF legal framework.

KRA Ratings		
<b>Fully addressed</b>	FA	The jurisdiction has fully addressed the KRA.
<b>Largely addressed</b>	LA	The jurisdiction has addressed the KRA to a large extent, but minor improvements are needed.
<b>Partly addressed</b>	PA	The jurisdiction has addressed the KRA to some extent, but moderate improvements are needed.
<b>Not addressed</b>	NA	The jurisdiction has not taken any action or steps or has only taken negligible steps to address the KRA; major improvements are needed.

181. In cases where a member is under active ICRG review and a KRA relates to TC,<sup>49</sup> progress against that KRA should be rated using the KRA rating scale until the member requests TCRR and TC can be comprehensively assessed.

## Follow-up Monitoring Mechanisms

### Regular Follow-up

182. Regular follow-up provides a light-touch process for monitoring those members whose MER reflect substantial to high levels of effectiveness and TC. Members in regular follow-up will present their follow-up report as a self-assessment, including application of the KRA rating scale outlined above. Review of progress on KRA relating to effectiveness will not be analysed but will be circulated to delegations for information.
183. Compliance with FATF Standards that have changed since the date the jurisdiction's ME TC submission was due and any Recommendation where the member requests TCRR will be analysed for re-rating by follow-up experts. Where a member in regular follow-up seeks TCRR, it should indicate which Recommendations should be considered for re-rating at least seven months in advance of the relevant Plenary meeting.<sup>50</sup> The TC update by the member should be submitted to the APG Secretariat one month later (at least six months in advance) of the relevant Plenary meeting.
184. The KRA Roadmap self-assessment report outlining progress against KRA that do not involve TCRR should be submitted at least two months in advance of the relevant Plenary meeting. The Secretariat will prepare a cover note briefly summarising which KRA the jurisdiction reports as being fully or largely addressed and which KRA the member reports as being partly or not addressed and making a recommendation regarding the next step in the follow-up process, if any.

<sup>49</sup> For jurisdictions under active ICRG review, requests for TCRR should be made to the relevant assessment body in line with that body's procedures once they have exited ICRG, or three years after adoption of their MER, whichever comes first.

<sup>50</sup> The Plenary meeting at which a member's MER is scheduled to be considered is referred to as the "relevant Plenary meeting".

185. The cover note, and any TCRR report, will be provided to the jurisdiction for its comments before it is sent to delegations. The cover note and the jurisdiction's self-assessment KRA Roadmap follow-up report will be considered by Plenary as information items, unless all KRA are not fully or largely addressed. If a jurisdiction has not fully or largely addressed all KRA, the FUR will be discussed in the MEC and Plenary as outlined in paragraphs 205-206. Any TCRR report will be considered as outlined below in the section entitled Analysis of KRA Progress and TCRR.
186. After considering a regular FUR in which the member reports that all KRA have not been fully or largely addressed, the Plenary may direct that the member submit an updated report for analysis as outlined for enhanced follow-up. Using a risk-based approach, Plenary may also decide to apply enhanced measures if strategic shortcomings remain.

### Enhanced Follow-up

187. After discussing the MER, the APG Plenary will place a member on enhanced follow-up if any one of the following applies:
  - a) it has 5 or more PC ratings for technical compliance; or
  - b) it has 1 or more NC ratings for technical compliance; or
  - c) it is rated PC on any one or more of R.3, 5, 6, 10, 11 and 20; or
  - d) it has a moderate level of effectiveness for 6 or more of the 11 effectiveness outcomes (IOs); or
  - e) it has a low level of effectiveness for 1 or more of the 11 effectiveness outcomes.
188. As noted above, APG members that qualify for ICRG review but do not meet the prioritisation threshold should follow the enhanced follow-up process of the APG.
189. For members in enhanced follow-up, progress against all KRA will be analysed by follow-up experts based on the information submitted by the member, consistent with the peer review principle of the ME process. Compliance with FATF Standards that have changed since the date the jurisdiction's TC submission was due and any Recommendation where re-rating is requested will be analysed for re-rating as part of this process.
190. Where a member in enhanced follow-up seeks TCRR, it should indicate at least nine months in advance of the relevant Plenary meeting which Recommendations should be considered for re-rating. The member should submit updates on steps taken to address its KRA, including both effectiveness and technical compliance, to the APG Secretariat one month later (at least eight months in advance of the relevant Plenary meeting). The member's submission will be analysed for progress against the KRA and for any TCRR by a group of follow-up experts, consistent with the peer review principle of the ME process.
191. The follow-up experts will prepare a FUR comprising an analysis of the measures taken to address the KRA and improve TC, any conclusions regarding the extent to which those measures address the KRA and whether TCRR is warranted. The analysis and conclusions will be provided to the member for its comments before it is sent to delegations.
192. After the discussion of an enhanced FUR in which all KRA have not been fully or largely addressed, the Plenary should apply enhanced measures, as outlined in paragraph 207.

## ICRG

193. After the discussion of the MER, a member qualifies for referral to ICRG for observation if it meets any of the following criteria:
- a) it has 15 or more NC/PC ratings for technical compliance; or
  - b) it is rated NC/PC on 3 or more of R.3, 5, 6, 10, 11 and 20; or
  - c) it has a low or moderate level of effectiveness for 9 or more of the 11 Immediate Outcomes, with a minimum of 2 low level ratings; or
  - d) it has a low level of effectiveness for 6 or more of the 11 Immediate Outcomes.
194. Any FATF or FSRB delegation may nominate any jurisdiction for active ICRG review as outlined in the FATF Procedures. Procedures for all stages of the ICRG process are published in the FATF Procedures.
195. To avoid duplication of efforts and potential inconsistency, the ICRG has exclusive oversight of any issues in a jurisdiction's KRA Roadmap,<sup>51</sup> including any TC issues listed in the KRA Roadmap, for any jurisdiction under active ICRG review. Once an APG member exits ICRG (whether at the end of a Post-Observation Period Report (POPR) or by completion of their KRA Roadmap), that member should request TCRR for any TC issues listed in the KRA Roadmap from the APG.
196. In the third year after adoption of its MER, if an APG member remains in active ICRG review that member may request TCRR from the APG for any Recommendation not included in the KRA Roadmap rated NC/PC where the member has made legal, regulatory or operational framework changes since the MER and Recommendations where there has been a change in the FATF Standards for which the member has not previously been assessed. To request TCRR for any Recommendation rated NC/PC that is included in the member's KRA Roadmap:
- i. the ICRG must have determined that the KRA regarding that technical deficiency has been fully or largely addressed; and
  - ii. in preparing the TC analysis for TCRR the expert reviewers should, to the extent possible, draw on the work already done by the ICRG as set out in the ICRG progress reports and adopted by the FATF Plenary.<sup>52</sup>

## Role of APG Secretariat in the ICRG Process

197. As outlined in paragraph 40, when the APG Secretariat participates with a ICRG JG, it should impartially assist ICRG JG members in achieving quality reports and consistency in the application of the FATF Standards, *FATF Methodology* and Procedures, and should impartially support APG members in ICRG.<sup>53</sup> The impartial support provided by the APG Secretariat to APG members may include the following:

<sup>51</sup> References to KRA Roadmap include references to any revised KRA Roadmap.

<sup>52</sup> The ICRG process assesses a jurisdiction's progress against KRA, which is a different process from assessing a jurisdiction's legal, regulatory, or operational framework directly against the criteria set out in the *FATF Methodology*. If the follow-up experts reach a different conclusion to the ICRG report (in cases where the Standards or the framework have not changed) then they should explain the reasons for their conclusion.

<sup>53</sup> The FATF Secretariat plays the same role in relation to FATF members (see the *FATF Procedures*).

- i. facilitate communication between the assessment team, assessed member and virtual participation of Co-chairs, interested members and FATF Secretariat supporting the relevant ICRG JG during the ICRG handover meeting;
  - ii. in close coordination with the FATF Secretariat, assist members under review with ICRG jurisdiction training;
  - iii. when possible, help identify and source technical assistance from donors and providers to assist members under review to address or largely address their KRA Roadmaps;
  - iv. help inform ICRG JG discussion by providing contextual information on the region, risks and materiality of members under review and such other relevant and objective information as the ICRG JG may find useful; and
  - v. guide members under review on understanding the type of information and statistics that could be provided to demonstrate progress against its KRA Roadmap.<sup>54</sup>
198. For members in the ICRG Pool, the APG Secretariat:
- i. should conduct enhanced follow-up in line with the APG's procedures and highlight the importance of addressing the KRA Roadmap; and
  - ii. may:
    - a. explain the consequences of the jurisdiction's MER results, including the possibility that the jurisdiction could be referred for active ICRG review should they come to meet the prioritisation threshold or the FATF Plenary agrees that active review is necessary based upon risk and context; and
    - b. facilitate communication with the FATF Secretariat to answer any questions that the jurisdiction under review has on the ICRG process.

## Analysis of KRA Progress and Technical Compliance Re-rating

199. As outlined in the relevant sections above, progress against KRA by members in enhanced follow-up must be subject to expert analysis and approved by the Plenary. Likewise, re-ratings for TC may only be made with Plenary approval, in line with the APG's governance principles. Generally, the APG Plenary's approval for these FURs will be sought out-of-session.
200. In cases where FURs find that a member has not fully or largely addressed all KRA, the FURs will be discussed in the MEC and Plenary as outlined in paragraphs 205-206. Reports on TCRR requests will likewise be discussed in the MEC and Plenary if they are not adopted out-of-session.

## Reporting of analysis and approval by written process

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<sup>54</sup> The onus is on the jurisdiction under ICRG review to demonstrate progress against its KRA Roadmap. The Secretariat should not be responsible for drafting the jurisdiction's submission. Nor should the Secretariat represent or advocate on behalf of the jurisdiction during ICRG JG deliberations.

201. At least ten weeks before the relevant MEC and Plenary meeting, the follow-up experts should report their analysis of progress against KRA and/or TC to all members, associate members and observers, who will have two weeks to comment on the report. If no comments are received (including from the assessed member), the FUR will be circulated for Plenary approval out-of-session and then proceed to publication.
202. If comments are received, a revised report will be circulated at least seven weeks before the relevant MEC and Plenary meetings. Delegations will have one week to comment on the revised text. Unless two or more delegations (not including the assessed member) raise concerns regarding the follow-up experts' analysis of a particular KRA or Recommendation in the revised report, the FUR will be circulated for out-of-session approval and then proceed to publication.

### **Working group consideration of enhanced follow-up or TCRR reports**

203. If two or more delegations (not including the assessed member) raise concerns regarding the follow-up experts' analysis of a particular KRA or Recommendation in the revised FUR, that KRA or Recommendation and the issues raised will be discussed at the MEC level before Plenary. In these circumstances, the APG Secretariat should compile a short list of the priority issues for discussion, and should circulate this list to all members, observers and associate members at least two weeks prior to the MEC discussion. The discussion should be limited in time and scope. Although follow-up and TCRR reports will be first discussed at the MEC level, Plenary remains the only decision-making body. If the MEC agrees on the issues for discussion, the report will be circulated for approval out-of-session and then proceed to publication.

### **Plenary consideration of enhanced follow-up or TCRR reports**

204. Where the MEC does not reach agreement on the issues for discussion, any unresolved issues will be considered by Plenary as a discussion item, and a revised list of issues for Plenary discussion will be distributed. Plenary discussions of an enhanced follow-up or TCRR report should take, on average, no more than one hour. In relation to a TCRR report, Plenary will not discuss an individual criterion rating unless it will impact an overall Recommendation rating. Plenary agreement is required to change a report.

### **Consideration of follow-up reports with substantive issues or where all KRA are not fully or largely addressed**

205. The MEC and Plenary will discuss FURs in cases where follow-up experts conclude that a member has not fully or largely addressed all KRA.
206. Plenary may also opt to discuss FURs that involve strategic or substantive issues. If the issue involves highly technical matters, Plenary may request that the MEC consider the issue first and make a recommendation to Plenary. Examples of substantive issues include, but are not limited to:
  - i. Significant changes in a member leading to a decline in TC or effectiveness.

- ii. Insufficient progress made by a member against its KRA Roadmap.
- iii. Recommendations to analyse a self-report or apply enhanced measures.

## Enhanced Measures

207. If a member does not fully or largely address all KRA outlined in its KRA Roadmap, the Plenary will apply enhanced measures, which may include the following, on an escalating basis:
- i. As soon as possible, but not later than six months after the Plenary adopts the FUR, a high-level mission to the member will be arranged to ascertain the level of political commitment to effective implementation of the FATF Standards. This mission would meet with Ministers and senior officials and will result in a report at the following Plenary to advise whether there is sufficient political commitment. The FATF/APG will also require the member to report on progress against any remaining KRA at the Plenary following consideration of the report.
  - ii. If the high-level mission concludes there is insufficient political commitment, or if a member has still not addressed or largely addressed all KRA when it reports to Plenary, the FATF/APG will issue a formal FATF/APG statement to the effect that the member is insufficiently in compliance with the FATF Standards. The FATF may consider, in the context of application of Recommendation 19 by its members and based on risk and proportionality, recommending appropriate action.
  - iii. In cases referred to in sub-paragraph (ii), the Plenary may also call on the APG Co-Chair to raise the issue of whether the jurisdiction's membership status should be suspended or withdrawn as outlined in the APG's internal governance processes.
208. To end the enhanced measures process at any time, the jurisdiction must demonstrate that it has addressed or largely addressed all of its KRA. To do so, the member should inform the APG Secretariat and submit a progress report for analysis by one or more follow-up experts. Plenary will consider the expert's analysis as a matter of urgency and decide to terminate or continue the enhanced measures process.

## IX. Post Plenary Quality and Consistency of Adopted Reports

### Application

209. Where an FATF or FSRB member, the FATF Secretariat, FSRB Secretariat or an IFI (together, the Global Network) considers that an APG MER or FUR has significant problems of quality and consistency, it should, wherever possible, raise such concerns with the APG prior to adoption. The assessment team, assessed member and APG Plenary should consider and work to address the concerns appropriately.
210. Highly exceptional situations may arise where significant concerns about the quality and consistency of a report may remain after its adoption. The post-Plenary Q & C process seeks to prevent the publication of reports with significant quality and consistency problems and ensure that poor quality assessments do not damage the APG and FATF brand.

211. The post-Plenary Q & C review process applies to:
- i. all assessment bodies;
  - ii. all APG MERs (including the KRA Roadmaps and Executive Summaries);
  - iii. detailed assessment reports (DARs)<sup>55</sup> (including the KRA Roadmaps and Executive Summaries); and
  - iv. enhanced follow-up reports or any TC re-rating reports with issues discussed in relevant working group or Plenary<sup>56</sup> and all FSRB FURs with TC re-ratings.<sup>57</sup>

## Steps in the post-plenary Q & C process

212. After changes directed by Plenary and checks for accuracy are made, the FATF Secretariat will circulate the report to all FATF members, associate members, observers and FSRB Secretariats (for further circulation to their members)<sup>58</sup>, along with a template for raising Q & C issues for consideration.
213. The APG will provide reports to the FATF Secretariat for circulation as soon as possible after adoption. Parties will have two weeks to notify the FATF Secretariat in writing of any serious or major Q & C issue. Parties should use the template provided to indicate their specific concerns and how these concerns meet the substantive threshold.<sup>59</sup> Delegations should notify both the FATF Secretariat and the relevant assessment body using the same template.
214. Unless two or more parties<sup>60</sup>, at least one of which should have participated in the adoption of the MER, using the required template, identify the same specific concern before the comment period expires, the post-Plenary Q & C review process is complete at this stage. The FATF Secretariat will advise the parties and the APG Secretariat accordingly and the report will be published.
215. If two or more parties identify the same specific concern, the Co-Chairs of the FATF Evaluations and Compliance Group (ECG) will review the concern to determine whether *prima facie* it meets the substantive threshold and procedural requirements.<sup>61</sup> To aid in this decision, the FATF

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<sup>55</sup> Where the evaluation is conducted by one of the International Financial Institutions (IFI) (IMF or World Bank).

<sup>56</sup> FATF FURs and TCRR reports adopted by written process are not subject to the post-Plenary Q & C process.

<sup>57</sup> In this section, MERs, DARs and FURs are collectively referred to as *reports*.

<sup>58</sup> In this section, FATF members, associate members, observers, the FATF Secretariat, and FSRB members and secretariats are collectively referred to as parties.

<sup>59</sup> The substantive threshold is when serious or major Q & C issues are identified, with the potential to affect the credibility of the FATF brand as a whole. Examples of situations meeting this substantive threshold include (but are not limited to) the following:

- a) the ratings, KRA or other recommended actions are clearly inappropriate and not consistent with the analysis;
- b) there has been a serious misinterpretation of the Standards, *FATF Methodology or Procedures*;
- c) an important part of the *FATF Methodology* has been systematically misapplied; or
- d) laws that are not in force and effect have been taken into account in the analysis and ratings of a report.

<sup>60</sup> In this section, FATF members, associate members, observers, the FATF Secretariat, and FSRB members and secretariats are collectively referred to as parties.

<sup>61</sup> Procedural requirements are that the same concern is raised by two or more parties, other than the assessed member, one of whom should have participated in the report's adoption; use of the required template; and submission of concerns before the comment period expires.

Secretariat will liaise with the APG Secretariat to provide the ECG Co-Chairs with any relevant information on the issue, which may include the following:

- i. Information submitted by parties raising the Q & C issue.
  - ii. Any related comments raised at the pre-plenary stage.
  - iii. An overview of any discussion of the issue by the MEC/Plenary, including the pertinent facts in the MER, the Co-Chairs' report or summary record from the MEC/Plenary meeting where the MER was discussed, whether the issue was discussed in detail, the outcome of those discussions and any rationale or reasons cited for maintaining or changing the MER.
  - iv. Objective comparisons with previous FATF reports that address similar issues.
  - v. The MER's consistency with the FATF Standards or *FATF Methodology*.
  - vi. Any implications for the follow-up or the ICRG process.
  - vii. Recommendations to resolve the issue, including appropriate next steps.
216. If the ECG Co-Chairs conclude that *prima facie* the substantive threshold and procedural requirements are not met, the FATF Secretariat will present an information paper to Plenary explaining the basis for the Co-Chairs' conclusion. The post-Plenary Q & C review process is then complete and FATF Secretariat will advise the parties (and the relevant assessment body, in the case of an FSRB or IFI-led ME) accordingly and the MER will be published.
217. If the ECG Co-Chairs conclude that *prima facie* the substantive threshold and procedural requirements are met, the FATF Secretariat will circulate the MER to all FATF delegations for consideration by the ECG along with a decision paper prepared by the FATF Secretariat in consultation with the APG. The decision paper will include any relevant information referred to in paragraph 215. The ECG will decide whether the MER meets the substantive threshold.<sup>62</sup>
218. If the ECG decides that the MER does not meet the substantive threshold the decision will be reported to Plenary as an information item. The post-Plenary Q & C review process is then complete and the FATF Secretariat will advise the parties and the APG Secretariat accordingly and the MER will be published.
219. If the ECG determines that the Q & C issue meets the substantive threshold, it will refer the matter to the FATF Plenary with recommendations for the actions needed to resolve the Q & C issue (e.g. requesting that the APG reconsider elements of the MER where the issues of concern are addressed; revise the text of the MER as directed to address the concerns raised). The FATF Plenary will decide whether to adopt the recommendations made by ECG and indicate the actions needed to resolve the Q & C issue.
220. Where ECG has referred a post-APG Plenary Q & C issue, the FATF Plenary will discuss the matter and decide on the appropriate action. The FATF Secretariat will advise the APG of the FATF Plenary's decision. If the APG declines to take the actions indicated by the FATF, the FATF Plenary will consider what further action may be necessary. The APG will not publish the MER

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<sup>62</sup> Concerns identified less than four to six weeks before an FATF ECG meeting will be discussed at the next ECG meeting to ensure sufficient time for preparation and consideration of the decision paper.

until the issue is resolved and the FATF Secretariat advises that the post Plenary Q & C review process is complete.

221. Following completion of the post-Plenary Q & C review process, the APG will publish the MER on its website. Additionally, the FATF publishes all MER on its website to give timely publicity to an important part of the work of the FATF and the Global Network.

## **X. Publication, Media Outreach and Auxiliary Processes**

### **Publication of MERs**

222. The APG will publish all members' MERs on its website to give timely publicity to an important part of the work of APG and the Global Network. If no concerns are raised during the post-Plenary Q & C process, publication would happen ordinarily within six weeks of the MER being adopted. If concerns are raised, the APG will publish the MER on its website following completion of the post-Plenary Q & C review process.

### **Publication of other documents**

223. The general publication policy of the FATF and APG applies to actions taken under the follow-up process. Enhanced FURs and TCRR reports will be published at the conclusion of the post-Plenary Q & C review process.
224. For regular FURs, only the TCRR report is published, as assessment of progress against the KRA Roadmap is not analysed or discussed by Plenary. If requested by a member, a link may be provided from the FATF/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/CPF system, including for effectiveness.
225. The APG Secretariat will publish and maintain an up-to-date version of its assessment and follow-up procedures on the APG public website.

### **Publication of unofficial translations of APG reports**

226. The APG is unable to prepare MERs and FURs in languages beyond the APG's official language, which is English. APG members produce unofficial translations of MERs and FURs. APG is unable to verify or endorse the accuracy of translated APG MERs and FURs.
227. Publication of accurately translated APG MERs and FURs is encouraged to help ensure the findings of APG assessments are well understood by all relevant AML/CFT/CPF stakeholders.
228. Members are asked to include disclaimer statements in both English and the language of translation in any published translated versions of APG MERs or FURs that they produce or distribute. Members are asked to utilise the *pro forma* disclaimer set out below as the basis for the disclaimers:

**DISCLAIMER:** This document is an unofficial translation of the [APG MER/FUR of member (year)], which is provided for information purposes. The official version of the document is the English text published on the APG website ([www.apgml.org](http://www.apgml.org)). The APG bears no responsibility for any inaccuracies in this unofficial translation. In the case of any discrepancy or conflict between this translation and the original English version, the official version of this document published on APG website takes precedence.

## Media Outreach

229. Immediately following the end of the post-Plenary Q & C process of an APG member's MER, the APG Secretariat will contact the assessed member to plan for the release of the MER to the media and determine the most suitable date and time of publication (ideally, within the timelines outlined above). In the case of a joint or IMF/World Bank-led assessment, the FATF Secretariat will also liaise with the relevant assessment body. Both the assessed member and the Secretariat may provide access to the MER under *strict embargo* to selected members of the media no more than one week before publication.

## Auxiliary Processes

230. In August 2020, the APG introduced a mechanism for members and observers to raise issues relating to the interpretation of the FATF Standards and/or the application of the *FATF Methodology*. This mechanism does not overlap or replace the existing processes for Q & C review of unpublished MERs and FURs, referred to above. Instead, this mechanism seeks to resolve wider horizontal or complex Q & C issues that have generally arisen over the course of a number of assessments.
231. APG members and observers are invited to raise any horizontal issues and complex Q & C issues with the APG Secretariat using the template which can be found on the APG website. The MEC may consider these issues and decide to refer any issues to the FATF for further consideration.
232. The APG has procedures to examine specific voluntary tax compliance programs<sup>63</sup> to ensure that they do not impede the effective implementation of AML/CFT/CPF measures.<sup>64</sup>

## Process for unintended consequences

233. This section relates to instances when APG members may implement obligations relevant to non-profit organisations (NPOs) in a way that leads to unintended consequences (UIC related to NPOs). Consistent with APG's obligations as a FATF-Style Regional Body, APG is required to

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<sup>63</sup> The term *voluntary tax compliance programmes* is defined in the *FATF Best Practices Paper on Managing the AML/CFT Policy Implication of Voluntary Tax Compliance Programmes*: <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/BPP%20VTC.pdf.coredownload.pdf>

<sup>64</sup> The FATF and FSRBs examine the voluntary tax compliance programmes of their members in line with their own procedures.

either follow the FATF Procedures or implement an APG procedure for cases of UIC related to NPOs. APG members agreed to follow the FATF procedures for these matters.

234. The process for dealing with reports in relation to UIC related to NPOs is set out in the FATF Procedures at paragraph 136(bis) – 136(octies). These APG provisions rely on and complement the FATF Procedures provisions and do not override them.
235. If an APG member is the subject of a report to the FATF on UIC related to NPOs pursuant to paragraph 136(bis), the procedures confirm that the FATF Secretariat will liaise with the APG Secretariat to gather relevant information. In particular, this should clarify the implications for any ongoing mutual evaluation, follow-up or compliance enhancing processes or any pre-existing follow-up reporting requirements to avoid any duplication with the UIC process. APG Secretariat should lead the collection of the applicable legislation and any other relevant materials and forward them to the FATF Secretariat, where necessary.
236. If the FATF Plenary determines that a member meets the substantive threshold set in the FATF Procedures on UIC related to NPOs, it may refer the member to the APG to address the UIC issue. The FATF should advise how it expects the APG to address the issue and consider resource implications for the APG and any connection with pre-existing reporting requirements. The APG secretariat should work with the FATF Secretariat to ensure clarity on how it expects the APG to address the UIC issue and the timing of information sharing.
237. If a referral is made to the APG pursuant to paragraph 136(quarter)(e) of the FATF Procedures, the APG Secretariat will prepare a paper outlining the relevant issues of UIC related to NPOs for the APG Governance Committee's consideration. The paper will be provided to the member for comment prior to the Governance Committee meeting, and any comments by the member will also be provided to the Governance Committee ahead of their consideration of the issue. The APG Governance Committee will consider the paper at its next meeting and decide on next steps to be taken in relation to the UIC related to NPOs for the APG member.

## Annex 1 - Background to Changes in the APG's Global 5<sup>th</sup> Round ME Procedures

1. In December 2023 APG members endorsed the *Universal Procedures*.
2. At the 2024 APG Annual Meeting members adopted the APG 4<sup>th</sup> Round Procedures.
3. At the 2025 APG Annual Meeting members adopted the following changes to the APG 4<sup>th</sup> Round Procedures:
  4. Replacing all references to the APG 4<sup>th</sup> Round with Global 5<sup>th</sup> Round.
  5. Clarifying that the FATF Standards and Methodology used for a member's ME will be as they are at the date when the members' TC submission is due.
  6. Changing the following deadlines:
    - i. 24 months before the APG Plenary discussion – APG Secretariat and assessed member agree on the broad timeline for the mutual evaluation process (paragraph 69)
    - ii. 9 months before the on-site, the assessed member is to identify which recommendations are under review (paragraphs 69 and 83)
    - iii. 8 months before the on-site visit, the assessed member is to provide risk and context information to the Secretariat including information relevant to Chapter 1 (paragraphs 71 and 77)
    - iv. 8 months before the on-site visit, the APG Secretariat is to commence the call out to countries for information on international cooperation (paragraph 72)
    - v. At least 6 weeks before the on-site visit, the APG Secretariat is to provide to the assessed member on the information received from jurisdictions approached for specific feedback on international cooperation (paragraph 75)
  7. Requiring that engagement between the assessment team and the assessed member on risk and context will include an oral presentation by the assessed member, which may be made virtually (paragraph 77)
  8. Addition of footnote to paragraph 90 outlining non-exhaustive examples of what 'exceptional circumstances' might be necessitating an on-site (rather than virtual) initial ME meeting (I-MEM) (paragraph 90)
  9. Including that for joint FATF/APG MERs the APG Secretariat may conduct internal Q&C on the drafts of the reports which will be shared with the whole FATF/APG assessment team (paragraph 161).
  10. Adding that any APG Secretariat interventions in ECG and plenary on a joint FATF/APG Mutual Evaluation Report will generally reflect APG inputs to the ME and issues of process and consistency in consideration and adoption of the report (paragraph 162).
  11. In November 2025 APG members adopted the following changes:
    - Reflecting changes to the Universal Procedures:
      - i. Assessors required to sign confidentiality agreement upon appointment (previously at start of ME (paragraph 45);

- ii. Update confidentiality requirements to cover social media (paragraph 44);
  - iii. Remove the requirement for an updated preliminary outline of initial findings and key issues to be provided to the assessed member at least one month before the onsite (paragraph 97);
  - iv. Remove requirement to produce list of key issues for the on-site visit (paragraph 97);
  - v. Updated TC annex to be sent to assessed member and external reviewers at the same time (paragraph 113);
  - Delete the phrase in paragraph 117 regarding the review of the second draft TC Annex (anomaly in APG Procedures)
  - Correct footnote 48 of paragraph 175 to refer to 'report' rather than 'MER'.
12. In January 2026, APG members adopted changes to streamline the approach to Technical Compliance, reflecting changes to the Universal Procedures.
13. In March 2026, APG members adopted procedures to submit a report to FATF on UICs in relation to NPOs, reflecting changes to the Universal Procedures and the FATF requirement for FSRBs to implement this procedure.

## APPENDIX 1 – TIMELINES FOR THE GLOBAL FIFTH ROUND MUTUAL EVALUATION PROCESS

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
Pre-ME		Approximately 2 years in advance of ME start date (Procedures paras. 66-69)		Member may consider participation in APG Regional ME Planning (R-MEP) workshop.	
Pre-ME		Approximately 2 years in advance of ME start date (Procedures para. 67)		Member may consider holding in-country Preliminary ME Planning (P-MEP) workshop supported by the APG Secretariat and members of the APG DAP Group.	
Pre-ME		As early as possible in advance of ME start date (Procedures para. 67)	APG Secretariat to select assessment team, notify HOD and seek APG Co Chair approval	<ul style="list-style-type: none"> <li>- Designate points of contact and set up an internal coordination mechanism (as necessary)</li> <li>- Begin informal engagement on the evaluation, and set a date for assessed member training</li> <li>- Assessed member training</li> </ul>	
Pre-ME		At least 24 months before the APG Plenary discussion (Procedures para. 69)		- Agree on the broad timeline of the evaluation with the Secretariat	
ME-6 months	On-site visit (OS) minus 52 weeks	At least 12 months before the on-site visit (para 83)	Secretariat to provide assessed member with a TC questionnaire, including the latest TC analysis from the member's most recent MER and/or FURs with TCRR.	Provide completed TC questionnaire with supporting materials in 5 months	
ME-3 months	OS -40	At least 9 months before the onsite visit (para. 70)	Secretariat to finalise timeline for ME assessment		

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
ME-1 month	OS-32	8 months before the on-site visit (para 71)		Provide updated information including on risk and context and scoping material, and material relevant to Chapter 1 to assessment team	
	OS-30	7 ½ months before the on-site visit (para. 77)	<p>- Facilitated by the Secretariat:</p> <ul style="list-style-type: none"> <li>a) Engage with assessed member to discuss understanding of risk, context and materiality (virtual risk and context meeting).</li> <li>b) Begin preparing preliminary draft scoping note in consultation with the assessed member.</li> <li>c) Identify and contact countries who may have specific information on risk, context and international cooperation</li> </ul>	<p>- Facilitated by the Secretariat,</p> <ul style="list-style-type: none"> <li>a) engage with assessment team, including oral presentation on risk, context and materiality (virtual risk and context meeting)</li> </ul> <p>Discussions should start at least two weeks after submission of the risk and context submission.</p> <p>Provide updated information including on risk and context and scoping material, and material relevant to core issue 1.1 to assessment team</p>	
1	OS-28	At least 7 months before the on-site visit (para 7, 86-88)	Review TC questionnaire and material provided by assessed member, commence analysis of Recommendations.	Submit TC update questionnaire	

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
2	OS-24	6 months before on-site (para. 80)	Finalise and send draft scoping note and any other relevant background information to reviewers and member	- Member receives on draft scoping note for review and comment (2 weeks)	- Reviewers receive draft scoping note and other relevant background information for review and comment (2 weeks)
	OS-22	(para. 80)  (para.86)	Consider assessed member and reviewer comments and amend the scoping note as needed, in consultation with the member (1 week) AT completes initial TC analysis ; gives preliminary views on whether each criterion is met, mostly met, partly met or not met. Give preliminary views on the overall rating for each Recommendation	- Member to provide comments on draft scoping note	Reviewers to provide comments on draft scoping note
3	OS-20	5 months before on-site (para. 91)	- Revise and finalise 1st draft TC annex and send to member	Receives 1 <sup>st</sup> draft TC annex for review (3 weeks)	
	OS-17	(para. 92)	- Receives assessed member's comments on 1st draft TC annex to consider and incorporate	Provides feedback on 1 <sup>st</sup> draft TC annex.	
	OS-16	4 months before onsite (para 93)		- Provide material on effectiveness based on the 11 Immediate Outcomes and the underlying core issues	

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
	After 1 <sup>st</sup> draft of TC received by member and effectiveness submission received by AT. To be agreed between AT and Member.	(para. 97)	<p><b>INITIAL MUTUAL EVALUATION MEETING (I-MEM) [if needed]</b>  An initial mutual evaluation meeting may be undertaken with the member to discuss matters related to the evaluation, including:</p> <ul style="list-style-type: none"> <li>- the first draft of the TC annex</li> <li>- the member’s effectiveness response,</li> <li>- the scoping note, and</li> <li>- on-site requirements.</li> </ul> <p>The timing of such a meeting will be agreed between the assessment team and the member. The initial mutual evaluation meetings will be held virtually except in exceptional circumstances.</p>		
5	OS-12	3 months before on-site (para. 92)	- [Secretariat: send 2 <sup>nd</sup> draft TC annex to assessed member and reviewers]	- Receives 2 <sup>nd</sup> draft TC Annex for review and comment (3 weeks)	- Receive 2 <sup>nd</sup> draft TC annex for review and comment (3 weeks)
	OS-9	(para.92)	- Receive assessed member and reviewer comments on 2nd draft TC annex for consideration and incorporation	- Member provides comments on 2 <sup>nd</sup> draft TC annex	- Reviewers provide comments on 2 <sup>nd</sup> draft TC annex
6	OS-8	2 months before on-site (para. 95, 98-101)	- Send outline of initial findings, questions and requests for further information on effectiveness to assessed member	- Provide draft program for on-site visit to the assessment team, and point of contact for on-site logistics	

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
	OS-6	6 weeks before on-site (para 75, 81, 95-96)	<p><i>[- Deadline for the countries subject to specific outreach to provide information on the risk situation and international cooperation with the assessed member]</i></p> <ul style="list-style-type: none"> <li>- Six weeks before the on-site the Secretariat will send to the assessed Member the final scoping note and collation of information from other jurisdictions (per para 75).</li> <li>- Finalise areas of increased focus and decreased focus and key government agencies and private sector to meet for onsite visit (para. 81)</li> <li>- Develop potential recommended actions for discussion (para 96) (2 weeks)</li> </ul>	Respond to questions and requests for information on effectiveness materials to assessment team	
	OS-5	5 weeks before on-site (paras 98-101)	- Provide comments to assessed member on draft on-site program		
7	OS-4	1 month before on-site (para. 96)	- Send potential recommended actions for discussion to the assessed member		
	OS-3	At least 3 weeks before on-site (para. 98, 100)	- Facilitated by Secretariat, assessment team and assessed member finalise program and logistical arrangements for on-site		

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
8	OS-0	(para. 102-106)	ONSITE VISIT		
9	Plenary discussion (P)-29 weeks	Within 5 weeks of on-site visit (para. 107, 111)	- Prepare and finalise 1 <sup>st</sup> draft MER and Key Recommended Action (KRA) Roadmap (5 weeks)		
	P-24	(para. 112)	- Send 1 <sup>st</sup> draft MER and KRA Roadmap to member Facilitated by Secretariat, liaise with assessed member as needed	- Receives 1 <sup>st</sup> draft MER and KRA Roadmap (4 weeks to respond)	
11	P-20	AT has 4 weeks to review (para. 113)	- Receive member response, consider and prepare 2 <sup>nd</sup> draft MER, updated TC Annex and KRA Roadmap	- Respond to 1 <sup>st</sup> draft MER and KRA Roadmap	
12	P-16	(para. 117)	- Finalise and send 2 <sup>nd</sup> draft of MER, updated TC Annex and KRA Roadmap to member and reviewers - APG Secretariat to conduct internal Q&C review	Receives 2 <sup>nd</sup> draft MER, updated TC Annex and KRA Roadmap (3 weeks to respond)	Receive 2 <sup>nd</sup> draft MER, updated TC Annex and KRA Roadmap (3 weeks to respond)
	P-13	3 weeks to review (para. 123)	APG Secretariat send 2 <sup>nd</sup> draft MER, updated TC Annex and KRA Roadmap to AT and AM	- Respond to 2 <sup>nd</sup> draft MER, updated TC Annex and KRA Roadmap	- Respond to 2 <sup>nd</sup> draft MER, updated TC Annex and KRA Roadmap
			Receive and consider member and ME reviewers' comments received on the second draft MER and KRA Roadmap (3 weeks)		

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
13	P-10	(para. 123, 125)	- Facilitated by the Secretariat, assessment team and assessed member engage to discuss further changes to the draft MER and identify issues for discussion at the face-to-face meeting		
			- If time permits, if appropriate and agreed upon the AT may prepare prior to the F2F a 3 <sup>rd</sup> MER draft based on reviewer and member comments for discussion at the F2F meeting.		
14	P-9	(para. 128, 131)	Face-to-face meeting		
			- Work with member to resolve potential disagreements and identify potential priority issues for Plenary discussion	- Work with assessment team to resolve potential disagreements and identify potential priority issues for Plenary discussion	
	(para 129)	Following the face-to-face meeting brief MEC Co-Chairs on key issues discussed, including any unresolved issues Prepare Executive Summary in consultation with assessed member	- Consult with assessment team regarding Executive Summary		
	P-7	At least 7 weeks before Plenary (para. 136-137)	Circulate final draft MER (along with reviewers' comments, assessed member's views and assessment team responses) to all delegations for a 2-week comment period		
	P-5	(para.138)	- Consider delegation comments - Identify priority issues for Plenary discussion		

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
15	P-4	(para 138)	- [Secretariat - Prepare compilation of delegation comments with responses, and in consultation with assessment team, assessed member and MEC Co-Chairs, develop Key Issues Document (KID)] (2 weeks)		
	P-2	Two-week period before Plenary (para. 138-140)	- Engage member on priority key issues and other comments received on MER or Executive Summary - Review and provide input on priority key issues and other comments received on MER or ES. - [Secretariat- Circulate a) the compilation of delegation comments and b) the finalised KID]	- Work with assessment team on KRA and other comments received on MER or Executive Summary.	
	P-0		Plenary discussion of MER		
Post-Plenary	P+2	(para. 157)	- Modify report as directed by Plenary and perform accuracy checks (1 week) [Secretariat- Circulate report to delegations for 2-week comment period]	- Confirm MER is accurate and advise of any typographical or similar errors (2 weeks)	
	P+4	- Deadline for delegation comments (para. 212-221)	<b>Post-Plenary Quality &amp; Consistency Review:</b> - If no concerns are raised during post-plenary Q&C, MER proceeds to publication. - If concerns are raised, Secretariat facilitates discussions and circulates revised text for 1 week comment period.		

ME Month	Week	Date notes	Key Indicative Milestones		
			For Assessment Team /Secretariat	For Assessed Member	For ME Reviewers
		(para. 229)	Media Outreach: - Work with Secretariat to Develop press materials		
	P+6 (or later if post-Plenary Q&C triggered)	(para. 222)	Publication of document: - If no concerns are raised during post-plenary Q&C, publication would ordinarily happen within 6 weeks of the report being adopted - If concerns are raised, the assessment body will publish the report on its website following completion of the post-Plenary Q&C review process.		
		(para. 158)	- APG Co-Chair writes to Minister regarding the KRA Roadmap		

## APPENDIX 2 – TIMELINES FOR THE FOLLOW-UP PROCESS

### Regular Follow-up

<i>FUR month</i>	<i>Week</i>	<i>Date notes</i>	<i>Key Indicative Milestones</i>		
			Expert(s)	Secretariat	Assessed Member
1	P-28	7 months before the relevant Plenary meeting (para. 183)		<i>If the member requests TCRR:</i> - Confirm expert(s) from jurisdictions that volunteered/pool of experts - Prepare the adapted Technical Compliance (TC) analytical tool template based on the deficiencies in the MER to facilitate member's TC submission (2 weeks)	- Inform Secretariat whether it is requesting TCRR and, if so, identify which Recommendations are implicated
<b><i>If the member requests TCRR</i></b>					
2	P-24	6 months before the relevant Plenary meeting (para. 183)	- Review and analyse any requests for TCRR. (4 weeks)		- Submit TC update and re-rating request to the Secretariat
3	P-20			- Finalise and send draft TC analytical tool to the member. (1 week)	
	P-19				- Provide comments on draft TC analytical tool (2 weeks)
	P-17		- Consider member comments on TC and make necessary edits - Draft FUR related to TCRR requests.	- Consolidate TC analytical tool, send revised FUR and tool to assessed member (2 weeks)	
4	P-15				- Provide final comments on FUR and TC analytical tool (1 week)
	P-14				- Submit self-assessment of progress made against KRA roadmap

				- Draft cover note for progress made against KRA roadmap and incorporate it into the FUR (2 weeks)	
5	P-12			- All parties agree on the version of the report which will be circulated to delegations (2 weeks)	
	P-10	At least 10 weeks pre-plenary		- Circulate FUR and tool to delegations for 2-week comment period	
<b><i>If the member does not request TCRR</i></b>					
6	P-8	2 months pre-plenary (para. 184)		- Prepare summary of self-assessment and send to member for comment (2 weeks)	- Submit self-assessment of progress made against KRA roadmap
	P-6				- Comment on draft summary (1 week)
		No later than 2 weeks before Plenary		- Circulate FUR (self-assessment and summary) to delegations <u>for information</u>	

N.B. This timeline is an example and does not include all possible steps of adoption by written process if comments are received.

## Enhanced Follow-up

<u>FUR month</u>	<u>Week</u>	<u>Date notes</u>	<u>Key Indicative Milestones</u>		
			Expert(s)	Secretariat	Member
1	P-36	9 months before relevant Plenary meeting (para. 190)		- Confirm expert(s) from jurisdictions that volunteered/pool of experts - Prepare the adapted Technical Compliance (TC) analytical tool template based on the deficiencies in the MER to facilitate member's TC submission (2 weeks)	- Inform Secretariat which Recommendations it is requesting to be re-rated
	P-34			- Prepare the adapted Technical Compliance (TC) analytical tool template based on the deficiencies in the MER to facilitate assessed member's TC submission (2 weeks)	
2	P-32	8 months before the relevant Plenary meeting (para. 190)	- Review and analyse the extent to which the member has addressed KRAs (including any KRA related to TC) (3 weeks)		- Submit information to support member's progress made against Key Recommended Actions (KRA) roadmap - Submit TC update and re-rating request to the Secretariat
	P-29		- Liaise with Secretariat on questions for assessed member and draft analysis of progress against KRA (2 weeks)		- Respond to questions and requests for information from experts
3	P-27		- Analysis of TC re-rating requests (4 weeks)	- Prepare the 1 <sup>st</sup> draft KRA analysis and send to the member (2 weeks)	
	P-25				- Provide comments on draft analysis of progress against KRA roadmap (3 weeks)
4	P-23			- Prepare TC analytical tool and send to member (1 week)	

	P-22		- Consider member comments on KRA progress and make necessary edits. Draft FUR and send revised KRA analysis to member (2 weeks)		- Provide comments on draft TC analytical tool (2 weeks)
5	P-20		- Consider member comments on TC and make necessary edits. Incorporate updated TC analysis into draft FUR (2 weeks)		- Provide comments on revised analysis of progress against KRA roadmap (3 weeks)
	P-17		- Consider member comments on revised KRA and make necessary edits. Finalise FUR. (2 weeks)	- Send FUR and analytical tool to member for review	
6	P-15				- Provide final comments on revised FUR (including TC analytical tool and analysis of progress against KRA roadmap) (3 weeks)
7	P-12		- Facilitated by the Secretariat, all parties agree on the version of the report which will be circulated to delegations (2 weeks)		
	P-10	At least 10 weeks pre-plenary		- Circulate FUR and analytical tool to delegations for 2-week comment period	

N.B. This timeline is an example and does not include all possible steps of adoption by written process if comments are received.

## APPENDIX 3 – AUTHORITIES AND BUSINESSES TYPICALLY INVOLVED FOR ON-SITE VISIT

### Ministries:

- Ministry of Finance
- Ministry of Justice, including central authorities for international co-operation
- Ministry of Interior
- Ministry of Foreign Affairs
- Ministry responsible for the law relating to legal persons, legal arrangements, non-profit organisations, and proliferation financing
- Other bodies or committees to co-ordinate AML/CFT/CPF action, including the assessment of the money laundering and terrorist financing risks at the national level

### Criminal justice and operational agencies:

- The FIU
- Law enforcement agencies including police and other relevant investigative bodies
- Prosecution authorities including any specialised confiscation agencies
- Supreme court or appellate or district court (where appropriate and needed)
- Customs service, border agencies, and where relevant, trade promotion and investment agencies
- If relevant - specialised drug or anti-corruption agencies, tax authorities, intelligence or security services
- Task forces or commissions on ML, FT, PF or organised crime

### Financial sector bodies:

- Ministries/agencies responsible for licensing, registering or otherwise authorising financial institutions
- Supervisors of financial institutions, including the supervisors for banking and other credit institutions, insurance, and securities and investment
- Supervisors or authorities responsible for monitoring and ensuring AML/CFT/CPF compliance by other types of financial institutions, in particular bureaux de change and money remittance businesses
- Exchanges for securities, futures and other traded instruments
- If relevant, Central Bank
- The relevant financial sector associations, and a representative sample of financial institutions (including both senior executives and compliance officers, and where appropriate internal auditors)
- A representative sample of external auditors

#### DNFBP, VASP and other matters:

- Casino supervisory body
- Supervisor or other authority or Self-Regulatory Body (SRB) responsible for monitoring AML/CFT/CPF compliance by other DNFBPs
- Supervisors or authorities responsible for monitoring and ensuring AML/CFT/CPF compliance by VASPs
- Registry for companies and other legal persons, and for legal arrangements (if applicable)
- Bodies or mechanisms that have oversight of non-profit organisations, for example tax authorities (where relevant)
- A representative sample of professionals involved in non-financial businesses and professions (managers or persons in charge of AML/CFT/CPF matters (e.g., compliance officers) in casinos, real estate agencies, precious metals/stones businesses as well as lawyers, notaries, accountants and any person providing trust and company services)
- Any other agencies or bodies that may be relevant (e.g., reputable academics relating to AML/CFT/CPF and civil societies)

Efficient use has to be made of the time available on-site, and it is therefore suggested that the meetings with the financial sector, DNFBP and VASP associations also have the representative sample of institutions/DNFBP/VASP present.

## APPENDIX 4 – QUESTIONNAIRE FOR CHAPTER 1

### Update on risk and context

#### INSTRUCTIONS

##### Instructions for the assessed member

The **assessed member** should briefly summarise any significant developments in their AML/CFT/CPF system which have taken place since the MER or the last follow-up report. In particular, identify any changes to risk and context that are relevant to any Recommendations (e.g., a dramatic increase in the number of companies registered would be relevant context in the rerating of R.24). This includes:

New risk and context information, including new national risk assessments, predicate or ML/TF/PF threat profile, and significant changes to the structure of the financial institutions, DNFBP and VASP sectors. This information will assist experts in weighing the relative importance of each criterion in the re-rating.

Major new AML/CFT/CPF laws.

Significant changes to co-ordination arrangements, competent authorities, or significant reallocation of responsibility between competent authorities.

For further details, the **assessed member** should see the *FATF Methodology for Assessing Technical Compliance with the FATF RECOMMENDATIONS and the Effectiveness of AML/CFT/CPF Systems*, Annex 1, MER Template for Chapter 1.

[E.g. Since the mutual evaluation, the following major changes have been made to Jurisdiction X's AML/CFT/CPF framework:

Jurisdiction X completed and published its second ML risk assessment in 2018 (Annex B). Jurisdiction X passed the 'Law on Suspicious Transaction Reporting (2018)' which came into effect on 12 June 2018.

Responsibility for investigating suspicious transactions has been transferred from the Ministry of Interior to the FIU as of 23 August 2018, according to Government Order number 2018-1503.]

**Size and Structure of the Financial, DNFBP and VASP Sectors**

**AML/CFT/CPF Preventive Measures for Financial Institutions, DNFBPs and VASPs (R.10 to R.23)**

Type of Entity*	No. Licensed / Regulated / Registered	AML/CFT/CPF Laws** / Enforceable Means for Preventive Measures	Date in Force or Last Updated (where applicable)	Other additional Information (e.g. highlights of substantive changes etc.)***
<b>Banks</b>				
<b>Life Insurers</b>				
<b>Securities</b>				
<b>MVTS</b>				
<b>VASPs</b>				
<b>Casinos</b>				
<b>Lawyers</b>				
<b>Notaries</b>				
<b>Accountants</b>				
<b>Precious Metals &amp; Stones Dealers</b>				
<b>Trust and Company Service Providers</b>				
<b>Others</b>				

\* Additional rows may be added for other type of financial institutions and DNFBPs. Jurisdictions may also choose to have more granular and specific classification of the types of financial institutions and DNFBPs.

\*\* Jurisdictions should indicate the specific provisions in the AML/CFT/CPF laws that set out the customer due diligence, record keeping and suspicious transaction or suspicious activity reporting obligations.

\*\*\* Where there have been changes since its last update or where relevant, jurisdictions should also set out the specific provisions in the AML/CFT/CPF laws or enforceable means and key highlights of the obligations for other preventive measures (e.g. politically exposed persons (PEPs), wire transfers, internal controls and foreign branches and subsidiaries etc.).



## **APPENDIX 5 – ANNEX OF TERMS**

**AML/CFT/CPF** - Anti-Money Laundering/Countering the Financing of Terrorism/ Countering the Financing of Proliferation of weapons of mass destruction

**APG** - Asia Pacific Group on Money Laundering

**DAR** - Detailed Assessment Report

**DNFBP** - Designated Non-Financial Business or Profession

**FATF** - Financial Action Task Force

**FSRB** - FATF-Style Regional Body

**FATF ECG** - Evaluations and Compliance Group

**FIU** - Financial Intelligence Unit

**FSAP** - Financial Sector Assessment Program

**FSRB** - FATF-Style Regional Body

**FUR** - Follow-Up Report

**GC** - APG Governance Committee

**GIFCS** - Group of International Finance Centre Supervisors

**HLPO** - High-Level Principles and Objectives

**ICRG** - International Cooperation Review Group

**IFI** - International Financial Institutions

**I-MEM** - Initial Mutual Evaluation Meeting

**KID** - Key Issues Document

**KRA** - Key Recommended Action

**ME** - Mutual Evaluation

**MEC** - APG Mutual Evaluations Committee

**NC/PC** - Non-Compliant/Partially Compliant

**P-MEP** - Preliminary Mutual Evaluation Planning

**POPR** - Post Observation period Report

**Q & C** - Quality and Consistency

**ROSC** - Reports on the Observance of Standards and Codes

**TC** - Technical Compliance

**TCRR** - Technical Compliance Re-Ratings

**VASP** - Virtual Asset Service Provider