Asia/Pacific Group
ON MONEY LAUNDERING

Updated 2026

Asia/Pacific Group on Money Laundering

Terms of Reference

Contents

1. Introduction 2
2. Preamble 2
3. Nature and Purpose of APG 4
4. Members and Observers 5
5. Governance 8
6. Meetings 11
7. Strategic Plan and Business Plan 11
8. Committees / Working Groups 12
9. Communications 12
10. Resources 13
11. Contact Points 14
12. Transitional Arrangements 14
13. Founding Members 14
14. Terms of Reference Member Endorsement 14

Annex A: Explanatory Note on Membership 16

Annex B: Members & Observers 22

Annex C: Terms of Reference Table of Amendments 24

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1. Introduction

1.1. The Asia/Pacific Group on Money Laundering (APG) is a non-political inter-governmental organisation established in 1997 with 13 founding members.

1.2. In keeping with the technical nature of the APG, any APG document, or any expression or map contained therein, is without prejudice to the status of, or sovereignty over, any territory, the delimitation of international frontiers or boundaries, or the name of any territory, city, or area.

1.3. The APG operates under an open-ended mandate endorsed through member Ministerial-level commitments. This mandate reflects the APG's commitment to combating serious financial crimes in the Asia/Pacific region and aligns with the strategic priorities of the Financial Action Task Force (FATF) and Global Network.

2. Preamble

2.1. *Recognising* in Bangkok on 27 February 1997 that:

- Money laundering is a significant international issue which requires global action.
- The Asia/Pacific region needs to address this issue as part of a coordinated global response.
- The capacity of individual jurisdictions to deal with the issue is limited because of its nature, complexity and international scope.
- Close cooperation between jurisdictions is necessary and much can be gained by increasing understanding of the problem and its solutions.
- There are accepted international standards (the FATF's 40 Recommendations) but the best way to apply the standards within the region needs to be reviewed.
- There is an increasing risk of vulnerability to money laundering in the Asia/Pacific region as other regions introduce anti-money laundering measures.
- A plan of action should be developed to address regional cooperation, the adoption of standards and to provide assistance to jurisdictions in tackling the problem.
- The Asia/Pacific Group on Money Laundering (APG) was established.

2.2. An APG Working Party met in Beijing from 7-9 July 1997, and *agreed* that:

- The 40 Recommendations are the guiding principles for action for the creation of an effective anti-money laundering framework. members will implement the 40 Recommendations according to their particular cultural values and constitutional frameworks thus allowing them a measure of flexibility rather than prescribing every detail.

2.3. Further *recognising* in June 2002 that:

- The United Nations Security Council adopted a number of Resolutions dealing with terrorist financing.
- The Financial Action Task Force on Money Laundering adopted Eight Special Recommendations on Terrorist Financing.
- APG members adopted a new *APG Strategic Plan 2001–2004* including a commitment to combat terrorist financing.

2.4. The APG *agreed* in 2002 that:

- All members will implement in accordance with their own constitutional arrangements the United Nations Security Council Resolutions dealing with terrorist financing.
- All members will implement in accordance with their own constitutional arrangements the Eight FATF Special Recommendations on Terrorist Financing.

2.5. *Noting* in 2006 that:

- The Financial Action Task Force on Money Laundering adopted a Ninth Special Recommendation in relation to cash couriers.
- APG members have been assessed against this Special Recommendation since early 2006 as part of APG mutual evaluations.

2.6. The APG *agreed* in 2006 to formally endorse FATF Special Recommendation IX.

2.7. The APG *agreed* in 2011 to:

- Extend its mandate for a further eight years from 31 December 2012 to 31 December 2020 to coincide with the FATF's term.
- Rationalise, consolidate and integrate its three core constitutional documents into this one document, the APG Terms of Reference, as the basis for the APG's renewed mandate.

2.8. The APG *agreed* in 2012 to adopt the FATF Revised 40 Recommendations.

2.9. The APG *agreed* in 2017 and 2018 to:

- Rename and re-constitute the APG Steering Group as the 'APG Governance Committee'.
- Establish a new Terms of Reference for the Governance Committee.

2.10. The APG *agreed* in 2019 to:

- Incorporate two existing Co-Chair policy statements (governance and observers) into these Terms of Reference.

- Make other consequential changes as may be necessary to give effect to that decision.

2.11. The APG *agreed* in 2020 to:

- Formally endorse the substantial changes made by the FATF to Recommendation 15 and the assessment methodology in October 2019 on virtual assets and virtual asset service providers.

- Extend its mandate term from December 2020 to December 2028.

2.12. The APG *agreed* in 2021 to:

- Endorse changes made by the FATF to Recommendations 1 and 2 in relation to proliferation financing, and minor changes to FATF Recommendation 17 in relation to third party reliance.

- Adopt a virtual and hybrid events policy to permit plenary and other meetings to proceed in virtual format when agreed.

2.13. The APG *agreed* in 2022 to terminate Russia's observer status.

2.14. The APG membership in 2023 *endorsed* the FATF's 2022 Universal Procedures to more broadly maintain the global governance arrangements between the FATF and the FSRBs and to utilise those procedures as the basis of the APG's procedures.

2.15. The APG *agreed* in 2024 to terminate the Democratic People's Republic of Korea's (DPRK) observer status.

2.16. The APG *agreed* in 2024 to an open-ended mandate that would enable the continuation of APG core work in combating financial crimes in the Asia/Pacific.

3. Nature and Purpose of APG

3.1. The APG is an autonomous, pro-active inter-governmental organisation contributing to the reduction of serious crime in the Asia/Pacific region and is established by agreement among its members. It does not derive from an international treaty and it is not part of any international organisation. However, it keeps itself informed of action taken or formal agreements made by relevant international and regional organisations, bodies and other inter-governmental task forces to promote a consistent global response to combating money laundering and the financing of terrorism and proliferation.

3.2. For these purposes the APG will:

1. Provide a focus for co-operative efforts to combat money laundering, and the financing of terrorism and proliferation in the Asia/Pacific region.

2. Provide a forum in which relevant regional issues can be discussed, and experiences shared, and in which international cooperation is encouraged.

3. Facilitate the adoption and implementation by members of internationally accepted measures to combat money laundering, and the financing of terrorism and proliferation.

4. Enable regional and jurisdictional factors to be considered in the implementation of international measures that combat money laundering, and the financing of terrorism and proliferation.

5. Encourage jurisdictions to implement initiatives that combat money laundering, and the financing of terrorism and proliferation, including more effective mutual legal assistance.

6. Coordinate and provide practical support, where possible and when requested, to members and observer jurisdictions in the region.

4. Members and Observers

Members

4.1. Members are jurisdictions within the Asia/Pacific region that have committed to the six requirements of membership and have been admitted as members in accordance with **Annex A: Explanatory Note on Membership**.

Membership Requirements

4.2. Membership of the APG is open to any jurisdiction within the Asia/Pacific region that:

1. recognises the need for action to be taken to combat money laundering and the financing of terrorism and proliferation and recognises the benefits to be obtained from sharing knowledge and experience;

2. commits to implement the FATF standards without reservation;

3. has taken or is actively taking steps to develop, enact (or amend) and implement (or improve the implementation of) legislation designed to combat money laundering, the financing of terrorism and the financing of proliferation legislation and other measures based on accepted international standards;

4. subject to its domestic laws, commits to implementing the decisions made by the APG;

5. commits to participation in the mutual evaluation programme;

6. Contributes to the APG budget in accordance with arrangements agreed by the APG.

4.3. It is not a precondition for participation in the APG that laws combating money laundering, the financing of terrorism or the financing of proliferation are already enacted.

4.4. Each member will decide on the particular steps it will take to combat money laundering and the financing of terrorism and proliferation in accordance with the international

standards. The response by individual members will, however, be significantly assisted by participation in the APG.

4.5. The APG welcomes new members from the Asia/Pacific region. To those jurisdictions not yet ready to assume all the requirements of full membership, the APG encourages those jurisdictions to become observers.

4.6. Further information on the membership requirements is provided in **Annex A: Explanatory Note on Membership**.

Admission of New Members

4.7. At the 13th Annual Meeting in 2010, the APG considered mechanisms for admitting new members. The membership adopted a mechanism to give members an explicit discretion to admit or not admit new members. This discretion was considered necessary for a variety of reasons, but primarily because of the growing size of the APG membership. APG members also noted that, in light of the APG's Associate membership in the FATF, it was important to meet the expectations of the FATF to have non-participating jurisdictions join a FATF-style regional body (FSRB).

4.8. Therefore, notwithstanding that an applicant for membership may meet the general membership requirements, the APG may decide to admit or not to admit an applicant on the basis of one or more of the following factors:

1. whether the applicant is a member of the FATF and/or a FSRB already;

2. whether the applicant is under consideration of the FATF's International Cooperation Review Group (ICRG) and an ICRG recommendation is made for it to join a FSRB;

3. whether the applicant is a dependency/territory of a FATF/FSRB member which applies its AML/CFT laws to the dependency/territory;

4. the resources of the APG to manage the work generated from the admission of new members.

4.9. The process by which membership of the APG is outlined at **Annex A: Explanatory Note on Membership**.

Failure to Satisfy Membership Requirements

4.10. Failure by a Member to satisfy the membership requirements set out in these Terms of Reference is a serious matter and includes, but is not limited to, where a member shows insufficient progress in response to a mutual evaluation report or fails to respond to APG mutual evaluation follow-up processes.

4.11. In such a case, in order to maintain its credibility the APG would need to determine what action should be taken. To expedite action between APG Annual Meetings, the Co-Chairs and Executive Secretary would seek the advice of the Governance Committee as to possible measures to be taken, including (these measures would generally be applied on a graduated basis, unless the membership agrees otherwise):

1. requiring the member to provide expedited reporting on their progress in meeting the membership requirements within a fixed timeframe;

2. sending a letter from the APG Co-Chairs to the relevant Minister(s) drawing their attention to non-compliance with the APG membership requirements;

3. in co-operation with the member, arranging a high-level mission to visit that jurisdiction in order to reinforce this message. This mission would meet with the relevant Ministers and senior officials.

4.12. The course of action proposed by the Governance Committee will be put to the membership for general agreement prior to that action being commenced.

4.13. The results of any action taken under steps 1 to 3 will be brought before the membership which may then determine whether further action is necessary, including:

1. referring the matter to the FATF for possible consideration under FATF's ICRG process;

2. in the context of the application of Recommendation 19 by members, issuing a formal APG statement to the effect that the member is insufficiently in compliance with the FATF Recommendations, and recommending appropriate action, and considering whether additional counter-measures are required;

3. suspending the member from some of the APG's activities, for example, its technical assistance and training program until all membership requirements have been met;

4. suspending the member's APG membership entirely until all membership requirements have been met;

5. terminating APG membership.

4.14. The steps proposed above fall into two distinct categories. Steps 1, 2 and 3 essentially involve enhanced peer pressure to assist non-complying members in expediting implementation of the Recommendations. Steps 4 and 5 entail more serious action.

4.15. If after a reasonable time, and following the application of steps 1 through 3, the member in question persists in its failure to comply significantly with the membership requirements, efforts would need to be intensified. The Co-Chairs would then be authorised to propose to the membership that steps 4 and/or 5 be taken, and to pursue only that action, if any, which the membership approves. The Co-Chairs would have no discretion to modify or deviate from the course of conduct approved by the Membership. The remaining steps – 6 to 8 – are a matter for the APG membership to be considered in plenary at annual meetings (in order for a full and frank discussion to occur given the seriousness of those measures), unless the membership agreed to deal with the matter out-of-session or at a special plenary.

Observers

4.16. Observers are:

1. Jurisdictions which are considering membership of the APG and which are prepared to meet the first three requirements for membership of the APG.

2. Organisations which actively support or otherwise are interested in the objectives of the APG.

3. Any other jurisdiction or organisation invited by the Co-Chairs and to which no APG member objects.

4.17. The APG recognises that there are significant benefits for members from continuing contact with non-member jurisdictions. As such, the meetings of the APG will also serve to provide opportunities for regular consultation with non-member jurisdictions from within and outside the region who could be invited to attend as observers.

4.18. Recognising the capacity-constraints of Pacific jurisdictions to fully participate in APG activities, but also recognising the benefits of remaining as observers indefinitely even though they may not have the resources to become full members, the APG decided (in 2015) that with respect to current observers:

1. No further pressure will be exerted on those jurisdictions to join the APG as full members although joining as members is encouraged.

2. Observers will continue to have access to APG information available on the secure APG website, including receiving updates on AML/CFT developments, and are encouraged to engage on money laundering and terrorist financing issues of concern and emerging issues that affect those jurisdictions.

3. The APG secretariat will work with observer jurisdictions to better understand the money laundering and terrorist financing risks they face and to report those risks, if any, to the membership.

4.19. The APG also recognises that many international organisations have a strong interest in combating money laundering and the financing of terrorism and proliferation initiatives. The APG welcomes the support and co-operation from international organisations and other non-member jurisdictions that may be willing to provide resources to assist the work of the APG.

4.20. The APG will continue to encourage international and regional organisations not currently observers to become observer organisations. The participation of non-members and non-observers will be determined on a case-by-case basis. The process by which observer status is granted is explained in **Annex A: Explanatory Note on Membership**. APG observer jurisdictions and organisations effective August 2020 are listed in **Annex B: Members & Observers.**

5. Governance

Membership

5.1. The APG membership is the ultimate decision-making body of the APG. Decisions shall be made on a consensus basis. All other organs of the APG including the Co-Chairs, Governance Committee, ad hoc working groups and the Secretariat are responsible and accountable to the APG membership. APG members are entitled to:

1. participate in Governance Committee meetings as sub-regional representatives when the relevant sub-regional members agree that they may so represent their region;

2. attend APG meetings;

3. appropriately intervene on APG issues and policy matters;

4. receive relevant APG documents for meetings both confidential and non-confidential;

5. comment on selection of rotating Co-Chairs as provided in the Terms of Reference.

5.2. In addition to meeting the membership requirements set out in this document, APG members shall:

6. endeavour to participate in APG events and, at a minimum, attend the APG annual meeting;

7. be bound by APG business and policy decisions.

Co-Chairs

5.3. There will be two Co-Chairs of the APG. One Co-Chair position will be held by Australia (referred to as the 'permanent Co-Chair'). The other Co-Chair position will be rotated every two years among members (referred to as the 'rotating Co-Chair').[1] The rotating Co-Chair position will be decided every second year at an annual meeting (or prior thereto as members agree) and will carry with it the responsibility of hosting at least one annual meeting. Australia will be responsible for hosting the annual meeting biennially in the event that the rotating Co-Chair wishes to host only one meeting during their tenure as Chair. However, another APG member or observer may wish to host the meeting in which case there is no obligation on Australia to host in alternate years.

5.4. The Co-Chairs shall preside over annual meetings of the APG.

5.5. The Co-Chairs, on behalf of the membership, may give directions to the Secretariat to implement decisions or outcomes of the annual meetings and APG Governance Committee.

Governance Committee

5.6. The APG Governance Committee is an advisory and governance group of the APG with cross-regional representation of the five major sub-regions within the Asia/Pacific.

5.7. The Governance Committee was established in July 2017 to replace the former Steering Group and new terms of reference for the Governance Committee were adopted in July 2018. Those Terms of Reference were amended by the membership in August 2019 at the annual meeting of that year (re: the committee's quorum rule).

5.8. The Co-Chairs, either jointly or separately, shall preside over Governance Committee meetings.

5.9. Details concerning the purpose, composition, process for determining membership, meeting procedure, authority, reporting, APG Secretariat role and resources are set out in

[1] Co-Chairs are equal in status and responsibility notwithstanding that one is referred to as 'permanent'.

a separate document called *APG Governance Committee Terms of Reference* which may be amended from time to time as the membership deems necessary. The first set of such rules was issued in 2018 and amended the next year in 2019.

5.10. Any issue, concern or question that has arisen, including those not yet resolved on adoption of these Terms of Reference, in relation to matters before the Governance Committee shall continue and shall not be nullified, or in any way affected, on endorsement of these Terms of Reference.

Secretariat

5.11. Secretariat services will be provided by the APG Secretariat which shall be headed by an Executive Secretary who shall have executive authority on behalf of the membership and shall provide administrative support to the activities of the APG. The APG Secretariat is located in Sydney, Australia.

5.12. The APG Secretariat is hosted by Australia under a government hosting agreement to support the operations of the APG. The Secretariat's general responsibilities include:

1. supporting the governance framework of the APG, including Co-Chairs and Governance Committee;
2. providing Secretariat services to and serving as a focal point for the APG;
3. coordinating and leading AML/CFT mutual evaluations of APG members;
4. implementing the APG's technical assistance and training (TA & T) strategy including the effective coordination of those services with donors and providers;
5. providing expertise and research on money laundering, terrorist financing and proliferation financing in relation to weapons of mass destruction as well as other emerging issues to members and interested persons and organisations;
6. organising and conducting the APG's Annual Meeting and the Mutual Evaluation Committee together with other inter-sessional meetings, such as project working groups and any ad hoc committees or working groups;
7. preparing, conducting and chairing the Annual Typologies Workshop for law enforcement and finance sector specialists to analyse and share information on methods, trends and case studies, and to conduct projects on emerging typologies;
8. reporting to APG members at annual meetings, committees and working groups;
9. attending FATF plenary meetings as an associate member and liaising regularly with the FATF secretariat;
10. participating in the FATF's Asia/Pacific Joint Group (or any successor thereto);
11. providing advice and information to, and linkages between, international and regional agencies (especially financial, legal and law enforcement agencies) on money laundering, terrorist financing and proliferation financing matters;

12. establishing and maintaining effective working relationships with relevant international and regional organisations, including the UN, World Bank, International Monetary Fund, Asian Development Bank, Egmont Group, OECD, APEC, Pacific Islands Forum Secretariat, ASEAN, the Group of International Finance Centre Supervisors (formerly OGBS), and other similar bodies to advance the APG's strategic goals;

13. providing information and education to private sector agencies, including universities and other tertiary education institutions, in relation to the global AML/CFT standards under the APG's private sector outreach programme.

Reporting and Financial Statements

5.13. APG annual reports containing independently audited financial statements will be prepared by the Secretariat and signed by the Co-Chairs as soon as possible following each annual meeting.

5.14. As soon as possible after the mid-year point in any financial year, a mid-year report on activities, including an unaudited financial update, shall be prepared by the Executive Secretary and filed with the membership.

6. Meetings

6.1. The APG will meet at least once each year in plenary at an annual meeting (unless due to unforeseen or emergency circumstances where this is not possible).[2] At those meetings, a range of governance, operational and membership-related decisions will be made.

6.2. APG member-delegations to annual meetings will have full instructions to participate in the meetings. All decisions at APG meetings shall be by consensus.

6.3. Meetings will normally be held in member jurisdictions. Invitations to annual meetings may be extended by the Co-Chairs to non-member/non-observer jurisdictions to attend as 'guests'.

6.4. A quorum for annual meetings shall be no less than two-thirds of the members entitled to attend the meeting.

6.5. To ensure a global approach to combating money laundering and the financing of terrorism and proliferation, and as an Associate member of the FATF, members of the APG will work closely with the FATF and other FATF-style regional bodies. The FATF President and FATF Secretariat will attend APG meetings on the same basis that the APG Co-Chairs and Secretariat attend FATF meetings.

6.6. Meetings should be held at the same time each year or as close thereto as possible with the agreement of the membership.

7. Strategic Plan and Business Plan

7.1. The APG will:

[2] Where necessary meetings may occur in virtual or hybrid/virtual format in accordance with a policy agreed by the membership in 2021.

1. develop a Strategic Plan every four years, to be endorsed by all members (the Co-Chairs to indicate this endorsement in each plan), which will set out the APG's mission and goals for each four-year period;

2. develop an annual Business Plan, to be endorsed by all members, which will set out in greater detail the work programme of the APG for each year.

7.2. At the conclusion of a four-year Strategic Plan the APG shall prepare a report against that plan for membership approval.

8. Committees / Working Groups

8.1. To enable the work of the APG to be addressed between meetings, committees or working groups may be formed either on a permanent basis or an ad hoc basis (for a specific and time-limited function). Members (and observers, if agreed by committees and working group delegates) may participate in all committees/working Groups, typology workshops and ad hoc committees.

8.2. The formation of committees/working Groups, including adoption of Terms of Reference and appointment of Co-Chairs, is subject to APG membership endorsement. Committee/Working Group Co-Chairs are normally official delegates from the membership and shall report on completed and proposed activities to members and observers at both Committee/Working Group meeting(s) and at APG annual meetings.

9. Communications

9.1. Information collected and generated by the APG in the course of its business is a strategic business asset of the membership and is a resource independent of APG business requirements.

9.2. Information received by the APG Secretariat from members shall not be disseminated to third parties unless necessary for the proper functioning of the APG in accordance with the APG Strategic Plan and Annual Business Plan.

9.3. In order to encourage the free and frank interaction between APG members and observers, all plenary meetings (including annual meetings), committee meetings, workshops and working group deliberations will be confidential. For clarification, and in accordance with the APG's Information and Communications Strategy, this means that the outcomes of APG meetings may be made public but not the exchanges and discussions between member jurisdictions resulting in those outcomes.

9.4. Should unauthorised disclosures occur by any member or observer, the matter will be referred to the Governance Committee to consider the seriousness of the breach. The Governance Committee will, if necessary, ask the APG Co-Chairs to write to the relevant delegation, including the responsible Minister, expressing concern over such disclosure.

9.5. The APG shall continue to have an *Information and Communications Strategy* that incorporates these terms and others as agreed by the membership.

10. Resources

10.1. The APG recognises that the ongoing work of the APG and, in particular, the capacity of the Secretariat to assist members will depend on the resources available to it. APG members will determine the core budget required for the APG to carry out its work programme on an annual basis according to a fair and equitable budget formula, which may be revised and agreed from time to time and in accordance with the process outlined below.

10.2. In addition to core funding, the APG will continue to accept and budget for voluntary funding from members and observers for specific projects and resources.

Budget Approval Process

10.3. The annual budget shall be prepared and finalised in accordance with the following steps:

1. The Secretariat will prepare an initial budget paper in the February/March time frame each year (four to five months prior to each annual meeting) which will include:
    - an estimate of the APG's financial position as at 30 June of the current financial year;
    - a detailed budget for the next financial year ('year 1') including estimates of member's fees. This budget will update the preliminary estimate provided in the budget paper the previous year.
2. The Secretariat will then consult with the Co-Chairs on the content of the draft budget and revise the budget in accordance with their suggestions/directions.
3. If the Co-Chairs deem it necessary, they will consult with the Governance Committee on the proposed budget.
4. The draft budget paper will then be sent to all members for information and planning purposes, normally by the end of March each year.
5. The final draft budget paper will (as far as possible) be sent to all members four to six weeks prior to the annual meeting containing: (i) the final proposed budget for the next financial year (Year 1), including estimates of member's fees; and (ii) a preliminary budget estimate for the following financial year ('Year 2') for information and planning purposes. Given the significant variations that can occur from year to year, this preliminary estimate will be indicative only;
6. During the annual meeting, members will consider the draft budget for the next financial year ('year 1') during governance discussions and adopt it, or any revisions to it should the membership agree, as the operating budget for the year. Members will also consider the preliminary budget estimates (for 'year 2') and agree on those estimates (for the purposes of planning) subject to discussion the next year.

10.4. To assist members with financial planning, the Mid-Year Report to members (sent in January/February each year) will contain a financial report summarising the APG's financial position as at 31 December and including a broad estimate of what the APG's financial position will be as at 30 June.

11. Contact Points

11.1. Members and observers are required to nominate a person to act as the central or primary contact point for the APG Secretariat.

12. Transitional Arrangements

Revocation of Previous Documents

12.1. Upon adoption of these Terms of Reference, any previous versions will be concurrently revoked.

Outstanding Membership Concerns

12.2. Any APG member or observer issue, concern or question that has arisen, but has not yet been resolved on adoption of these Terms of Reference (and any on-going amendments each year), in relation to a member or observer shall continue and shall not be nullified, or in any way affected, on endorsement of these, or any amendments to these, Terms of Reference.

Outstanding Membership/Observer Enquiries

12.3. Any non-member or non-observer which has expressed an interest in joining the APG as a member or observer under the previous Terms of Reference and Explanatory Note on Membership is entitled to continue exploring possible membership or observership in the APG on endorsement of these Terms of Reference.

13. Founding Members

13.1. The 13 founding members of the APG in 1997 listed in the original APG Terms of Reference[3] shall continue to be referred to as the 'APG founding members.'

14. Terms of Reference Member Endorsement

Afghanistan	India	Myanmar	Singapore
Australia	Indonesia	Naoero	Solomon Islands
Bangladesh	Korea	Nepal	Sri Lanka
Bhutan	Japan	New Zealand	Chinese Taipei
Brunei Darussalam	Lao PDR	Niue	Thailand

[3] APG founding members in 1997: Australia; Bangladesh; Chinese Taipei; Hong Kong, China; Japan; New Zealand; People's Republic of China; Philippines; Singapore; Sri Lanka; Thailand; United States of America; and Vanuatu.

Cambodia	Macao, China	Pakistan	Timor Leste
Canada	Malaysia	Palau	Tonga
China	Maldives	Papua New Guinea	United States of America
Cook Islands	Marshall Islands	The Philippines	Vanuatu
Fiji	Mongolia	Samoa	Vietnam
Hong Kong, China			

Endorsed:
APG Membership
Canberra, Australia 2019
(amended 2020, 2021, 2022, 2023, 2026)

Annex A: Explanatory Note on Membership

Article 4 of the APG Terms of Reference 2019 provides six membership requirements. Requirements 3 to 6 are dealt with below in detail as well as outlining the process by which membership and observer status is granted.

1. Explanation of Membership Requirements

Requirement 3: *Has taken or is actively taking steps to develop, enact (or amend) and implement (or improve the implementation of) legislation designed to combat money laundering, the financing of terrorism and the financing of proliferation legislation and other measures based on accepted international standards.*

1.1. The Terms of Reference state that it is not a precondition for participation in the APG that combating money laundering and the financing of terrorism/proliferation laws already be enacted. However, a jurisdiction must be actively taking steps to develop, enact and implement such laws.

1.2. Where a law in relation to anti-money laundering is not yet in place then, at a minimum, a process must be in place to draft and enact such a law.

1.3. The timing and process to enact an anti-money laundering law is a matter for each member. However, in accordance with the agreement made by all United Nations member states, as set out in the United Nations Political Declaration and Action Plan against Money Laundering (1998), all APG members that have not yet done so should endeavour to adopt national money-laundering legislation as a matter of urgency.

1.4. Similarly, the timing and process to enact combating the financing of terrorism/proliferation measures is a matter for each member. However, consistent with the APG's formal adoption of the FATF's Nine Special Recommendations on Terrorist Financing and the 2012 Revised FATF Recommendations, as well as its commitment to implement relevant United Nations Conventions and Resolutions, all APG members should, if they have not done so already:

- take immediate steps to accede to the 1999 United Nations International Convention for the Suppression of the Financing of Terrorism by enacting the necessary legislation;
- immediately implement the United Nations resolutions relating to the prevention and suppression of the financing of terrorist acts, particularly United Nations Security Council Resolutions 1267, 1373 and successor resolutions;
- immediately implement the United Nations resolutions applying targeted financial sanctions relating to proliferation financing, particularly United Nations Security Council Resolutions 1718, 1737 and their successor resolutions.

Requirement 4: *Subject to its domestic laws, commits itself to implementing the decisions made by the APG.*

1.5. The phrase 'subject to its domestic laws was included in the APG Terms of Reference in June 2000 to make it clear that, as for the implementation of the 40 FATF Recommendations, members will implement APG decisions according to their particular

cultural values and constitutional frameworks, thus allowing them a measure of flexibility rather than prescribing every detail.

1.6. Similarly, the phrase '*subject to its domestic laws*' reflects the wording contained in the 'Purpose' section of the APG Terms of Reference which states that the APG 'Enables regional and jurisdictional factors to be taken into account in the implementation of international combating of money laundering and the financing of terrorism and proliferation measures'.

Requirement 5: *Commits to participation in the mutual evaluation programme.*

1.7. Requirement 4 reflects the central importance of the APG's mutual evaluation programme. It includes a commitment to be evaluated and to abide by the APG Mutual Evaluation Procedures. It also includes a commitment to provide evaluators and reviewers to participate in evaluations of other jurisdictions.

Requirement 6: *Contributes to the APG budget in accordance with arrangements agreed by the APG.*

1.8. The APG uses an agreed budget formula. The amounts payable under that formula are made clear to members prior to each annual meeting along with specified timeframes for payment of budget contributions, subject to any changes that might be made at the annual meeting.

1.9. Member delegates need to ensure that they are vested with the authority to discuss and agree to the annual budget and individual contributions decided at each annual meeting.

2. Process by Which Membership is Granted

Process to be taken prior to seeking admission as a member

2.1. The process is as follows:

1. Jurisdictions interested in seeking APG membership may first be required to become an observer in accordance with a decision of the membership.[4]

2. Observer jurisdictions interested in seeking membership will be supported by the APG Secretariat to guide them towards membership, generally for a period of at least 12 months.

3. The APG will work with observer jurisdictions to determine the extent to which the jurisdiction meets the following membership criteria when it applies for admission as an APG member:

    a. Recognises the need for action to be taken to combat money laundering and the financing of terrorism and proliferation.

    b. Recognises the benefits to be obtained by sharing knowledge and experience.

[4] If the prospective member is not required to become an Observer first, Part 2.2 of this article will apply.

c. Has taken or is actively taking steps to develop, enact and implement combating money laundering and the financing of terrorism and proliferation legislation and other measures.

4. This may be done by information sharing and outreach, including a possible onsite mission to the prospective member.

5. At the time the prospective member seeks full membership in the APG, the Secretariat will inform the membership regarding the extent to which the applicant meets the three criteria above.

Process for admission at annual meetings

2.2. The process for admission of a member during annual meetings is as follows:

6. The prospective member must commit to the APG Terms of Reference, including the membership conditions.

7. The prospective member must write to the APG Secretariat at Minister or Central Bank Governor level, or with the authority of a relevant Minister or Central Bank Governor, seeking membership. The letter should include the jurisdiction's agreement to commit to the APG Terms of Reference and membership conditions, without reservation. The letter could be in the following terms:

   'Dear APG Co-Chairs

   On behalf of [name of jurisdiction], I hereby notify the APG Secretariat of the Government's decision to seek full membership of the APG.

   In accordance with the procedure for application for membership, we undertake to comply with the APG's commitments and its Terms of Reference. In particular, [name of jurisdiction] is committed to adopt the international standards contained in the Combating Money Laundering and the Financing of Terrorism and Proliferation Recommendations of the Financial Action Task Force (FATF), and relevant United Nations Conventions and Resolutions and to the procedures for the evaluation of the effectiveness of combating money laundering and the financing of terrorism proliferation systems, which reflect international practice. [name of jurisdiction] is prepared to contribute [insert agreed APG budget contribution amount, as advised by APG Secretariat] to the APG budget in accordance with the arrangements agreed by the APG.

   Yours sincerely'

8. To support the membership' consideration of the application, officials should at the time of providing the ministerial letter, also inform the APG via the Secretariat of relevant information regarding the three points below:

   a. Whether the applicant is already a member of an FSRB and/or the FATF;

   b. Whether the applicant is under consideration of the FATF's International Cooperation Review Group (ICRG) and an ICRG recommendation is made for it to join a FSRB;

c. Whether the applicant is a dependency/territory of an FATF/FSRB member which applies its AML/CFT laws to the dependency/territory;

9. On receipt of such a letter, the APG Secretariat will respond indicating whether the form of the letter and additional relevant information is suitable and that the application will be considered by the full membership of the APG at the next annual meeting.

10. At the next annual meeting, a proposal for new applicants for membership will be put to the membership for consideration. The application(s) will be dealt with in confidential session without the applicant present unless the Co-Chairs decide otherwise.

Process for admission between annual meetings

2.3. If an application for membership is *made more than 3 months before the next APG annual meeting*, the process is as follows:

1. The prospective member must follow the steps 2.2 set out above.
2. On receipt of the letter seeking membership, the APG Secretariat will acknowledge the letter advising that the application will be considered and will simultaneously advise the APG Co-Chairs and the APG Governance Committee that the application has been received.
3. APG Co-Chairs and Governance Committee delegates will be provided with the membership application letter and additional information outlined above, and will be asked to indicate their agreement or otherwise to granting full membership to the applicant.
4. If there is an objection to the admission of the new member made by in the Governance Committee then the application will be considered at the next APG Annual Meeting. The decision-making process at the next APG annual meeting on the membership application will be reached by way of consensus (consistent with the Terms of Reference that “all decisions at APG meetings shall be by consensus.”).
5. If there is no objection made in the Governance Committee to granting membership to the applicant then the application will then be considered by the full membership out-of-session on a no-objection basis by all APG members. If there are no objections the Co-Chairs will admit the applicant to membership of the APG.
6. If the application is accepted, the APG Secretariat will write to the applicant indicating that on the basis of the authorised written commitment, the jurisdiction has been admitted to full membership of the APG. The APG Secretariat will also advise all other APG members.
7. The new member’s budget contribution would be calculated on a pro rata basis for the year in which it joins and then on a full basis in the next full year of membership.
8. At the next APG Annual Meeting, the admission of any new members since the previous Annual Meeting will be noted.

3. Process by which Observer Status is Granted

Observer jurisdictions

3.1. A jurisdiction may apply in writing to the APG Secretariat to become an observer. The prospective observer must write to the APG Secretariat at Minister or Central Bank Governor level, or with the authority of a relevant Minister or Central Bank Governor, seeking observer status. The letter should include the jurisdiction's agreement to commit to the first three of the membership requirements set out in the APG Terms of Reference and can be short. The letter could be in the following terms:

'Dear APG Co-Chairs

On behalf of [name of jurisdiction], I hereby notify the APG Secretariat of the Government's decision to seek observer status of the APG.

In accordance with the procedure for application for observer status, we undertake to comply with the first three membership requirements set out in the APG's Terms of Reference 2012. In particular, [name of jurisdiction] is committed to adopt the international standards contained in the Financial Action Task Force's Recommendations on Combating Money Laundering and the Financing of Terrorism and Proliferation, and relevant United Nations Conventions and Resolutions. [name of jurisdiction] will also consider seeking full membership of the APG.

Yours sincerely'

Observer organisations

3.2. In the case of an organisation, a person holding the authority of the organisation (CEO, Executive Director, President, Chair etc) may apply in writing to the APG Secretariat to become an observer. The letter needs only to be short and should include a statement that the organisation actively supports the objectives of the APG, will cooperate with the APG in the implementation of the APG's work programme, and will if requested participate in any other way requested by the Co-Chairs and agreeable to the organisation.

Co-Chairs and Governance Committee to consider observer and other applications

3.3. Applications for observer status (by jurisdictions and organisations) will be considered by the APG Governance Committee and Co-Chairs as soon as possible and, in any case, within 12 months of receipt, using (if needed) a process modelled on the process for admission of members set out in the Terms of Reference 2019, adjusted as appropriate to reflect the fact that observer status rather than full membership is being sought. The Governance Committee has authority to admit observers, but may if it chooses, refer any application to the membership for fuller consideration for any reason it chooses.

3.4. Non-members and non-observers may participate in APG events on a case-by-case basis as 'guests' provided in the APG Terms of Reference 2019, only if the Co-Chairs approve their participation.

FATF associate members automatically observers

3.5. Recognising the APG's Associate Membership of the FATF and the commitment to co-operation between FATF-Style Regional Bodies (FSRBs), FSRBs which are admitted as Associate embers in the FATF will automatically, on that admission, become observers in the APG without the need for application.

Annex B: Members & Observers

1. Members

1. Afghanistan *(inactive)*
2. Australia
3. Bangladesh
4. Bhutan
5. Brunei Darussalam
6. Cambodia
7. Canada
8. China
9. Cook Islands
10. Fiji
11. Hong Kong, China
12. India
13. Indonesia
14. Korea
15. Japan
16. Lao PDR
17. Macao, China
18. Malaysia
19. Maldives
20. Marshall Islands
21. Mongolia
22. Myanmar
23. Naoero
24. Nepal
25. New Zealand
26. Niue
27. Pakistan
28. Palau
29. Papua New Guinea
30. Philippines
31. Samoa
32. Singapore
33. Solomon Islands
34. Sri Lanka
35. Chinese Taipei
36. Thailand
37. Timor Leste
38. Tonga
39. Tuvalu
40. United States of America
41. Vanuatu
42. Vietnam

2. Observer Jurisdictions

1. France
2. Federated States of Micronesia
3. Germany
4. Kazakhstan
5. Kiribati
6. Portugal
7. United Arab Emirates
8. United Kingdom

3. Observer Organisations

1. ADB/OECD Anti-Corruption Initiative for Asia-Pacific
2. Alliance for Financial Inclusion (AFI)
3. Asia-Pacific Economic Cooperation (APEC) Secretariat
4. Asian Development Bank (ADB)
5. Asset Recovery Interagency Network – Asia Pacific (ARIN-AP)
6. Association of Southeast Asian Nations (ASEAN) Secretariat
19. Groupe d'Action contre le Blanchiment d'Argent en Afrique Centrale (GABAC)
20. Groupe d'action intergouvernemental contre le blanchiment d'argent en Afrique de l'Ouest
21. Grupo de Acción Financiera de Latinoamérica (GAFILAT)
22. The International Institute for Justice and the Rule of Law (IIJ)
23. Institute for Legal Support and Technical Assistance (ILSTA)

7. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)
8. Caribbean Financial Action Task Force (CFATF)
9. Commonwealth Secretariat
10. Eastern and South African Anti Money Laundering Group (ESAAMLG)
11. Egmont Group of Financial Intelligence Units
12. Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)
13. European Commission (EC)
14. EU Facility
15. Financial Action Task Force on Money Laundering (FATF)
16. Financial Services Volunteer Corps (FSVC)
17. Global Center on Cooperative Security
18. The Group of International Finance Centre Supervisors (GIFCS)
24. International Monetary Fund (IMF)
25. Interpol
26. Islamic Development Bank (IsDB)
27. Middle East and North African Financial Action Task Force (MENAFATF)
28. The Committee of Experts on the Evaluation of AML and FT (MONEYVAL)
29. Oceania Customs Organisation (OCO)
30. Pacific Financial Technical Assistance Centre (PFTAC)
31. Pacific Islands Chiefs of Police (PICP)
32. Pacific Islands Forum Secretariat (PIFS)
33. Pacific Islands Law Officers' Network (PILON)
34. United Nations
35. United Nations Office on Drugs and Crime (UNODC)
36. World Bank
37. World Customs Organisation (WCO)

Annex C: Terms of Reference Table of Amendments

YEAR	UPDATE
2020	• Extension of APG mandate from December 2020 to December 2028. • Formal endorsement of new FATF Recommendation 15 and assessment methodology on virtual assets and virtual asset service providers.
2021	• Formal endorsement out of session of FATF Recommendations 1, 2 and 17. • Incorporate (by footnote) virtual and hybrid/virtual meetings policy endorsed by the membership in 2021.
2022	• Remove Russian Federation as observer in accordance with 2022 decision to terminate Russia's observer status.
2023	• Include 2023 APG Annual Meeting endorsement of FATF's Universal Procedures 2022. • Include Tuvalu as a member. • Include Kazakhstan and United Arab Emirates as observers
2026	• Incorporate agreement for an APG open-ended mandate. • Include Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the International Institute for Justice and the Rule of Law (IIJ) and Institute for Legal Support and Technical Assistance (ILSTA) as observers. • Removed Democratic People's Republic of Korea (DPRK) as an observer in accordance with 2024 decision to terminate DPRK's observer status. • Removed references to the Operations Committee (OC) in accordance with 2025 decision to dissolve the OC and transfer the consideration and-decision making in relation to typologies, implementation issues and technical assistance projects to the Governance Committee (GC). • Changed references from 'Nauru' to 'Naoero'. • Included the EU Facility as an APG observer.