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MEDIA RELEASE

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An Outstanding Achievement for the Cook Islands

The Cook Islands Anti Money Laundering/Countering the Financing of Terrorism (“AML/CFT”) regime is officially one of the best in the world, as evidenced by the Cook Islands Mutual Evaluation Report (“MER”) just published at (www.apgml.org/mutual-evaluation/documents), the website of the Asia Pacific Group on Money Laundering (“APG”).

The APG is a regional body of the Financial Action Task Force (“FATF”), the independent inter-governmental body that develops and promotes policies to protect the global financial system from money laundering and terrorist financing.

The Cook Islands MER was tabled and adopted at the APG’s annual meeting held in Kathmandu, Nepal (21-27 July 2018). The APG has 41 member countries from around the Asia/Pacific region all of which were in attendance at the meeting represented by 520 delegates.

The Cook Islands’ mutual evaluation was undertaken pursuant to the FATF’s revised 2012 standards and 2013 methodology which involves two components: i) technical compliance with the 40 FATF Recommendations, being an analyses of the country’s legal and institutional framework; and ii) an assessment of the effectiveness of the country’s AML/CFT regime when measured against the FATF’s expected 11 Immediate Outcomes.

In regards to the 40 FATF Recommendations, the Cook Islands received 38 ratings of Largely Compliant and above - at the time of this release, bettered by only one other country in the world. In terms of the implementation and effectiveness of its laws and systems when measured against the FATF’s 11 Immediate Outcomes, the Cook Islands attained 5 substantial ratings, 4 moderate ratings and 2 low ratings. This resulted in the Cook Islands being one of only two jurisdictions within the APG membership to be placed in the “regular” follow up process, a very rare achievement.

The evaluation process was long and arduous but ultimately worthwhile. It commenced in early 2017 and included an on-site evaluation in November 2017 of the Cook Islands’ AML/CFT regime. The on-site evaluation was undertaken by 2 representatives of the APG and 6 independent assessors appointed by the APG and lasted 2 weeks. It amounted to a comprehensive and intensive examination of the country’s AML/CFT laws, the effectiveness of its AML/CFT systems and whether the Cook Islands is meeting the FATF’s defined set of expected outcomes. The assessment team met with and interviewed members of all key government agencies and the private sector. Following the

on-site evaluation, the Cook Islands, led by the Deputy Commissioner of the Financial Supervisory Commission, Cheryl McCarthy, was in constant contact with the assessment team in order to have the Cook Islands MER ready for presentation at the APG's annual meeting in Kathmandu.

This outstanding result for the Cook Islands has been achieved through the commitment and hard work of the Cook Islands government, its crown agencies and the private sector. It is anticipated that the Cook Islands' MER will be recognised internationally, given its independence and comprehensive nature, whilst giving great comfort to governments, institutions and businesses alike when dealing with the Cook Islands and its financial services industry.

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