

26 July 2010 - The Committee on Money Laundering and Terrorist Financing Activities Asia Pacific Group on Money Laundering adopts Tonga's First Mutual Evaluation Report.

COMMITTEE ON MONEY LAUNDERING AND TERRORIST FINANCING ACTIVITIES
ASIA PACIFIC GROUP ON MONEY LAUNDERING ADOPTS TONGA'S FIRST MUTUAL
EVALUATION REPORT

On Thursday 14 July 2010 the plenary meeting of the Asia Pacific Group on Money Laundering (APGML) adopted Tonga's first mutual evaluation report on Tonga's anti-money-laundering and combating terrorist financing (AML/CFT) framework. The APGML is a 40 member regional body of

countries in the Asia and Pacific region.

The mutual evaluation report was produced by a 5 member team of experts from Hong Kong, Australia, New Zealand, Cook Islands and the APGML Secretariat, who were in Tonga for two weeks in

early November 2009 to undertake the evaluation. This team gathered information by meeting the Tongan

government and other stakeholders.

The main objective of the APGML is to ensure that its member countries have enacted laws and established institutions that are able to effectively protect its country from money laundering and the

financing of terrorism. In particular, each country is required to comply with 40 recommendations and 9

special recommendations established by the Financial Action Task Force on money laundering and

terrorist financing. The Financial Action Task Force is the international governmental body that sets up

the minimum standards required to combat money laundering and financing of terrorism. These minimum

standards are expected to be complied with by APGML member countries including Tonga.

The FATF and the APGML were established by G7 country leaders due to their recognition that money laundering and the financing of terrorism has the potential of causing significant damage to the

national, regional and international banking and financial sectors, and could also encourage illegal

activities and illegal goods to be moved around the world.

According to Ms Siosi Mafi, the Governor of the National Reserve Bank of Tonga, who was the Head of Tonga's Delegation to the APGML annual meeting, "The adoption of Tonga's mutual evaluation

report was a significant step forward for Tonga's legal and financial systems. This now means that Tonga

has been formally measured against internationally accepted standards, and Tonga is now

recognised as
part of the regional and international network in the fight against AML/CFT."

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She added that, "The main challenge now is for the Tongan Government and authorities to carry out legislative, policy and financial reforms to strengthen the weaknesses in Tonga's AML/CFT framework, which were identified in the evaluation report. If we fail to do so, Tonga's banking and financial system, border control system, and legal enforcement system will be deemed unreliable and would have serious international implications and consequences. It could affect the international relationships of Tonga with other APG member countries, such as banking relationship, foreign aid, foreign investment, etc. We certainly do not want Tonga to become a haven for money launderers and perpetrators of illegal activities".

Before undergoing the mutual evaluation, the Government's Committee on Money Laundering and Financing of Terrorist Activities had prepared the necessary legislative reforms in order to make Tonga more compliant. However, due to priorities being given to the national political reform process, and the scheduling of Tonga's evaluation for November 2009, the Committee deliberately made a strategic decision to defer enacting these legislative amendments in order for the evaluation process to identify all the necessary legislative amendments required by Tonga to be processed. This move was recognised by the plenary and Tonga has been encouraged to enact these legislative amendments as soon as possible and draw up a strategic implementation plan of action to make Tonga more compliant. Tonga is required to report back to next year's annual meeting its strategic implementation plan. Tonga's delegation also included the Solicitor General, Mr 'Aminiasi Kefu, and Ms 'Ungatea Latu, Acting Manager of the Financial Institutions and Markets Department of the National Reserve Bank of Tonga. The plenary meeting of the APGML was held from 12 to 16 July, and was hosted by the Government of Singapore at the Suntec City Convention Centre.

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