



Bilangan Kami :

18 May 2015

To:

All reporting institutions under the Anti-Money Laundering,
Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA)

**Recent Statements by the FATF-Style Regional Bodies (FSRBs) on Countries
Having Inadequate AML/CFT Systems**

The purpose of this advisory is to inform the reporting institutions (RIs) of the recent Public Statements issued by the FSRBs on its members having strategic deficiencies in their anti-money laundering and counter financing of terrorism (AML/CFT) regime. In general, besides Financial Action Task Force (FATF), FSRBs may issue public statements in relation to their members for membership and mutual evaluation follow-up related issues. The Public Statements that have been issued by respective FSRBs are as follows:

No.	FSRBs	Country Concerned	Description
1.	The Asia/Pacific Group on Money Laundering (APG)	Vanuatu	Vanuatu's continued failure to fully remedy the numerous and serious deficiencies including gaps concerning customer due diligence and criminalization of ML/TF.
2.	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) for Council of Europe	Bosnia and Herzegovina	Deficiencies in the AML/CFT regime in Bosnia and Herzegovina since December 2010 particularly the delay in the implementation of AML/CFT law and relevant legislation.

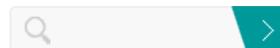
The full statements are attached in **Appendix I**.

2. These public statements contain relevant information that reporting institutions must consider, as part of implementation of risk-based approach.

Please be guided accordingly.

Yang benar,

(Abd. Rahman Abu Bakar)
Pengarah



ABOUT APG

ABOUT

APG GOVERNANCE

STRATEGIC AND BUSINESS PLANNING DOCUMENTS

APG POLICY DOCUMENTS

ANNUAL REPORTS

RELATIONSHIP TO THE FATF

CO-CHAIRS

SECRETARIAT

ANNUAL GENERAL MEETINGS

FRAUD WARNING

PUBLIC STATEMENTS

Overview

APG Public Statements

FATF Public Statements

FSRB Public Statements

FAQ

APG PUBLIC STATEMENT ON VANUATU - UPDATE 7 APRIL 2015

The APG remains concerned by Vanuatu's continued failure to fully remedy the numerous and serious deficiencies identified in its second mutual evaluation report adopted in 2006.

The most important deficiencies include:

1. Inadequate criminalization of money laundering and terrorist financing;
2. Inadequate measures to implement United Nations resolutions for targeted financial sanctions against terrorists;
3. Inadequate customer due diligence (CDD); and,
4. Inadequate supervisory frameworks for financial institutions and designated non-financial businesses and professions.

The APG welcomes the recent actions taken by Vanuatu intended to address the deficiencies regarding customer due diligence, the criminalization of money laundering and terrorist financing, and the implementation of United Nations resolutions for targeted financial sanctions against terrorists.

Despite these actions, some serious deficiencies have not been adequately addressed, in particular in relation to the criminalization of money laundering and terrorist financing.

The APG calls on Vanuatu to address the remaining deficiencies in an expeditious manner.

This Public Statement having first been issued by the APG in October 2014, will remain in place until the deficiencies are adequately addressed.

Background

In June 2014, Vanuatu enacted and brought into effect the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act and the AML/CTF regulations. The AML/CTF Act and regulations addressed some but not all of the deficiencies relating to CDD.

In January 2015, Vanuatu brought into force amendments to the Proceeds of Crime Act and the Counter Terrorism and Transnational and Organized Crime (CTTOC) Act. These amendments did not however adequately address the deficiencies relating to the criminalization of money laundering and terrorist financing.



**COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING
MEASURES AND THE FINANCING OF TERRORISM
(MONEYVAL)**

**Public statement under Step 3 of MONEYVAL's Compliance Enhancing Procedures in respect
of Bosnia and Herzegovina**

14 April 2015

The Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) has been concerned since December 2010¹ with deficiencies in the anti-money laundering/combating the financing of terrorism (AML/CFT) regime in Bosnia and Herzegovina.

At its 35th plenary meeting (between 11-14 April 2011) in Strasbourg, MONEYVAL invited Bosnia and Herzegovina to develop a clear action plan in response to MONEYVAL's third round mutual evaluation report with realistic timescales for remedying the major deficiencies identified. Additionally, MONEYVAL emphasised that, in order to show a firm political commitment, the agreed action plan should be approved at the Government level. At the 37th plenary meeting (13-16 December 2011) MONEYVAL noted that the Council of Ministers of Bosnia and Herzegovina had considered and adopted the action plan on 10 October 2011. MONEYVAL, at its 44th plenary meeting (31 March to 4 April 2014), noted that the majority of the objectives of the action plan had still not been fully addressed, since necessary amendments to remedy important deficiencies in the Anti-Money Laundering and Counter Financing of Terrorism Law had not been adopted and important amendments to the Criminal Code had been rejected. As a consequence of this MONEYVAL issued a public statement on 1 June 2014.

Although the amendments to the Anti-Money Laundering and Counter Financing of Terrorism Law were adopted and came into force on 25 June 2014, the by-laws need also to be rapidly issued and brought into effect. Amendments to the financing of terrorism offence in the Criminal Code were adopted and entered into force on 24 March 2015. However, other necessary amendments to the Criminal Code have still not been adopted. MONEYVAL urges Bosnia and Herzegovina to immediately and meaningfully address its AML/CFT deficiencies, in particular by adopting the remaining amendments to its Criminal Code.

MONEYVAL continues to call on States and territories evaluated by MONEYVAL and other countries to advise their financial institutions to pay special attention by applying enhanced due diligence measures to transactions with persons and financial institutions from or in Bosnia and Herzegovina in order to address the money laundering and financing of terrorism risks.

¹ A graduated series of steps have been applied since December 2010, culminating in February 2014 with a high level mission, under step (iv) of the Rules of Procedure in force at that time, to reinforce MONEYVAL's concerns about Bosnia and Herzegovina's non-compliance with its reference documents.