

MUTUAL EVALUATION COMPARISON TABLES – EXPLANATION

The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies designed to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard. The Asia Pacific Group on Money Laundering (APGML) is one of nine FATF – style regional bodies established to develop, promote and support the implementation of the AML/CFT standards set by the FATF.

Members of the APGML (there are currently 41 members across the Asia-Pacific region) commit to a mutual peer review system to determine the levels of compliance with the international AML/CFT standards. These peer reviews are referred to as “mutual evaluations”. The FATF and the other eight FATF-style regional bodies also carry out mutual evaluations of their members across their respective regions.

The APGML is currently in its third round of mutual evaluations having previously conducted two rounds since 1997. The third round commenced in 2014 under the **FATF’s revised 2012 standards** and **2013 methodology**.

The third round of mutual evaluations includes two components as follows:

Technical Compliance – FATF Recommendations

The technical compliance analysis assesses compliance by a country with the specific requirements of each of the FATF Recommendations - the relevant legal and institutional framework of the jurisdiction, and the powers and procedures of competent authorities. These recommendations represent the building blocks of a country’s AML/CFT regime.

Effectiveness Analysis – 11 Immediate Outcomes

The effectiveness analysis assesses the extent to which a country achieves a defined set of outcomes that are considered central to a proper functioning and effective AML/CFT regime with expected results based on the money laundering (ML) and terrorist financing (TF) profile of that country. This analysis requires the APGML assessment team to visit the country and interview government and private sector officials to gain a comprehensive understanding of how the AML/CFT system is working.

As at 22 October 2018, 19 countries had third round Mutual Evaluation Reports (MERs) published on the APGML website. That includes **Cook Islands** whose third round MER was adopted at the APGML annual meeting in Kathmandu, Nepal, in July 2018. The 19 countries with the year of their MERs are as follows:

1. Australia 2015
2. Malaysia 2015
3. Samoa 2015
4. Sri Lanka 2015
5. Vanuatu 2015
6. Canada 2016
7. Singapore 2016
8. Bangladesh 2016

9. Bhutan 2016
10. Fiji 2016
11. United States 2016
12. Cambodia 2017
13. Mongolia 2017
14. Macao, China 2017
15. Thailand 2017
16. Cook Islands 2018
17. Palau 2018
18. Myanmar 2018
19. Indonesia 2018

The information in the **Comparative Tables** is taken from the FATF and APGML websites and is current as at 22 October 2018. They only take into account countries that have been assessed since 2014 under **FATF's revised 2012 standards** and **2013 methodology**. It should be noted that countries whose MERs have been adopted are subject to a follow up programme to monitor progress on matters where it is agreed they need to improve. Such follow up reports and the results thereof, including any upgrade to ratings, are only published on the FATF/APGML websites with the particular country's consent or once the country is removed from regular follow up.