



Asia/Pacific Group
ON MONEY LAUNDERING

APG Strategic Plan 2024-2028

I. ORGANISATIONAL STATEMENTS

Vision

Improved economic and social outcomes for APG members and the Asia/Pacific region by protecting against the threats posed by illicit finance

Effective AML/CFT/CPF regimes protect financial systems and the integrity of financial and non-financial sectors to prevent or minimise economic and social harms from financial crime, and provide tangible benefits to APG members through avoiding or minimising the negative consequences of non-compliance with the international standards. Critically, APG members' regimes need to be risk-based and fit-for-purpose, meaning they respond appropriately to areas of both high and low risk and are neither too heavy or light-handed for the member's individual context and suitable by comparison to its international partners.

Mission

A credible and proactive multilateral organisation that leverages its collective power to engage on, assess, and implement the international standards to combat money laundering, terrorist financing, and proliferation financing across the Asia/Pacific region

The APG's mission has three prongs, which are interdependent: The APG:

- engages through its large and diverse range of members and observers to shape and influence decisions at a global level;
- uses its regional and subject matter expertise to deliver high quality assessments of the international standards; and
- supports implementation within its members through the delivery of typologies products and technical assistance and training.

Values

The APG as an organisation and through each of its members and observers will be:

- Cooperative in maintaining the mutuality that is central to the assessment process, and in providing the assistance to one another that is critical to achieving effective regimes;
- Committed to applying international standards consistently and fairly;
- Transparent in decision-making through consensus and in governance decisions; and
- Accountable to each other and the broader global network on both the implementation of good governance and the application of the international standards.

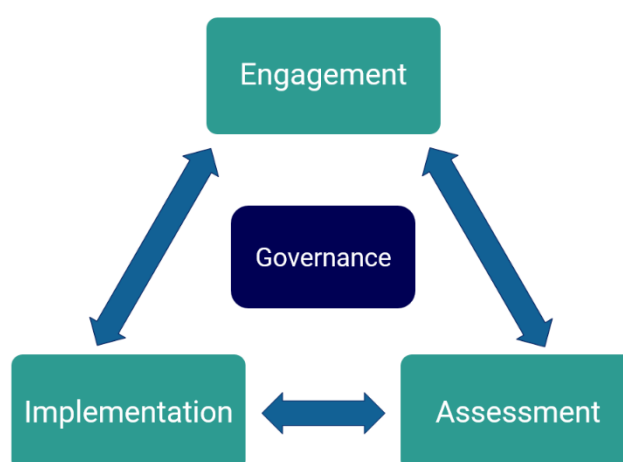
II. STRATEGIC GOALS AND STRATEGIES

The APG's mission has three prongs, which rely on and complement one another:

- Engagement means working together as an intergovernmental, member-driven organisation to make sound decisions. It also means using the APG's collective power to shape and influence decisions across the global network, and drawing on the expertise of members and observers to best apply the APG's resources.
- Assessment means all aspects of the mutual evaluation process, including preparation and follow up, and relies on engagement with the policy-making and ICRG processes, as well as a sound understanding of how the standards are implemented across the region.
- Implementation is the key to achieving the APG's mission of better social and economic outcomes; it feeds and is driven by the assessment process, and is also supported by active engagement across the APG and global network.

Governance underpins and supports the APG's three-pronged mission, through:

- An efficient and transparent Secretariat to facilitate the APG's work program and provide advice to the members to guide their decision-making;
- The Governance Committee, with collective representation of all members to discuss issues of strategic importance to the APG;
- The Mutual Evaluation Committee, which brings consistency and efficiency to the APG's assessment work;
- The Operations Committee, which brings members and observers together to share information and provide advice on key trends affecting implementation;
- The Technical Assistance Program, which with the support of the Donors and Providers Group, ensures that assistance is targeted and coordinated, as informed by trends in implementation and assessment results; and
- The Pacific Anti-Money Laundering and Combating the Financing of Terrorism Capacity Development (PACD) program, which provides assistance specific to the unique needs of the Pacific across all aspects of assessment and implementation.



Informed by its vision and mission, the APG's three goals, underpinned by governance, will guide its work over the next four years. These goals are supported by overarching strategies designed to give the goals effect, as outlined below. The strategies will be implemented through business plans agreed annually, which operationalise the strategies through clear objectives (key performance indicators).

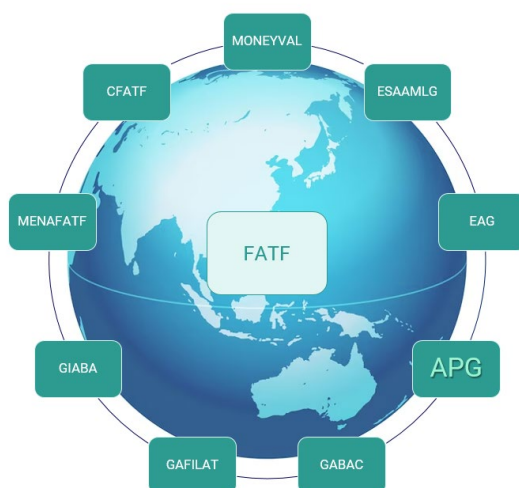
III. STRATEGIC INTERNATIONAL CONTEXT

The APG is an inter-governmental organisation contributing to the reduction of serious crime in the Asia/Pacific region by coordinating and facilitating risk-based implementation of the FATF Standards at a regional level as set out in section 3.1 of the APG Terms of Reference.

The FATF, with input from the global AML/CFT network, sets the global standards for combating money laundering, terrorist financing and proliferation financing. The APG is one of nine FATF-style regional bodies (FSRBs) which bring together almost all jurisdictions to commit to and implement the global AML/CFT standards.

The APG works closely with the FATF and other FSRBs both in terms of development of the FATF Standards and in coordinating joint programs, research and workshops. The FATF regularly reviews the international standards and the effectiveness of its own work program. The APG will participate in, and remain flexible to, changes in the standards and will respond positively to the FATF's own strategic reviews.

Together with the APG and FATF there are a total of 10 AML/CFT bodies with which the APG is closely connected as follows:



The other FATF-style regional bodies are:

- CFATF Caribbean Financial Action Task Force, based in Trinidad and Tobago;
- EAG Eurasian Group, based in Moscow, Russia;
- ESAAMLG Eastern & Southern Africa Anti-Money Laundering Group, based in Dar es Salaam, Tanzania;
- GABAC Central Africa Anti-Money Laundering Group, based in Libreville, Gabon;
- GAFILAT South America Anti-Money Laundering Group, based in Buenos Aires, Argentina;
- GIABA West Africa Money Laundering Group, based in Dakar, Senegal;
- MENAFATF Middle East and North Africa Financial Action Task Force, based in Manama, Bahrain;
- MONEYVAL Council of Europe Anti-Money Laundering Group, based in Strasbourg, France.

The APG, FATF and the other bodies have reciprocal rights of attendance at each other's meetings as well as reciprocal sharing of documents and participation in working groups. The APG works jointly with these bodies in mutual evaluations, typologies, and other projects, including towards the achievement of a shared global network strategic vision. The APG also works closely with the International Monetary Fund, World Bank and Group of International Finance Centre Supervisors.

IV. STRATEGIC ORGANISATIONAL CONTEXT

1. The APG

The APG is a multilateral organisation and the Terms of Reference provide that the APG will have a governance structure comprised of the Membership; the Co-Chairs; the Governance Committee; and the Secretariat. As at February 2024, the APG membership consists of 42 member jurisdictions across the Asia/Pacific, grouped into five sub-regions through the Governance Committee as follows:

1. North Asia;
2. South East Asia;
3. South Asia;
4. Pacific; and
5. CANZUS.

The membership composition of each sub-region effective September 2024 is as follows:

APG Members by Sub-Region				
North Asia	South East Asia	South Asia	Pacific	CANZUS
China Hong Kong, China Japan Macao, China Mongolia Republic of Korea Chinese Taipei	Brunei Darussalam Cambodia Indonesia Lao PDR Malaysia Myanmar Philippines Singapore Thailand Timor-Leste Vietnam	Afghanistan (inactive) Bangladesh Bhutan India Maldives Nepal Pakistan Sri Lanka	Cook Islands Fiji Marshall Islands Nauru Niue Palau Papua New Guinea Samoa Solomon Islands Tonga Tuvalu Vanuatu	Australia Canada New Zealand United States

The APG has two Co-Chairs in accordance with the APG Terms of Reference 2019:

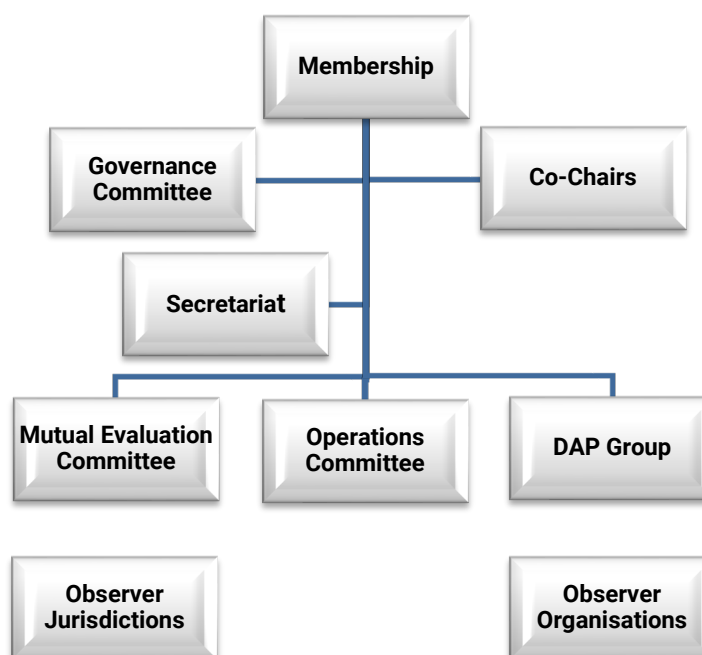
- One permanent Co-Chair from Australia; and
- Another rotating Co-Chair selected by the membership for a two-year term.

The permanent Co-Chair, Australia (represented by the Australian Federal Police (AFP)), provides the necessary resources to host the APG Secretariat including office accommodation, legal, human resource, information/communication services, and financial audit/compliance support.

In addition, a number of observer jurisdictions¹ and organisations² participate closely in the work of the APG. The organisational structure of the APG is as follows:

¹ Federated States of Micronesia; France; Germany; Kazakhstan; Kiribati; United Arab Emirates; United Kingdom.

² Alliance for Financial Inclusion; Asia-Pacific Economic Cooperation Secretariat; Asian Development Bank' ADB/OECD Anti-Corruption Initiative for Asia-Pacific; Asset Recovery Interagency Network - Asia Pacific; Association of Southeast Asian Nations Secretariat; Commonwealth Secretariat; Egmont Group of Financial Intelligence Units; European Commission; Financial Services Volunteer Corps; Global Center on Cooperative Security; Group of International Finance Centre Supervisors; International Institute for Justice and the Rule of Law; International Monetary Fund; Interpol; Islamic Development Bank; Oceania Customs Organisation; Pacific Financial Technical Assistance Centre; Pacific Islands Chiefs of Police; Pacific Islands Forum Secretariat; Pacific Islands Law Officers' Network; United Nations; United Nations Office on Drugs and Crime; World Bank; World Customs Organization.



The APG membership is the ultimate decision-making body of the APG, although the Governance Committee may make decisions on behalf of the membership if delegated to do so. Decisions within the membership and in the Governance Committee are made on a consensus basis. All organs of the APG including the Co-Chairs, Governance Committee and Secretariat are responsible and accountable to the APG membership.

2. APG Secretariat

Management and accountability of APG business is centred within the APG Secretariat, which is managed by the Executive Secretary. The Secretariat is staffed in accordance with the requirements of the work program as agreed by the APG membership. The Secretariat offices are located primarily in Sydney, Australia, and its operations and staff members are subject to Australian law.

Policy formulation, membership fee collection, budgeting and expenditure, asset management, financial audits, and membership communication are centred within the Secretariat. All staff members of the APG Secretariat are employed by the Australian Government within the AFP for management and accountability purposes. Activities of the Secretariat are in accordance with the membership approved annual business plan with the Secretariat's general responsibilities set out in section 5.4 of the APG Terms of Reference, which include:

- Supporting the governance framework of the APG, including Co-Chairs, Governance, Mutual Evaluation and Operations Committees;
- Providing Secretariat services to and serving as a focal point for the APG;
- Coordinating AML/CFT mutual evaluations of APG members;
- Implementing the APG's technical assistance and training (TA&T) program including the effective coordination of TA&T with donors and providers;
- Supporting the PACD program and providing assistance specific to the needs of Pacific members;
- 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;

- Attending FATF working groups and plenary meetings as an Associate Member and liaising regularly with the FATF Secretariat, FSRBs, and other assessment bodies;
- Establishing and maintaining effective working relationships with relevant international and regional organisations,
- 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 program.

3. Funding Sources and Allocations

Since 1997, the membership has grown from 13 original members to 42 members across the Asia/Pacific region. As the membership has grown the work program the budget and Secretariat staff has increased to deliver the APG's core work.

The APG has two primary sources of funding:

Core Funds	Non-Core Funds
Funds that each member contributes annually to the APG based on a budget formula. These funds support most of the APG establishment costs.	Funds that are contributions in-kind to host the Secretariat, use of reserves or savings from previous years, voluntary funding ³ provided by APG members to meet certain costs related to the work program, and funds to sponsor the participation of low capacity APG members in APG events and mutual evaluations.

Based on an average between 2020 and 2024, core funds make up between 54% and 69% of the annual budget, while non-core funds make up between 46% and 31% of the annual budget.⁴

V. ANALYSIS OF APG OPERATING ENVIRONMENT

1. Strengths

- Strong and effective governance arrangements and operations through the Governance Committee and other committees.
- Consistently well-managed budgets with sound financial and strategic management within the Australian Government financial accountability framework.
- A stable and well-supported hosting arrangement for the APG Secretariat with transparent human resource management systems.
- A large and diverse membership from which to draw assessors and reviewers, implementation expertise and typology information and practice.
- 12 members of the APG are also FATF members/observers ensuring high visibility in the global network.
- Members and observers have provided high levels of practical support to APG work over many years, including a large pool of trained assessors for 3rd round evaluations.
- Global political pressure for action on AML/CFT is strong and drives regional action.
- The APG has a strong record and a positive reputation within the global AML/CFT network.
- Significant voluntary funding support from members and observers over a lengthy period of time.
- The stability, management and combined experience of the Secretariat.

³ This includes significant funding from the New Zealand Ministry of Foreign Affairs and Trade to support the development and activities of the Pacific AML/CFT Capacity Development (PACD) Program. The PACD Strategic and Business Plans detail how this funding is applied.

⁴ Detailed summaries of core and non-core budget allocations by activity are provided to the membership annually through the APG's budget reporting process.

- Engaged and cooperative group of technical assistance providers.

2. Weaknesses

- The size and diversity of APG members (from the largest to the smallest economies) means that only one plenary meeting is currently undertaken each year, which reduces the frequency of in-session decision-making by the plenary of members.
- A number of members lack the necessary political will (either because of corruption or capacity constraints) to fully implement the FATF Standards. Some members lack capacity to contribute to all key APG programs.
- A general lack of public awareness/misunderstanding of APG's role in the global community of inter-governmental organisations.
- There is a low availability of experienced and effective assessors to participate in mutual evaluations.

3. Challenges

- A large number of low-capacity jurisdictions have structural economic issues, large informal banking and trade sectors or low levels of financial inclusion that impact their ability to implement effective AML/CFT mechanisms.
- Resourcing mutual evaluation teams and APG projects with sufficient member experts and Secretariat staff.
- The inherent complexity of mutual evaluations is a challenge for many members.
- Balancing and prioritising resources across the APG's extensive work program.
- The APG is required to respond to changes in FATF Standards, which has resource and policy implications.
- The commencement of a new round of mutual evaluations with significant resource challenges.
- Growth and attrition in the Secretariat and knowledge transfer to new staff.
- Transition to an open-ended mandate requires sufficient resources and an effective and transparent governance structure.

4. Opportunities

- Closer working relationships and greater coordination with FSRBs to share assessors and expertise across a range of issues.
- Ensuring AML/CFT expertise and leadership is applied in the context of regional financial inclusion concerns.
- Additional APG members may join FATF, further enhancing the APG's profile.
- Possible use of external experts/consultants/organisations to deliver specific projects to fill Secretariat resource gaps.
- More delegates to assume project and support roles for mutual evaluation and project work.
- Members placing staff into the Secretariat to improve APG capacity.
- Members' AML/CFT institutional capacity is increased by involving delegates in APG programs.
- Increased resources are applied to members preparing for and responding to mutual evaluations.
- Increased use of technology and systems to improve application of resources across the membership and APG programs.

5. Threats/Risks

- Unforeseen circumstances resulting in the discontinuance of some activities in the short- to medium-term.

- APG's positive reputation and support from the global AML/CFT network diminishes over time.
- A loss of confidence within the APG in core structures, including the Secretariat, working groups, Donors and Providers Group or governance structures.
- Discontinuance of voluntary funding and subsequent demands on core budget.
- A reduction in the pool of assessors resulting in an inability to meet the demands of the APG's 4th Round.
- A lack of Secretariat staff resources over the balance of APG mandate to deliver all expected programs.
- Change in members' willingness to positively cooperate and engage with technical AML/CFT issues.

GOAL 1:

The APG engages within and through its large and diverse range of members and observers to shape and influence AML/CFT/CPF policy and implementation.

The most critical element of engagement occurs within the APG. The APG Terms of Reference provide that the APG will have a governance structure comprised of the Membership; the Co-Chairs; the Governance Committee; and the Secretariat. This structure encourages and supports representation across the diverse membership to inform AML/CFT/CPF policies and support implementation that anticipates changes and promotes agile responses to emerging issues.

- The APG maintains effective, transparent, and purposeful governance structures to ensure that the APG is not only well structured but also transparent and trusted.
- To guarantee representation of APG members, the governance structures are open for member participation, and subject to continuous review for enhancements and streamlining measures to maximise effectiveness.
- Representation within governance structures reflects the diversity of the APGs various jurisdiction's geographic locations, economic size and overall AML/CFT capacity.

The APG Secretariat plays a critical role as the hub of APG governance, planning, and business delivery.

- Members, both collectively and individually, will adequately resource and support the Secretariat in fulfilling its role and annual business plan.
- The APG Secretariat will continue to operate under a formal hosting framework that supports the Secretariat and ensures accountability and a high standard of personnel management in accordance with the standards of the Australian Government.

The APG will continue to use the Operations Committee and Mutual Evaluation Committee to support priority work streams and streamline efforts by engaging with members and key AML/CFT stakeholders through these committees.

Fostering meaningful engagement among members and observers, including the Donors and Providers (DAP) Group, will enhance the APG's collaborative environment and further support priority work programs, including TA coordination.

Through active engagement in the global network, the APG will continue to shape and influence AML/CFT policy and implementation.

- The APG, collectively and through its members, will participate in international AML/CFT policy development and standard-setting processes through cooperation with the FATF, international partners, private sector, academia, and civil society.
- The APG will leverage its regional expertise to raise awareness within the global network on the Asia/Pacific region's risk and context, including areas of high and low risk, and to influence decisions that affect APG members.

GOAL 2:

The APG uses its regional and subject matter expertise to deliver high quality assessments of the implementation of international standards.

Assessment of the implementation of international standards is the core of the APG mandate. To deliver high quality assessments, all members will need to participate in all aspects of the APG's mutual evaluation and follow up processes, facilitated through the Mutual Evaluation Committee.

- The APG will complete its third-round mutual evaluation program and follow up processes, and commence its next round of mutual evaluations.
- The APG will continue to strengthen the mutual evaluation process by providing member support before, during, and after a mutual evaluation.
- Members' progress in responding to mutual evaluation report findings will be reported, reviewed, and subject to further action by the APG where necessary.

Robust follow-up processes are a key component to the mutuality aspect of mutual evaluations, by holding members to account and providing incentives for improvements.

- The APG will continue to operate an efficient and streamlined follow-up process for its members, using the Mutual Evaluation Committee to target discussions.
- The APG will continue to support the FATF's follow up processes for joint FATF/APG members by providing procedural advice and reviewers for that process.
- The APG will continue to contribute to the FATF's ICRG process, including the Asia-Pacific Joint Group, by providing a Co-Chair for the Asia-Pacific Joint Group, attending Joint Group and ICRG meetings, and contributing to ICRG policy discussions.
- The APG Secretariat will provide advice and support to the Asia-Pacific Joint Group Co-Chairs and individual APG members involved in the FATF's ICRG process on the FATF Standards to ensure consistency across listed jurisdictions, transparency and procedural fairness.

The APG will ensure the quality and consistency of both the mutual evaluation product and the assessment process through consistently high-quality planning and execution. This will facilitate the APG's commitment to procedural fairness and provide valuable insights for ongoing improvement and ensuring the quality and consistency of mutual evaluations. The APG will be proactive in addressing and responding to evaluation findings, which will foster a dynamic and responsive approach to enhancing effectiveness of AML/CFT regimes in the Asia/Pacific region.

The rigorous evaluation process, which is central to the APG's mandate, requires investing in, developing, and maintaining expertise across the membership and within the Secretariat. The APG will support training and provide assessment experts and reviewers for all aspects of the assessment process, including follow up and ICRG, and work to develop plans to attract, support and retain expertise in AML/CFT/CPF within the membership and Secretariat.

GOAL 3:

The APG supports implementation within its members through the delivery of typologies products and the coordination and delivery of technical assistance and training.

Implementation is key to the APG's mission to achieve better economic and social outcomes. Effective implementation leverages mutual evaluation results but is also informed by emerging risks and trends.

Acknowledging the diversity of risks and capacities among APG members in the implementation of FATF Standards, the APG will identify domestic, regional, and global issues that may impact members' compliance. Understanding emerging AML/CFT/CPF risks and contextual issues will also support effective implementation.

- The APG will use its regional knowledge and subject matter expertise to identify emerging AML/CFT/CPF issues and prepare research and typologies reports on these issues.
- The APG will proactively share best practices within its members, observers and the global network, by contributing to ongoing projects identified through the Operations Committee or the global network.

Recognising the importance of coordinated technical assistance to improve the implementation of effective regimes, the APG will build on its mechanisms for coordinating technical assistance and training. By partnering with key regional and international donors and providers, the APG will facilitate the efficient delivery of technical assistance to its members. This collaborative approach ensures that resources are optimally utilised to support enhanced implementation of AML/CFT standards in a balanced and risk-based manner.

- In collaboration with regional and global partners, the APG will actively contribute to the design and delivery of advice, guidance, and training programs. These initiatives will focus on supporting members, helping them achieve higher levels of compliance with international standards.
- The APG will develop advice regarding technical assistance needs on a regional and jurisdictional level, tailoring advice based on the varying levels of capacity and political will across the APG.
- The APG will coordinate assistance among its members to identify the geographical and subject matter areas of greatest need.
- Utilise the APG's technical assistance function to provide members with financial inclusion challenges opportunities to liaise with supervisors of larger financial markets on correspondent banking issues.

The Pacific region has a unique risk and context, which is informed by its members' relatively smaller populations and economies, but the issues facing the Pacific (such as financial inclusion and prioritising finite resources) have a ripple effect for the regional economy and the global network. The APG will continue to prioritise implementation support to the Pacific on legal, law enforcement, and supervisory capacity and capability⁵, and will support cross-cutting work to understand how to apply the international standards in the unique Pacific context.

⁵This function is currently fully funded for the period of this strategic plan through a grant from New Zealand to establish the Pacific Anti-Money Laundering and Combating the Financing of Terrorism Capacity Development (PACD) program. The PACD has a separate strategic plan available from the APG Secretariat.