



PRESS RELEASE

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FIJIAN OFFICIALS ATTEND APG MEETING

Fijian Government officials recently attended the annual plenary meeting of the Asia Pacific Group on Money Laundering (APG) which was held from 5-8 September 2016 in San Diego, United States of America. The Fijian delegation was headed by Mr Razim Buksh, Director of Financial Intelligence Unit (FIU) and was accompanied by Mr Christopher Pryde, Director of Public Prosecutions and senior officials from the Reserve Bank of Fiji, Office of the Solicitor General, Fiji Police Force, Fiji Revenue and Customs Authority, Fiji Independent Commission Against Corruption, Office of the DPP and the FIU.

Fiji has been a member of the APG since 1998. As a member, a peer assessment of Fiji's anti-money laundering and combating the financing of terrorism (AML/CFT) framework was conducted by the APG in 2015. Assessors from Australia, New Zealand, India, Macao, China and Malaysia examined Fiji's level of compliance on key AML/CFT areas including adequacy and effectiveness of laws, policies and coordination, implementation of preventive measures, powers and capacity of FIU, supervisory and law enforcement agencies, use of financial intelligence and international cooperation. Mr Buksh said that all countries undergo regular peer assessments using a global assessment methodology and procedures. AML/CFT assessments of Bangladesh, Bhutan, Canada and Singapore were also conducted in 2015/16.

Fiji's assessment report (also called the Mutual Evaluation Report) was tabled and adopted at the APG plenary meeting. The Report outlines the findings of Fiji's technical compliance and effectiveness ratings against the Financial Action Task Force (FATF) 40 international requirements on AML/CFT. The Report also contains recommendations made by the APG assessment team to further improve and strengthen Fiji's compliance and effectiveness with the international AML/CFT requirements.

The Report noted strengths and weaknesses in Fiji's AML/CFT framework. Fiji was noted as having strong laws in the areas of investigation and prosecution of money laundering crimes, supervision of financial institutions, powers of investigators and confiscation of proceeds of crimes. The Report highlighted gaps in Fiji's legal framework to deal with targeted financial sanctions relating to terrorism financing and proliferation financing. The Report also noted some gaps in

current laws such as the Financial Transactions Reporting Act and in other areas such as the confiscation of criminal proceeds, investigation of terrorism financing and the capacity and resources of key agencies.

The APG meeting provided an opportunity for Fijian officials to address the APG members and provide high level briefing on Fiji's commitment to address the gaps identified in the Report.

Mr Buksh said that while Fiji generally agreed with the Report, differences were noted with the assessment team relating to:

- i. non-existence of the dealers in precious metals and stones sector in Fiji as defined under the FATF standards;
- ii. exclusion of the cooperatives sector from the analysis as this is not a covered sector in Fiji's context;
- iii. enforceability of FTR Act and Regulations and its impact on assessing AML/CFT preventative measures for financial institutions and other businesses and professions;
- iv. effectiveness of mutual legal assistance to be determined on informal as well as formal mechanisms that works well and exist in Fiji's context;
- v. gaps in Fiji's extradition law which were considered as major gaps by the assessment team.

Mr Buksh also highlighted and criticised countries like Australia, Canada, New Zealand and USA for not fully understanding and applying risk and context issues for Fiji. Fiji continues to emphasise that peer assessments should consider risk and content issues more pragmatically, particularly for smaller economies as they do not pose any significant danger to the international financial system in relation to illicit financial flows for money laundering and for terrorism financing.

Mr Buksh said following the tabling of Fiji's Mutual Evaluation Report at the APG Meeting, relevant Government agencies are now required to implement the recommendations in the Report. These recommendations include, among others, (1) revisions of current laws such as the Financial Transaction Reporting Act, Proceeds of Crime Act, Public Order Act, Extradition Act, and Police Act; (2) seeking additional powers for law enforcement agencies and strengthening the resources of key Government agencies such as the Fiji Police Force; and (3) enhancing preventive and supervision measures particularly for lawyers, accountants and real estate agents.

The National AML Council, which is chaired by the Solicitor General and Permanent Secretary for Justice, Mr Sharvada Sharma, will be providing strategic direction in the implementation of these recommendations by various Government agencies.

RESERVE BANK OF FIJI