

OVERVIEW OF THE MODEL LEGAL FRAMEWORK ON ANTI-MONEY LAUNDERING & CRIMINAL ASSET CONFISCATION

1. Introduction

This summary document provides an explanatory overview of the Model Legal Framework on Anti-Money Laundering and Criminal Asset Confiscation, specifically designed for small-to-medium sized Pacific Island jurisdictions. Model legislation is a central part of this ground-breaking law reform project being undertaken by Lexbridge Lawyers and coordinated through the Asia/Pacific Group on Money Laundering (APG), with donor funding provided by the Government of New Zealand. This document provides a summary of the objectives of the project and its background and methodology, before presenting the architecture of the Model Legal Framework and an explanation of how it can be used by adopting jurisdictions. It then provides an overview of the structure of the model legislation and its key parts, before outlining the next phases of the project, focused on developing a suite of practical implementation tools to support the use of the model legislation.

2. Objectives and strategic impact

The key objectives of the Model Legal Framework are twofold: firstly, to support jurisdictions to meet relevant international obligations and standards; and secondly, to go beyond enabling technical compliance, by supporting effective implementation in practice. A core underlying principle of this Framework is that it should be user-friendly and capable of being implemented effectively—as this is what will ultimately make a real difference on the ground and be of practical value for adopting jurisdictions.

The [Financial Action Task Force Standards](#), comprised of a framework of 40 recommendations and 11 immediate outcomes, set the global benchmark in national anti-money laundering and countering terrorist financing (AML/CTF) laws. This project is very timely and is of global and regional significance, as it is the first major law reform project of its kind following changes to the FATF recommendations in November 2023. These changes now require all member jurisdictions to have policies and operational frameworks that prioritise asset recovery and to establish non-conviction-based (NCB) confiscation regimes in their legal systems. As a result, many jurisdictions will need to develop new laws, policies and procedures and be able to demonstrate their effective use in advance of future mutual evaluation assessment processes.

Within the Pacific region there are jurisdictions already applying NCB confiscation measures, including Australia, Fiji, New Zealand and Papua New Guinea. Such measures have been found to be highly effective and essential in confiscating criminal proceeds from those who profit from criminal activity, but distance themselves from the

criminal acts. This is particularly relevant in transnational crime cases, where often a conviction cannot be secured in the jurisdiction where the predicate offence occurred. NCB confiscation powers have proven to be a vital component of legal regimes capable of effectively combatting the activities of transnational criminal networks. The Model Legal Framework is intended to provide adopting jurisdictions' law enforcement agencies with the tools needed to disrupt the financial flows that are the lifeblood of such networks.

However, smaller Pacific Island jurisdictions lack NCB criminal asset confiscation laws, and have not moved to develop them yet, largely due to the cost and complexity of developing and implementing these laws. This project seeks to address that by developing a Model Legal Framework with the needs of smaller to medium-sized jurisdictions as a specific focus. Accordingly, a key feature of the Model Legal Framework is the introduction of a comprehensive NCB proceeds of crime asset confiscation and forfeiture regime. The *Criminal Asset Confiscation (Model) Legal Framework Act (2026)* outlines a comprehensive legal structure for identifying, seizing, and forfeiting property related to criminal activities. By introducing a 'toolbox' of investigative powers and a robust NCB forfeiture regime, the framework shifts the focus from simple criminal prosecution to the proactive disruption of criminal financial structures. This is intended to help Pacific Island jurisdictions develop new laws to meet the amended FATF standards as well as address their existing treaty obligations.

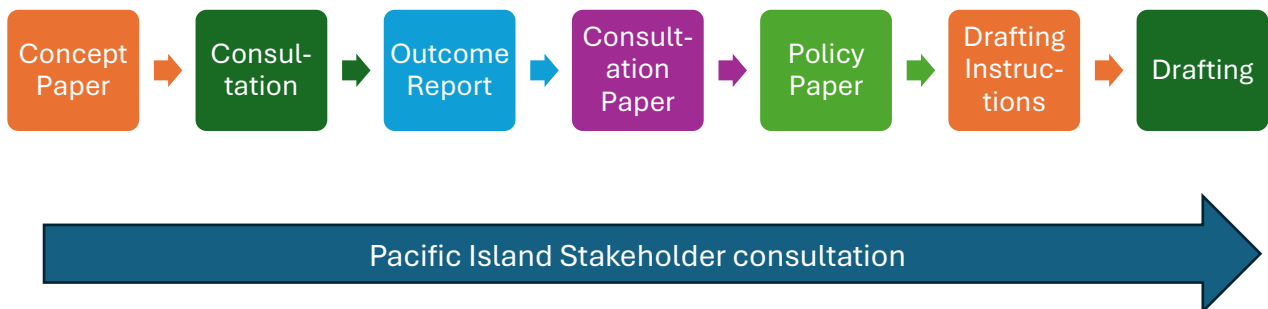
The Model Legal Framework also includes a Part on the criminalisation and particularisation of money laundering and proceeds of crime offences. Accordingly, at a minimum the Model Legal Framework will enable adopting jurisdictions to meet the FATF standards as they relate to money laundering offences (Recommendation 3) and restraint and confiscation (Recommendation 4). However, the Model Legal Framework will seek to go beyond these to meet the highest best practice standards and gain from the experience of jurisdictions in the region who have been employing these measures for the past 20 years. This will provide adopting jurisdictions with a framework of laws that are fit to address not only contemporary transnational AML challenges but also those emerging challenges likely to be faced in the future.

The Model Legal Framework is intended to provide multiple positive flow-on effects to the region—as a tool to combat corruption and foster stronger regional cooperation against transnational crime and illicit financial flows, with particular benefits for interoperability between jurisdictions through the use of comparable investigation and litigation processes. Having a regionally focused Model Legal Framework is intended to reduce substantially the development, training and implementation costs for smaller jurisdictions. It also promotes greater consistency in the legal frameworks adopted in each jurisdiction. Increased harmonisation of laws will facilitate international cooperation and improve the efficacy of collective AML/CTF measures across the region.

3. Background and Methodology

The project is being led by a multi-disciplinary team of experts coordinated by [Lexbridge Lawyers](#). Collectively the team has substantive expertise in the fields of AML/CTF, criminal asset confiscation, international law, international cooperation, criminal law, law enforcement and legislative drafting. The team brings decades of hands-on practical experience advising governments on compliance with international obligations and standards and working on AML/CFT major legislative development projects, with the Pacific region being an area of specific expertise. The project team has been working closely with the APG and in consultation with Pacific Island stakeholders, including through multilateral fora such as the Pacific Islands Law Officers Network; the Pacific Islands Chiefs of Police; the Pacific Transnational Crime Cooperation Centre; the Pacific Financial Intelligence Community, as well as the Asset Recovery Interagency Network Asia Pacific (ARIN-AP).

The Model Legal Framework has been developed based on several stages, outlined below.



First, a consultation phase was undertaken by Lexbridge between December 2022 to September 2023 with the support of the American Bar Association Rule of Law Initiative. This began with a Concept Paper, on which consultation was conducted on the proposal to develop a Model Legal Framework, with Pacific jurisdictions and relevant Pacific regional groups and international bodies. This was supported by a suite of outreach materials, including a stakeholder Questionnaire. Through this consultation process the team collated feedback from a broad range of stakeholders. Overall there was strong support among the stakeholders consulted for the proposed Model Legal Framework, with many government representatives expressing keen interest in the introduction of the proposed powers, orders and provisions in their respective jurisdictions. Representatives demonstrated a strong appreciation of the benefits the Model Legal Framework could have for their jurisdictions, in particular by providing a NCB forfeiture mechanism to facilitate POC confiscation and improve interoperability between jurisdictions. The feedback also reiterated the importance of appreciating the diversity of needs across different Pacific jurisdictions, and have expressed the view that it will be important to ensure that the Model Framework would be supported by various implementing tools and materials, to help individual jurisdictions to develop relevant policy proposals and tailor the Model Framework to suit their needs. Stakeholder

feedback was then summarised in a [Final Report on the Consultation Stage of September 2023](#).

This led to the current project with APG and funded by the Government of New Zealand, which has two main deliverables:

- 1) development of the Model Legal Framework for Pacific Island jurisdictions; and
- 2) delivery of a legal framework tailored specifically for the Cook Islands, based on the Model Legal Framework, and developed in close consultation with the Cook Islands. Arising out of the regional consultation process, the Cook Islands chose to be the first jurisdiction to undertake the initial development and implementation of a tailored form of the Model Legal framework, with the support of APG and Lexbridge Lawyers.

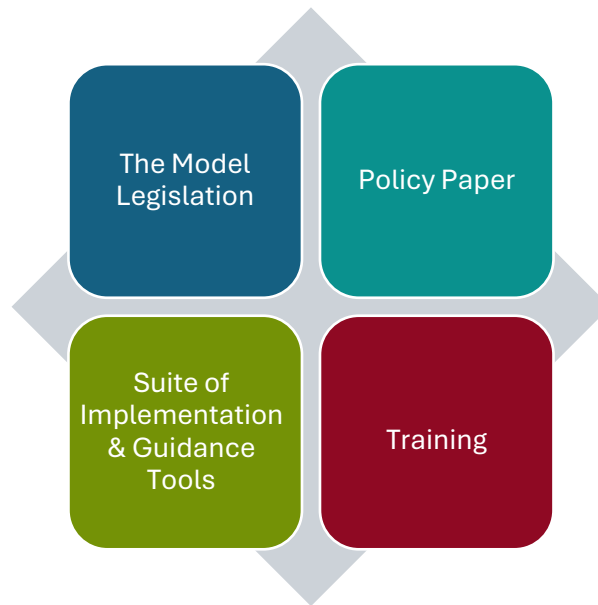
The Cook Islands has been a champion jurisdiction for the project and the development of the Model Legal Framework has been informed and shaped by their valuable perspectives and insights. The project team has greatly appreciated the contributions of the Cook Islands to the project; this has been a central part of the project's aim to work collaboratively with the end users of the Framework, to co-design a Framework that will be practically useful and responsive to the needs of small to medium-sized Pacific jurisdictions.

The development of the Model Legal Framework has followed a rigorous methodology. Building on the Final Report from the initial consultation phase, a detailed Consultation Paper was produced in September 2024, which outlined the key topics to be covered in the Framework and detailed questions for stakeholders. Consultations were conducted and the stakeholder feedback then informed the development in 2025 of a suite of detailed policy papers on each of the key topics. These policy papers examined in depth the various policy considerations and choices raised by particular proposed provisions of the Framework and the recommendations of the project team. The project team consulted stakeholders on the policy papers, including through a series of regional focus group discussions in 2025 with Pacific Island regional groups.

The feedback was then synthesised through the creation of the final integrated Policy Paper, which discusses all the key policy considerations underlying each of the proposed provisions of the Model Legal Framework. Accordingly, the Model Legal Framework should be read in conjunction with this Policy Paper, as the Policy Paper serves to give jurisdictions an understanding of the policy choices they will have in adopting the Framework and the reasons why the Model Legal Framework is designed as it is. The Policy Paper then informed the project team's development of detailed drafting instructions for the Model Legal Framework, and then the drafting of the Framework itself, in consultation with APG. The Model Legal Framework is open for further consultation across Pacific Island stakeholders, and all feedback is warmly welcomed.

4. The architecture of the Model Legal Framework and how it is to be used

The Model Legal Framework is a package comprising several elements that are intended to operate together, as outlined below.



The *Criminal Asset Confiscation (Model) Legal Framework Act (2026)* offers jurisdictions a suite of model provisions to combat transnational crime and money laundering, which can be tailored to suit the needs of specific jurisdictions. It is a stand-alone legal framework capable of fully replacing adopting jurisdictions' existing domestic proceeds of crime laws and money laundering offences, to eliminate the need for jurisdictions having to adopt a patchwork of amendments and additions to update their legislative regimes. However, the Model Legal Framework is also capable of adoption and implementation in individual parts. This allows for adaptation and customisation by jurisdictions based on their individual circumstances and policy settings. For example, some jurisdictions might prefer to adopt only specific components of the Framework to update and supplement their existing legislative regime, to ensure it meets international standards and achieves operational outcomes in light of their particular policy aims.

There are various policy considerations and choices inherent in the design of the Model Legal Framework. The FATF Standards allow jurisdictions a degree of discretion in how they may be met to accommodate domestic policy settings. Further, in providing for model legal provisions that go above the benchmark FATF Standards, additional policy choices are presented. In many cases these policy choices will reflect a balance between ensuring powers provided for are as robust and effective as possible, to facilitate domestic authorities' efforts to combat money-laundering and other forms of dealings with the proceeds of crime, whilst also ensuring due process and procedural fairness protections are adequate to avoid unjust prejudice to legitimate property rights. The recommendations throughout the Model Legal Framework are aimed at meeting this balance.

Accordingly, adopting jurisdictions should read the Model Legal Framework together with the Policy Paper, which provides further detail on the policy considerations that

informed the drafting of each part of the model legislation, and explains the reasons for the recommended approaches. The Policy Paper serves as a useful tool to inform the domestic tailoring of the adoption and implementation of the Model Legal Framework. Given the diversity and uniqueness of jurisdictions in the Pacific region, adopting jurisdictions may have policy reasons that make certain choices right for them. The Model Legal Framework is designed to help jurisdictions identify those choices and the factors that may make certain options more or less suitable for them. This will provide adopting jurisdictions with guidance on the factors that will inform whether to adopt all of the Model Legal Framework or only adopt certain parts of it and omit others.

Where the framing of particular provisions in the *Criminal Asset Confiscation (Model) Legal Framework Act* will require domestic policy consideration and/or depend on the specific circumstances of the adopting jurisdiction, these are flagged explicitly in the model legislation as ‘Comments to adopting jurisdictions’ and elaborated in further detail in the Policy Paper.

6. The structure of the Criminal Asset Confiscation (Model) Legal Framework Act

The model legislation is drafted in plain English and organised into ten parts, moving from definitions of crimes to the final management of confiscated assets. The structure is outlined below:

Part	Title / Functional Area	Primary Legal Coverage
Part 1	Preliminary Matters	Establishes the legal scope and includes all key definitions.
Part 2	Money Laundering Offences	Sets out the three tiers of offences: Intentional, Reckless, and Reasonable Suspicion.
Part 3	Notices, orders, directions and warrants	Provides a ‘toolbox’ of investigative powers, including notices to financial institutions and specified non-financial institutions; freezing directions; directions to government agencies; production orders; monitoring orders; examination orders, and tainted property search and search warrants. .
Part 4	Restraining Orders	Covers four types of restraining orders (charge-based; conviction-based; non-conviction-based and asset-directed).

Part 5	Forfeiture Orders	Covers the permanent transfer of assets, via three types of forfeiture orders: conviction-based, non-conviction-based and asset-directed.
Part 6	Pecuniary Penalty Orders	Enables the court to order payments equivalent to the benefit derived from crime.
Part 7	General Provisions for Parts 4, 5 and 6	Sets out general provisions applicable to the preceding three Parts.
Part 8	Asset Management	Sets out the role of the Asset Manager, and establishes rules for the storage, maintenance, and early disposal of assets.
Part 9	Accounts for Restrained & Confiscated Assets	Mandates three specific accounts for auditing and managing seized funds, including the return of funds to victims, repatriation to foreign jurisdictions and investment in crime diversion and crime prevention measures.
Part 10	Miscellaneous	Sets out additional provisions applicable across the Framework, e.g. in relation to the jurisdiction of a court to make restraining, forfeiture and pecuniary penalty orders; service of notices; directions and orders; standard and onus of proof; consent orders; and the appointment of authorised officers.

5. Short overview of each Part

Part 1: Preliminary Matters

Part 1 covers the preliminary foundations and the essential definitions that underpin the entire Model Legal Framework. It defines ‘tainted property’ to include both the proceeds of crime and the instruments used to commit it. Importantly, property is defined broadly to include assets of every kind, including virtual assets of all kinds, such as cryptocurrency and non-fungible tokens, ensuring that the law remains effective as criminal methodologies continue to evolve in the digital space.

Part 2: Money Laundering Offences

This Part establishes comprehensive and modern criminal offences for money laundering and dealing with property reasonably suspected of being proceeds of crime, setting out their physical and mental elements. This Part sets out predicate offences and extraterritorial offences, and adopts a tiered approach based on different levels of mental culpability. It elaborates on the specific requirements for knowledge and intent,

including objective, reckless and negligent standards. The objective standard of proof, for example, enables intent to be inferred from factual circumstances, such as wealth that is grossly disproportionate to a person's lawful income. It sets out the bases for liability, including direct commission, participation in, association with or conspiracy to commit, attempt, aiding and abetting, facilitating, and counselling the commission of an offence. It also provides for the application of offences to legal/corporate persons as well as natural persons. Finally, it sets out sentencing considerations, including tiered maximum penalties with a scale of imprisonment and fines proportional to the level of intent—noting where certain drafting decisions will need to be made by adopting jurisdictions to tailor these to their particular domestic legal and policy settings.

Part 3: Notices, Orders, Directions and Warrants

This is the operational heart of the framework, providing police and prosecutors with a toolbox of investigative powers to identify and track hidden assets. The policy intent is to overcome the hurdles of asset concealment by allowing investigators to compel disclosure, even when assets are held in false names or through complex corporate structures. The toolbox of powers includes a range of criminal asset confiscation-related investigation mechanisms:

- *Information-gathering*: This includes powers to issue Notices to Financial Institutions and specified non-financial institutions, which can be used to locate accounts held by persons of interest and compel disclosure of information, even if held in names other than the suspect. It also includes Directions to Government agencies, which can compel government agencies to provide relevant information.
- *Freezing Directions*: This is an administrative tool that allows investigators to issue a direction to a financial institution that property in an account must not be disposed of or dealt with, in order to secure funds whilst a restraining order is sought. It provides a critical 'rapid response' mechanism for modern law enforcement, enabling a Commissioner of Police to freeze a bank account immediately for up to 20 business days. This prevents the dissipation of funds while the state prepares a formal, evidence-based application to a court for a long-term Restraining Order.
- *Judicial Orders*: This includes tools such as Production Orders for documents, Monitoring Orders to allow investigators to monitor accounts over a specified period to track funds in real time; and search and seizure warrants, to enable investigators to locate and seize tainted property and evidence.
- *Examination Orders*: These allow authorities to compel persons of interest to answer questions under oath about the location of property.

Part 4: Restraining Orders

This Part establishes the regime for Restraining Orders—court-ordered measures for the temporary preservation of property, to prevent assets from being sold or moved while legal proceedings are ongoing. This Part allows the state to lock assets in place before eventually transferring their ownership to the state (forfeiture). It can apply to

property belonging to a defendant or property that is simply suspected of being the proceeds of crime.

Part 5: Forfeiture Orders

This Part focuses on forfeiture orders, the mechanism for the permanent transfer of property ownership from the criminal to the State. It includes conviction-based, non-conviction-based (NCB), and asset-directed forfeiture. As noted earlier, NCB forfeiture is a critical feature of the Model Legal Framework. It allows the State to confiscate property if a court is satisfied it is the proceeds of crime, even if a person has not been (or cannot be) convicted. The policy rationale for NCB forfeiture is that it is often the only effective way to seize the wealth of high-level criminals who coordinate crimes from a distance and avoid personal conviction. This Part also includes 'in rem' proceedings, where the action is directed against the property itself, if the owner is unknown or overseas.

Part 6: Pecuniary Penalty Orders

This Part provides provisions for pecuniary penalty orders (PPOs), which enable a court to issue a value-based order. A PPO is an order of the court directing an individual or entity to pay the State a sum of money equivalent to the total value of the financial benefit derived from their criminal conduct, or as a form of substituted asset where the original asset is no longer recoverable. This ensures that even if the physical money has been spent, the criminal remains legally liable for the debt. This mechanism is particularly useful in cases where the original "dirty money" has already been spent or dissipated (e.g. through gambling or lifestyle expenses); the PPO creates a civil debt to the State that can be enforced against any current lawful assets the offender holds or any future assets the offender acquires.

Part 7: General Provisions for Parts 4, 5 and 6

This Part sets out general provisions that apply to all the preceding three Parts, covering issues such as the circumstances in which a notice requirement may be waived; the circumstances in which the court may dispense with notice of an application being served on a person; the persons who may be heard at a hearing for an order; and requirements relating to a court order for the suppression of evidence in certain situations.

Part 8: Asset Management

This Part covers the practicalities of the management and ultimate disposal of confiscated property. A critical but often overlooked aspect of proceeds of crime asset confiscation investigations is the need to manage property effectively, from the time it is restrained to the time it is sold and funds are applied to whichever final purpose is deemed appropriate (or until the property is returned to its rightful owner, if this is the result of the litigation). Accordingly, this Part of the Model Legal Framework provides for the appointment of professional asset managers to store, maintain, and eventually sell seized property.

Part 9: Accounts for Restrained and Confiscated Assets

This Part establishes three kinds of dedicated account (a Restrained Assets Account; an Asset Management Account and a Confiscated Assets Account), to manage and audit funds transparently. It also facilitates the policy goal of ‘reinvestment’, where criminal wealth can be returned to the jurisdiction to fund law enforcement, victim support, and community initiatives.

The drafting of this Part also recognises the unique challenges in smaller jurisdictions in the Pacific, which are compounded by the complex management requirements for certain asset types; the infrequent nature of asset confiscation; the remoteness and size of the market to sell assets, and the corrosive effects of storing assets like cars or boats in a tropical coastal environment, which can rapidly degrade the asset thereby reducing the final realisable value. This Part allows for ‘early disposal’ (selling an asset before the final trial) to ensure its realisable value is not lost to rust or mechanical decay. It moves the focus to preserving the value of restrained property and not the physical property itself.

Part 10: Miscellaneous

This Part sets out additional provisions applicable across the Framework, for example in relation to the jurisdiction of a court to make restraining, forfeiture and pecuniary penalty orders; the standard and onus of proof for questions of fact other than in relation to the prosecution of an offence under the Act; consent orders; service of notices, directions and orders; special rules of evidence; authorised officers; and the requirements regarding delegation of functions, duties and powers by a proceeds of crime authority. It also provides for the ability for regulations to be made to carry out the provisions of the Act.

6. Operationalisation of the framework: implementation materials and training

As noted earlier, the Model Legal Framework is a package, which will include not just the model legislation outlined above, but also a range of practical implementation and guidance materials, and tailored training, to support jurisdictions in the effective uptake and use of the law. The development of this toolbox of implementation materials and resources is currently underway; it is envisaged to include manuals, templates, sample explanatory memoranda, desktop training resources and other materials, which may be tailored by each jurisdiction to their particular needs and circumstances.

This is because the Model Legal Framework is not just a legislative reform project. It is designed as an operational framework with a focus on implementation. This reflects the overall goals of the project to support development of AML/CTF laws in the region are compliant with current international standards—but also to ensure they are fit for purpose for the needs of small jurisdictions and workable and effective in practice. A core aim of the project is to see adopting jurisdictions more regularly seizing and recovering proceeds of crime. This requires building organisational capacity, so that agencies who will have practical involvement in the implementation of the laws have the

systems and corporate knowledge in place to operationalise the laws in such a way that these processes will not break down if there is an internal changeover of staff.

This was a key point emphasized by Pacific Island stakeholders throughout all the consultations conducted as part of the project to date, and in particular a common theme of the contributions of Pacific States participating in the regional focus group consultations in 2025—with many participants emphasizing how important it was to them that the model legislation be accompanied by a package of practical implementation materials. They underscored that having implementation support and training is what would make a crucial difference for small Pacific Island jurisdictions, in facilitating domestic understanding of the legal framework and in developing the capacities among relevant domestic stakeholders to implement it effectively on the ground.

7. The Path Forward for Regional Adoption: The Cook Islands and Beyond

As noted earlier, the Cook Islands is already leading the way as the first jurisdiction to tailor and implement the Model Legal Framework. In parallel to the development of the model legislation, over 2025-2026 Lexbridge Lawyers are working collaboratively with APG and the Cook Islands Government, with key stakeholders across the law enforcement and justice sector, and coordinated through the Financial Supervisory Commission and the Financial Intelligence Unit, to:

- conduct a gap analysis of Cook Islands laws to identify gaps and areas for strengthening;
- develop a tailored policy paper, to outline specific policy considerations and choices for the Cook Islands;
- prepare drafting instructions and draft a tailored legal framework for the Cook Islands, based on the Model Legal Framework; including any consequential amendments;
- draft supporting instruments to facilitate the passage of the laws and their effective implementation in practice;
- deliver tailored training for domestic stakeholders on the new framework.

2026 will also see further outreach being done across the Pacific to promote understanding of and uptake of the Model Legal Framework by other Pacific Island nations. Subject to funding, Lexbridge Lawyers and the APG are available to support other Pacific nations, through the methodology outlined below:

1. Gap Analysis: Reviewing current laws to see what needs updating.

2. Tailored Drafting: Adjusting the Model Legal Framework to fit local needs and policy preferences.

3. Implementation Support: Providing training and templates so that end-users in the law enforcement and justice sector can use the Model Legal Framework effectively.

8. Conclusion and how to provide feedback and/or seek further information

The Model Legal Framework is more than a legislative reform project; it is a significant regional advancement to combat serious and organised crime. It represents a significant shift toward a more aggressive and technically proficient approach to asset recovery. By adopting this framework, Pacific nations can protect their financial systems, meet relevant treaty obligations and international standards, and work proactively to ensure that criminal networks can no longer profit from their activities within the region. By combining high-level legislative reforms (such as NCB forfeiture and crypto-asset inclusion) with practical, on-the-ground capacity building, the project seeks to ensure that crime truly ‘does not pay’ in the Pacific Region.

To provide feedback, and/or to seek further information about the project, please:

- see the project websites at: [Pacific AML/CFT Assistance Program | Asia / Pacific Group On Money Laundering](#) and <https://www.lexbridgelawyers.com/anti-money-laundering-countering-the-financing-of-terrorism-and-anti-corruption/>
- or contact Lexbridge Lawyers at: modellaw@lexbridgelawyers.com