

## Cook Islands Mutual Evaluation Report – Highlights

The Cook Islands Mutual Evaluation Report (the “Report”) was published on 22 October 2018 and can be found on the website of the Asia Pacific Group on Money Laundering ([apgml.org/mutual-evaluations/documents](http://apgml.org/mutual-evaluations/documents)). Click [here](#) to view the Report.

The Report provides overwhelming evidence that the Cook Islands anti-money laundering/countering the financing of terrorism (AML/CFT) regime is one of the best in the world and whilst the Cook Islands has long been committed to meeting its international obligations it is now shown to be leading the way in the fight against money laundering and financial crime.

The following are some key statements contained in the Report:

### **AML/CFT Framework**

The Cook Islands’ generally robust regulatory framework, tight knit community and sharp focus on ML/TF issues amongst key agencies, such as the Financial Intelligence Unit (FIU) and Financial Supervisory Commission (FSC), has resulted in **a high level of technical compliance and a strong AML/CFT framework**.

The Cook Islands has established **a well-functioning framework** to conduct risk assessments, translate the findings into legislative and policy decisions and raise awareness across agencies and the private sector.

Since its last mutual evaluation, the Cook Islands has **enhanced regulatory oversight** of licensed trustee companies (LTCs) and the banking sector.

There have been **improvements made to the Cook Islands’ AML/CFT supervisory framework** since its last mutual evaluation. One of these changes was the implementation of the requirement for Reporting Institutions (RIs) to assess their money laundering / terrorist financing (ML/TF) risk, and implement risk-based measures accordingly.

### **Assessment of Risks**

The Cook Islands has **thoroughly identified and assessed its ML/TF risks**, derived from a robust risk assessment process that engaged all relevant stakeholders and used appropriate methodologies to assess risks.

The iterative approach to risk assessments pursued by the Cook Islands is evidence of **a mature understanding of risk**.

The Cook Islands’ new National AML/CFT Strategy provides **practical measures to improve active mitigation of ML/TF risks**.

### **Financial Intelligence**

The **FIU provides quality financial intelligence** and other relevant information to Lead Enforcement Agencies (LEAs) in a timely manner.

### **Transparency of Legal Persons and Arrangements**

**Use of international legal persons and arrangements are subject to robust supervision** by the FSC and the FIU due to the requirement that only Licensed Trustee Companies (LTCs), which are RIs, may form, register and manage these entities.

Abuse of legal persons and arrangements remains the key ML/TF vulnerability for the Cook Islands, and is appropriately a primary area of focus for the FIU and FSC in their AML/CFT efforts. However, *there is little evidence to indicate that actual levels of abuse of legal persons and legal arrangements are high*. The assessment of risk flows from the vulnerability posed by the offshore financial sector.

### ***Supervision***

The Cook Islands' *regulatory regime and supervision constitute strong mitigating measures* to reduce the risk of ML/TF related abuse of legal persons and arrangements.

There is *a sound licensing framework* for FIs and LTCs, including fit and proper requirements *to prevent criminals and their associates from operating within these sectors*.

### ***International Cooperation***

The Cook Islands has *a robust legislative framework underpinning international cooperation*.

Competent authorities in the Cook Islands are actively engaged with foreign counterparts, relevant international bodies, legal instruments and networks. The Cook Islands is *constructive and timely in responding to requests for information or assistance*, including Mutual Legal Assistance (MLA), from foreign counterparts.

The Cook Islands use their informal and treaty-based cooperation framework, as opposed to formal legal assistance mechanisms such as MLA, in their AML/CFT efforts.

The Cook Islands is *extensively engaged in international and regional organisations* and utilises those forums appropriately, particularly in relation to supervision and licensing.

The Cook Islands has implemented an appropriate framework to identify persons and entities designated under relevant United Nations Security Council resolutions (UNSCRs).