

# **ADB AML/CFT Work in Asia - Pacific**

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**DMC Orientation**

**ADB**

# Background

## Money Laundering & Terrorist financing

- major concerns in regulation and overall efficiency of financial systems
- negative impact by diverting funds to crime & corruption
- distorts international trade and capital flows
- exposes banking sector to risk.

# Elements of An Efficient AML System

- Identifying the ML/TF risks
- Regulatory arbitrage/Agency cooperation
- Capacity of Judiciary/enforcement
- International co-operation on intelligence, investigation and regulation

# OGC ROLE – 'lead' AML Implementation

- Assist DMCs – policy dialogue and provision of TA
- Collaborate with Other International/bi-lateral Organizations
- Attend international & regional meetings
- Internal controls
- Upgrade staff capacity

# Types of Assistance

## TA Support

- enhancing capacity of financial intelligence units and AML related supervisors
- domestic and regional cooperation measures
- public awareness of AML measures

Direct operations – Indonesia, Mongolia, People's Republic of China, Philippines, Thailand, Viet Nam

## Part of Financial Sector Reform Programs

Cambodia, Lao PDR, Sri Lanka

# Types of Assistance (con't)

## Reviewing Legislation

Cambodia, Lao PDR

## Capacity Building/Training

Central Asian Judges AML Training

World Bank Training Program for Mekong Countries

Bank Negara, Malaysia Training – Laos SOCBs

# OGC's Anti-Money Laundering Toolkit

[Background](#)

[ADB Policies](#)

[Knowledge Tools](#)

[Training Materials](#)

[ADB Projects](#)

[Precedent Documents](#)

[DMC Materials](#)

[Cooperation Fund](#)

[AML/CFT Websites of Interest](#)

# Brunei, Malaysia, Indonesia, Philippines East ASEAN Growth Area (BIMP-EAGA)

<http://www.eaga.org.bn/>



# AML RISKS /Opportunities

- Limited border controls/ maritime security
- Poor communications
- Criminal organizations haven
- Cross border movement of bulk cash
- Trade-based ML

# OGC's CIQS Seminar

- All aspects of border controls (CIQS) need improvement
- Limited AML penetration
- Limited or no proactive joint AML operations between countries
- Targeted operational approach – Model Implementation Plan

# AML Paradigm Shift from Cash to Digital Currency

- Operational concerns
- KYC in digital world
- M-commerce/M-AML legislation relative to search arrest and seizure
- If open system between providers – rethink AML controls

# Legal Issues

- Nature of E-Money
  - M-commerce Transactions – where is \$ stored?
  - Regulation of Issuers – outside banking system
  - Enforcement Aspects – peer2peer

# More Information – see handout

ADB's AML/CFT Toolkit

<http://www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/default.asp>

ADB/OECD Anti-Corruption Initiative for Asia-Pacific-

<http://www1.oecd.org/daf/ASIAcom/>

The regional, web-based reference centre + anti-corruption knowledge tools

<http://www1.oecd.org/daf/ASIAcom/countries>

ADB's Anti-corruption Policy and activities.

- <http://adb.org/Anticorruption/default.asp>

# M-commerce

<http://www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/default.asp>

<http://www.amlc.gov.ph/>

<http://www.fsa.go.jp/fiu/>

<http://www.kofiu.go.kr/HpEngMainFset.jsp>

<http://www.gartner.com/Init>

<http://www1.globe.com.ph/default.aspx>

<http://www.nttdocomo.com/>

[http://www.sktelecom.com/eng/cyberpr/press/1196835\\_3735.html](http://www.sktelecom.com/eng/cyberpr/press/1196835_3735.html)

# CIQS for BIMP

<http://www.adb.org/Documents/Others/OGC-Toolkits/Anti-Money-Laundering/default.asp>

<http://www.imo.org/> (Brenda Pimentel - IMO Regional Coordinator - [bpimente@iom.org](mailto:bpimente@iom.org))

<http://www.wcoomd.org/>

<http://www.wcoasiapacific.org/index.jsp>

WCO Regional Office for Capacity Building - Takashi Matsumoto  
[matsumoto@rocbap.org](mailto:matsumoto@rocbap.org)

[http://www.upko.org.my/berita2004/roadmap\\_of\\_development\\_for\\_the\\_bimp\\_eaga\\_region\\_in\\_the\\_pipeline.html](http://www.upko.org.my/berita2004/roadmap_of_development_for_the_bimp_eaga_region_in_the_pipeline.html)

<http://www.aseansec.org/17435.htm>

<http://www.mofa.go.jp/announce/announce/2004/8/0830.html>

<http://www.eaga.org.bn/>

<http://www.bimpbc.org/>

<http://www.medco.gov.ph/medcoweb/home.asp>