

ANNUAL REPORT

Samoa Financial Intelligence Unit

July 2018 - June 2019

2018-2019



CENTRAL BANK OF SAMOA



OUR VISION

Samoa to be the leading Pacific Island Nation in the most practical application of international standards on anti-money laundering ('AML') and The Countering Financing of Terrorism ('CFT').


OUR MISSION

To effectively detect, deter, disrupt and prevent money laundering and terrorist financing in Samoa in collaboration with the pertinent national agencies, private sector and international counterparts. This trail will blaze toward a stable and safe financial, social, economic and political environment.

An effective AML system requires appropriate laws, motivated sufficiently resourced and informed authorities, and an engaged private sector.

AML is no more effective in reducing the harm caused by crime than any other law if the law is not enforced.

OUR KEY STRATEGIC GOALS

- i. Strengthen AML/CFT capacity in view of risks and vulnerabilities of Samoa's financial sector;
 - ii. Improve compliance of AML/CFT regime with Financial Action Task Force (FATF);
 - iii. Improve information and intelligence network;
 - iv. Increase engagement with Financial Institutions (FIs) and Designated Non-Financial Business and Professions (DNFBPs) to promote a better understanding of the AML/CFT obligations and ML/TF risks and trends facing Samoa; and
 - v. Strengthen working relations and cooperation with law enforcement and supervisory agencies both domestically and internationally in terms of information sharing for the detection and prevention of ML/TF activities.
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OUR STRUCTURE

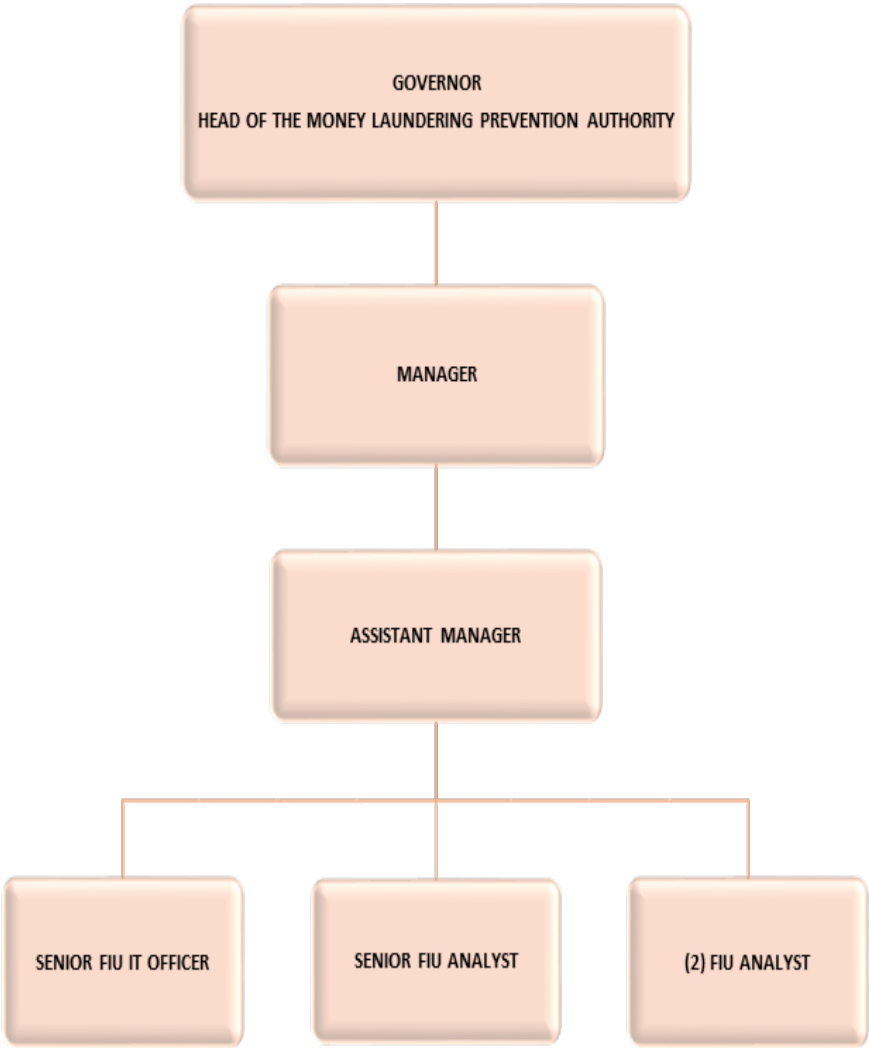


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GOVERNOR'S FOREWORD

It is my great pleasure as the Governor and Head of the Money Laundering Prevention Authority to introduce the 2018-2019 Annual report for the Samoa Financial Intelligence Unit (FIU). The FIU was established under the Money Laundering Prevention Act 2007 (MLP Act) to carry out the implementation of the international Anti Money Laundering and Counter Financing of terrorism (AML/CFT) standards or the Financial Action Task Force (FATF) standards. It is currently a department under the Central Bank of Samoa.

This report will look at providing a summary of the work and activities that the FIU has carried out. This annual report will also provide the mandate and the duties and responsibilities of the FIU. In a nutshell during this time the FIU has carried out extensive work in implementing the AML/CFT standards. These include the development of the FIU Information and Communication Technology ("ICT") database to assist with the FIU operations and AML requirements and digital Know your Customer ("KYC") utility system to address the de-risking issues for Money Transfer Operators (MTOs).

The FIU ICT database project is funded by the Asia Pacific Group ("APG") grant from the New Zealand Ministry of Foreign Affairs and Trade and it is expected to Go Live in late September or early October 2019 for the reporting of large Cash Transaction equivalent to SAT 20,000 or more by Financial Institutions ("FIs"). The rationale for this is to ensure that our financial systems are well protected from the potential threat of money laundering and terrorist financing channeling through our financial system in large amounts. The project will also contributes to the solution of de-risking or the closing down of bank accounts of money transfer operators by correspondent banks.

The FIU is also working together with the Asian Development Bank ("ADB"), the Everest Organization (US Company developing the KYC System) and the Office of the Electoral Commissioner ("OEC") to develop an IT solution to enhance Customer Due Diligence ("CDD") process for remittances. The purpose of the KYC utility project is to address the de-risking issues for Money Transfer Operators (MTOs) in which the ADB, International Monetary Fund (IMF) and Central Bank of Samoa ("CBS") are working together to resolve. This project, which is piloted in Samoa and will also

be undertaken across the Pacific region, will be implemented consistent with international requirements for CDD purposes under AML/CFT standards. This project is fully funded by ADB. In addition the FIU has also carried out trainings with Financial Institutions (FIs) and their compliance Officers as well as the Anti-Money Laundering Taskforce including relevant Law enforcement agencies regarding the standards. FIU continues to work with other regional FIUs and relevant international agencies, to share relevant information and attend trainings that will improve our capacity to combat money Laundering.

FIU acknowledges that cooperation between our financial institutions and our national agencies is vital for strengthening our AML/CFT framework, we continue to work to maintain this cooperation. Also vital is the relationship with our regional partners such as the APG and regional FIU's and our goal is to foster and strengthen these relationships.



Maiava Atalina Ainuu-Enari

GOVERNOR

AND HEAD OF THE MONEY LAUNDERING PREVENTION AUTHORITY

1. BACKGROUND

Financial Action Task Force (FATF)

Money laundering is a transnational crime and has become a global problem. In response to mounting concern over money laundering, the FATF was established in July 1989 by Group of Seven (G7) member countries in Paris in 1989. Its mandate focuses only on the fight against money laundering (ML) and terrorist financing (TF).

The FATF issued and developed a series of Recommendations that are recognized as international standards. They set and promote effective implementation of standards for combating ML, TF and Proliferation. It is a requirement for FATF member countries and associate members to comply with AML/CFT global standards as set out in the 40 Recommendations.

The FATF comprises 35 member countries, 2 regional organizations and 31 associate members. Every FATF member countries and associate members play a pivotal role in combating ML and TF. The FATF monitors the efforts of its members and associate members in promoting the adoption and implementation of the FATF Recommendations globally.

One of its core function is to conducts peer reviews of each member on an on-going basis to assess levels of implementation of the FATF Recommendations. The FATF Methodology document sets out the criteria for assessment which was based on two components (i.e.) Technical Compliance and Effectiveness. The components are rated at different levels as clarifies in the following table:

TECHNICAL COMPLIANCE RATINGS		EFFECTIVENESS RATINGS	
Compliant	There are no shortcomings	High	Minor improvements needed.
Largely Compliant	There are only minor shortcomings	Substantial	Moderate improvements needed.
Partially Compliant	There are moderate shortcomings	Moderate	Major improvements needed.
Non-Compliant	There are major shortcomings	Low	Fundamental improvements needed.

Asia Pacific Group (APG)

The APG is an associate member of the FATF. It is an independent regional AML body, established in February 1997 by its 13 original founding members at the 4th Asia Pacific Group on Money Laundering meeting in Bangkok. Its mandate also aims on combating ML and TF in the Asia and Pacific region. The APG uses the FATF’s 40 recommendations as their principles guidelines for the implementation of an effective AML/CFT measures. The APG facilitates its members in promoting the implementation of the FAFT 40 standards. in promoting the implementation of the FAFT 40 standards.

The APG has been growing in membership. From its original 13 founding member jurisdictions it now consists of 41 active members making it the largest FATF-style regional body (FSRB) in the world. The APG has worked closely with the FATF since its establishment. The APG and FATF undertake joint mutual evaluations of its members under the FATF methodology.

Financial Intelligence Unit (FIU)

Samoa became a member of the Asia Pacific Group in July 2000. The Minister of Finance appoints the Head of the Money Laundering Prevention Authority (MLPA) who is the Governor of the Central Bank of Samoa (CBS). The Authority established a unit in CBS, the FIU in June 2000 to implement AML standards and carry out functions and powers as stipulated in the Money Laundering Prevention Act.

Samoa as an APG member is subject to the Mutual Evaluation (ME) program. Samoa had its first mutual evaluation in May 2001, second review in July 2006 and the third round in September 2015. Samoa is required to provide its 4th follow up report to the APG by January 2019.

The Samoa FIU works closely with the APG in promoting the implementation of AML standards in Samoa.

2. OUR MANDATE

There are various changes to Samoa's AML/CFT legal framework since the establishment of the Authority and FIU.

Samoa had its first AML legislation in 2000, which was repealed and replaced in 2007 when some key pieces of the legislation was passed to update the legal framework for criminalizing ML, proceeds of crime and operating the FIU. Amendments to MLP Act were passed in June 2018 which is also part of the Crimes Act 2013. Significant changes includes provisions to increase ML penalties, expand the list of entities defined as financial institutions and other consequential changes.

The following is the list of legislation administered by the FIU and other related legislation to AML/CFT:

- Money Laundering Prevention Act 2007; (MLPA amendments 2018 Consolidated)
- Money Laundering Prevention Regulation 2009;
- Money Laundering and Terrorist Financing Prevention Guidelines 2010;
- Counter Terrorism Act 2014;
- Proceeds of Crimes Act 2007; and
- Mutual Assistance in Criminal Matters Act 2007

The Money Laundering Prevention Task

Force was established to provide advice and recommendations to the Authority in relation to the prevention of ML and TF. The task force regularly meets to ensure close liaison, cooperation and coordination between its members, the Authority and the FIU.

The MLP Task Force consists of the Governor as the Chairperson or such other person as may be designated by the Governor, the Attorney General, the Commissioner of Police, CEO of SIFA, head of Customs, head of Immigration, director of FIU, director of the Public Prosecution; and such persons as may be appointed by the Minister, acting on the advice of the Authority.

The FIU is established under section 6 of the Money Laundering Prevention Act (MLP Act) 2007. The FIU coordinates every Task Force meetings and is one of the main agencies involved in the prevention and detection of money laundering and terrorist financing activities in Samoa. FIU is also responsible for the regulation, supervision and enforcement of anti-money laundering (AML) and combating the financing of terrorism (CFT) requirements as specified under the MLP Act and the Money Laundering Prevention Regulations (MLPR) 2009.

The functions and powers of the FIU are stipulated under the MLP Act which includes:

1. Receiving reports and information from domestic and foreign agencies about suspicions of a serious offence, a ML offence or the offence of the financing of terrorism;
2. Collecting information, it considers relevant to serious offences, money laundering activities or the financing of terrorism;
3. Analyzing and assessing all reports and information;
4. Requesting information from any law enforcement agency or supervisory agency;
5. Providing information to foreign agencies for the prevention or investigation of money laundering or the prevention and suppression of terrorism;
6. Sending any report or information to the appropriate law enforcement and supervisory authorities;
7. Enforcing compliance by financial institutions with the requirements of the MLP Act;
8. Providing trainings for financial institutions and create public awareness programs;
9. Entering into Memorandum of Understanding (MOU) with domestic and foreign agencies to ensure close liaison, cooperation and secure exchange of information.
10. may instruct any financial institution to take such steps as may be appropriate in relation to any information;
11. Compile statistics and records, disseminate information within Samoa

or elsewhere and make recommendations arising out of any information received;

12. Provide training programs for financial institutions in relation to customer identification;

13. undertake due diligence checks and other inquiries as may be requested in writing by the Authority;

14. Provide outcome of report or information to financial institution and other relevant agencies;

15. conduct research into trends and developments in the areas of money laundering and the financing of terrorism and improved ways of detecting, preventing and deterring money laundering and the financing of terrorism;

16. educate the public and also provide awareness programs relating to money laundering and the financing of terrorism;

Domestically, the FIU signed MOUs with members of the MLP Task Force including the Ministry of Police and Prisons, Ministry of Commerce and Labour (MCIL), Ministry of the Prime Minister and Cabinet (MPMC), Ministry of Finance (MOF), Ministry of Customs and Revenue (MCR), the Attorney General's Office (AGO), Samoa International Finance Authority (SIFA), Samoa Airport Authority (SAA), Samoa Audit Office (SAO) and the Ministry of Foreign Affairs and Trade (MFAT).

Internationally, FIU is a member of the EGMONT GROUP of FIUs since July 2012. Additionally, FIU signed Memorandum of Understandings (MOU) with other international FIUs including Indonesia FIU Fiji FIU and lately with PNG FIU. Moreover, Samoa FIU is one of the eight Pacific Island Countries (PIC) FIUs who signed the regional MOU and is a member of the Association of Pacific FIU (APFIU). As such, it can now actively engage in sharing and exchanging relevant information that may assist in the effective investigation and prosecution of money laundering and terrorist financing offences committed not only in Samoa but in the international arena as well. In moving forward, the FIU is planning to sign MOUs with other international Financial Intelligence Units in the fight against financial crime, including other serious criminal offences.criminal offences.

(FIU) has continued to liaise and consult with the key shareholders of the financial system on a number of important issues. In particular, their statutory obligations in keeping and maintaining customer and transaction records, the need for enhanced due diligence of particular customers, as well as the ongoing monitoring of customers' accounts and transactions alleged to be suspicious in nature.

The Samoa Financial Intelligence Unit (FIU) has continued to liaise and consult with the key shareholders of the financial system on a number of important issues. In particular, their statutory obligations in keeping and maintaining customer and transaction records, the need for enhanced due diligence of particular customers, as well as the ongoing monitoring of customers' accounts and transactions alleged to be suspicious in nature.

3. REVIEW OF OPERATIONS IN 2018-2019

The SFIU works closely with the APG in the implementation of FATF international standards in Samoa.

3.1. The APG and the Authority activities – Implementing AML/CFT global standards.

3.1.1. APG Plenary Meeting (July 2018)

Overall, Samoa has made progress in addressing the technical compliance deficiencies identified in its MER and has been re-rated on three Recommendations. The MLP Amendment Act amended a number of pieces of legislation which has improved Samoa's technical compliance with Recommendations 3, 5 and 10. At the 2018 APG Annual Meeting members adopted the Samoa FUR and

decided to place Samoa on enhanced follow-up from enhanced follow-up (Expedited). As a result of this meeting Samoa has improved its technical compliance on the AML framework. Samoa now only reports to APG every 12 months instead of the usual 6 months.

3.1.2. Samoa's First (1st) Enhanced Follow-up Report ("FUR") to the APG

Samoa submitted its first Enhanced Follow up Report to the APG on 31 January 2019 as required under the APG Third Round Mutual Evaluation Procedures 2018. In light of the progress made since the last follow-up report, Samoa did not seek for any technical compliance re-ratings for this year 2019. Samoa will continue to focus more on amending its laws to address the shortcoming as identified in its MER 2015 and to work more on the effectiveness of the law as previously amended.

3.2 Standard Operating Procedures

The Samoa FIU developed procedures for reporting and filing of suspicious transaction reports and cash transaction reports. The procedures provide guidance to financial institutions (FIs) on how to complete and file the reports to the FIU.

The unit also developed internal operating procedures for FIU staff. The procedures provide guidance to FIU staff on how to conduct and complete the end-to-end process (i.e. receive, analyze and disseminate) of reports received by the unit.

Public notices in frequently asked questions format for CTRs were distributed to all FIs. The FIU assist FIs and Customers regarding the purpose of the report.

3.3 Confiscated Assets Fund (CAF)

The Governor is the Administrator of property forfeited or restrained under the Proceeds of Crimes Act 2007 ("POCA"). Her appointment was made by the Attorney General under section 82 of POCA. As the Administrator of the CAF, the Authority continues to liaise closely and work together with the Police, Customs and the Attorney General's Office in transferring, storage and safe keeping of these assets.

The CAF term deposit account with the Samoa Commercial Bank ("SCB") was opened with \$40,000. The amount is rolled over for every twelve months at 4.50% interest rate. The balance stood at \$45,324.68 as of May 2019.

3.4 Quarterly Meetings

The FIU continued to host Quarterly meetings with the AML Task Force to discuss AML/CFT matters (issues, challenges and way forward).

As part of its supervisory roles, the FIU conducts trainings for FIs and Task Force members regarding their AML/CFT statutory functions and responsibilities in order to strengthen awareness and remain vigilant in detecting, deterring, disrupting and preventing ML/TF activities

3.5 Funding and Administration

The operation of the Samoa FIU is fully funded by the Central Bank. Every financial year, the FIU prepares its annual budget and submits to the CBS Budget Committee for review and then to the CBS Board for approval.

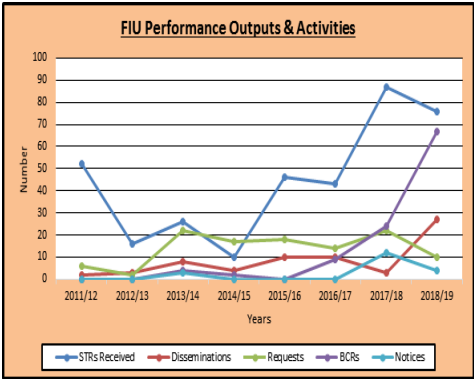
4. FIU CORE ACTIVITIES

The FIU has two core functions, Intelligence work and supervisory role.

4.1 Intelligence

The FIU serves as the national center for the receipt and analysis of suspicious transaction reports (STRs), cash transaction report (CTR) border cash reports (BCRs) and other information relevant to money laundering and financing of terrorism. One of the core function of FIU is to disseminate intelligence assessment report to law enforcement agencies, government authorities for further investigation and appropriate action. FIU also assist with requests from government agencies for due diligence and mutual assistance matters as well as to financial institutions and regulatory agencies for information on any enquiries received.

Below is a highlight of FIU performance outputs and activities for the period (2011-2019)



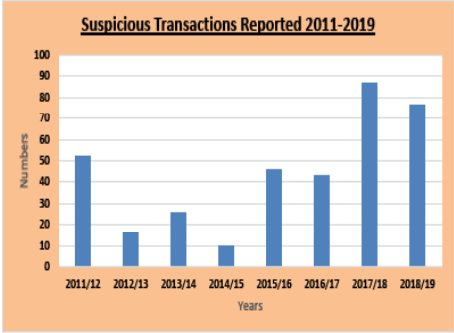
Source Samoa FIU

i. Suspicious Transaction Report

The FIU received and analyzed 76 suspicious transactions reports during the period under reviewed. A slide decrease from the number of STRs received in the previous financial year 2017/18.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRs Received	52	16	26	10	46	43	87	76

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
STRs Received	52	16	26	10	46	43	87	76
Disseminations	2	3	8	4	10	10	3	27
Requests	6	2	22	17	18	14	22	10
BCRs	0	0	4	2	0	9	24	67
Notices	0	0	3	0	0	0	12	4



Financial Institutions are required under section 23 of the MLP Act to report suspicious transactions to the FIU. A suspicious transaction is a transaction or attempted transaction or information that a financial institutions has reasonable grounds to suspect may be related to serious offence, a money laundering offence or an offence of the financing of terrorism.

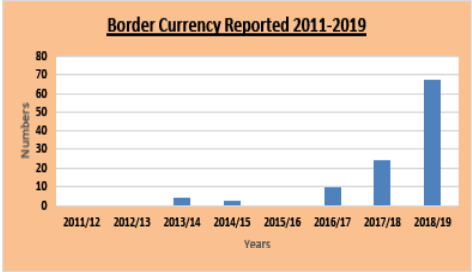
ii. Border Cash Report

It is a requirement in the MLP Act 2007 under section 13 for any person who leaves or enters Samoa to declare if they are carrying physical cash or negotiable bearer instruments equivalent to SAT20,000 or more and complete the border cash report. These reports must be filed to the FIU by any authorized officer who is on duty at the border.

During this period, the FIU received 67 reports from the Customs in relation to

cash declaration at the border. An increase from the previous financial year.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
BCRs	0	0	4	2	0	9	24	67



Source Samoa FIU

iii. Approval of Currency Repatriation

The FIU is accountable for issuing approvals of currencies repatriation for financial institutions and individuals who are hand-carrying cash equivalent to SAT\$20,000 or more outside of Samoa.

A table below summarizes approval issued by the FIU during this period.

FINANCIAL INSTITUTIONS AND INDIVIDUALS	NUMBER OF APPROVAL IN SAMOAN TALA	NUMBER OF APPROVAL IN OTHER CURRENCIES
Commercial Banks	62	57
Money Transfer Operators	6	31
Individuals	0	5
TOTAL	68	93

iv. Cash Transaction Report

Cash Transaction Report is a new report required under Section 23(a) of the MLP Amendment Act 2018. The Financial Institutions are required to report all cash transactions equivalent to SAT\$20,000 or more to the FIU on a weekly basis.

The reporting of CTRs is on trial since October 2018. The FIU is developing an ICT System which is funded by the APG under the Technical Assistance & Training program. It is expecting for the initial testing to run in late August to early September 2019.

The following table summarizes cash transactions reported by financial institutions from October 2018 to June 2019.

FINANCIAL INSTITUTIONS	TOTAL AMOUNT	TOTAL NUMBER
Commercial Banks	\$2,025,858,051.37	15,402
Money Transfer Operators	\$77,491,468.81	901
TOTAL	\$2,103,349,520.18	16,303

Source Samoa FIU

v. Alert Notices to Financial Institutions

The FIU issued four (4) notices during the reviewed period mostly to alert people on investments schemes such as crypto-currency scams and online fraud.

vi. FIU Enquiries with Financial Institutions

Under section 10 of the MLP Act, the FIU has powers to examine the records and inquire into the business and affairs of financial institutions for the purpose of ensuring compliance with the Act or guidelines, or for the purpose of any investigation or analysis being undertaken by the FIU. As part of its analysis process, the FIU may enquire financial institutions to provide more information to develop further on information already provided on STRs. FIU queries may also relate to an ongoing investigation.

FIU queries sent to financial institutions included request for:

- Account Opening forms;
- Customer IDs and verification documents;
- Account statements;
- Transaction Vouchers;
- Telegraphic Transfers both incoming and outgoing transaction (s) etc.

vii. Investigative assistance provided to Law Enforcement Agencies

The FIU also assist law enforcement agencies such as the Police for investigation purposes. During the reviewed

period no requests was received from law enforcement agencies. Two (2) request received from other government ministries relates to due diligence check or background check of an individual or a company. The FIU also working closely to provide any information that is necessary by the Police or the Attorney General's Office relating to One Coin case.

viii. Dissemination of Intelligence Assessment Reports

During the reviewed period, 27 Intelligence Assessments Reports (IAR) were disseminated to Police and other law enforcement agencies (i.e. AGO and Ministry of Customs and Revenue) for further investigations and action. Most of this intelligence reports relates to predicate offences such as forgery and fraud and other criminal cases. FIU also disseminated intelligence report to all the relevant authorities including our Ministry of Police for their investigation related to One Coin case on the relevant law, should they entertain this within their prerogative.

FIU received nine (9) requests for information from foreign FIU via Egmont. The requests are more related to information regarding an offshore company register in Samoa and information pertaining person of interest. FIU also made two (2)

requests to Foreign FIUs for information to assist with Police investigation and other law enforcement agencies request.

ix. Customer profiling and due diligence checks

Another function of the FIU is to conduct due diligence and background checks for requests from financial institutions, competent authorities and internal departments of the CBS. The purpose of the due diligence/background checks is to screen the legitimacy of a company/individual and also to see if there's a match/hits that a particular company/individual has in relation to serious offences, money laundering offences, an offence of financing terrorism or any other offences under the MLP Act.

Due Diligence Checks	17
Background Checks	155
TOTAL	172

(4.2 Supervision

The FIU is required under the MLP Act to examine and supervise the financial institutions, through regular on-sites examinations, that a financial institutions complies with the requirements of the Act. Guidelines are also issued to assist financial institutions to gain a better understanding of their obligations under the law. FIU also co-operates with law enforcement agencies, both foreign FIU's, in any investigations, prosecutions or proceedings relating to a serious offence, a money laundering offence, an offence of the financing of terrorism or any other offence under the MLP Act.

Entities and businesses that are required to comply with requirement of the MLP Act, these includes.

Financial Institution such as:

- Commercial Banks;
- Money Transfer Operators;
- Trust or Company Service Providers (TCSP);
- Lawyers;
- Accountants;
- Casino;
- Insurance Business;
- Credit Unions;
- Real Estate Agents.
- Virtual Currency

- Non-Profit Organization

(i) Onsite Inspections

Onsite inspections are scheduled for FIs (i.e. Commercial Banks and MTOs) in 2020. The purpose of the visit is to measure the FIs level of compliance with its statutory obligations as stipulated under the MLP Act 2007 and Money Laundering Prevention Regulation 2009 ('MLPR'), and the level of effectiveness of the FIs system and controls for detecting, deterring, disruption and preventing money laundering ('ML') and terrorist financing ('TF') activities, based on the following four (4) important elements for an effective AML/CFT Program:

- i. Internal policies, procedures and controls;
- ii. Compliance officer;
- iii. Training; and
- iv. Compliance Audit

(ii) Compliance Officers AML/CFT Regular Meetings

The FIU efforts includes regular meetings for financial institutions compliance officers for which is conducted every year. The main purpose of this meetings is to provide update, share ideas and challenges concerning AML/CFT matters.

Highlights of some of the matters discussed during the reviewed period: Financial Institution such as:

<i>Matters Discussed</i>
<ul style="list-style-type: none">• Samoa FUR- Re-Rating (APG AML Compliance)• Significant changes to Money Laundering Amendments• Conducting AML/CFT assessment experience• Linkages between tax offences and money laundering• CTR reporting Requirements

5. CO-OPERATION, COLLABORATION AND INFORMATION SHARING

The FIU collaborates with various bodies and partners in implementing the FATF Standards as well as exchanging of information and intelligence in the effort to combat money laundering and counter terrorism financing. These include:

5.1 APG

The FIU works together with the APG (of whom Samoa is a member) in ensuring that Samoa meets the required standards. As part of assessing compliance the FIU (in consultation with Fis and Task-force members) submits Samoa’s follow-up reports detailing our progress in implementing the AML/CFT framework. In return the APG assesses the follow-up reports and provides recommendations on what needs to be improved. The APG and FIU have also worked collaborative-

ly in assessing Samoa’s needs including providing training and Technical assistance to further bolster FIU’s work.

5.1.1. FIU ICT Database System – Cash Transaction Reports

The Web-Based System will be used by both the FIU and FIs. The FIs use this system to report any individual or company conducting a transaction equivalent to SAT 20,000 or more. This involves sending, receiving, exchanging money or any other type of cash transaction. The system is designed by one of the local ICT Company in Samoa the “Computer Services Limited (“CSL”) who has worked with several government ministries in relation to software and system development. This is one of the key priorities in our implementation plan submitted to the APG for technical assistance needs; is to have a system in place to assist with FIU operations and AML requirements. This FIU ICT database system is funded by APG grant from the New Zealand Ministry of Foreign Affairs and Trade. The system will improve the FIU quality of work in terms of reporting and analysis capability and capacity, and to increase detection of ML/TF.

Table below shows the progress made by FIU when developing the FIU ICT database:

Meetings with:	Matter Discussed
CSL	<ol style="list-style-type: none"> 1. FIU business needs (i.e. CTR, STR & BCR) and develop a tentative proposal for the system 2. Discuss the tentative proposal with the FIU
APG	Teleconference to discuss the tentative proposal <ul style="list-style-type: none"> • Comments from APG - few changes to be added in the proposal (i.e. Project timeframe, Cost etc.)
CSL	Update the proposal according to APG comments
CSL & APG	Teleconference to go over the updated proposal <ul style="list-style-type: none"> • Comments from APG – Project Cost (quoted in Samoa Tala) and Alternative payment option
CSL	Update agreement to reflect comments from APG
APG	Send updated agreement to APG for information
CSL	Start developing the system <ul style="list-style-type: none"> • Design the FIU ICT database

The FIU ICT database for CTR is scheduled to “Go Live” in late September or early October 2019.

5.2 EGMONT Group

The FIU is also a part of the Egmont group which is a network group of FIUs (containing 159 members) that was created to provide a forum for the exchange of information confidentially to combat money laundering and Counter terrorism financing. This is an important tool for gathering information and disseminating intelligence between FIUs. Samoa joined Egmont in 12 July 2011. Under this network FIUs can send requests amongst members for information regarding a particular matter, Sometimes it can be a direct request to a member or a general request to all members. This

is done in an efficient and secure way using an encrypted emails only member FIUs can access. FIU has facilitated various requests from other FIUs and have disseminated information as requested.

Below is a brief summary of request the FIU received and made via Egmont during the period under review.

Requests Received	9
Requests Made	2

5.3 EXCHANGE OF INFORMATION / MEMORANDUM OF UNDERSTANDING

FIU has signed Exchange of information agreements and memorandum of understandings with various agencies as part of the ongoing fight against Money Laundering and Counter Terrorism Financing. These include various local ministries and agencies as well as other Financial Intelligence Units such as Fiji, Indonesia and Papua New Guinea. These agreements provide guidance in the disseminating of information related to AML/CFT requests submitted by both parties. These types of agreements will continue to increase as the need for inter FIU cooperation becomes more important to address the challenges of AML/CFT. No agreements signed during the period under review.

6. CAPACITY BUILDING

One of the FIU efforts is to develop and strengthen professional skills for FIU staff in the AML and CFT area, and to improve performance in the execution of tasks and responsibilities in an effective, efficient and sustainable manner.

The FIU also undertakes AML/CFT trainings and compliance trainings for financial institutions and some LEAs. This is to ensure that all stakeholders are well versed with AML matters and best practices.

6.1 AML/CFT International Donors and Technical Assistance Providers

The Central Bank is very grateful for the technical assistance and training opportunities received over the past years from the following organizations:

- Asia Pacific Group on Money Laundering (APG);
- International Monetary Fund (IMF);
- Asian Development Bank (ADB);
- United Nations Global Program on Drugs Control and Crime Prevention (UNODCCP);
- Pacific Financial Technical Centre (PFTAC);
- Australian FIU (AUSTRAC);
- New Zealand FIU;
- Anti-Money Laundering Assis-

tance and Training of Australia (AMLAT);

- Pacific Anti-Money Laundering Project (PALP) of the US;
- Alliance for Financial Inclusion (AFI);
- Interpol General Secretariat; and the
- ADB/OECD Initiative on Anti-Corruption

Their assistance helped to develop and strengthen the capacity of the Samoa Money Laundering Prevention Authority to effectively undertake and implement its statutory role and functions in combating financial crimes.

a. Trainings and Workshops FIU staff participates for the period under review

Table 1: Training and workshops FIU staff participates

Year	Course	Venue
2018	Eurasian Group/ APG Typologies and Capacity Building Workshop,	Novosibirsk Russia
2018	Financial Action Task Force Assessor Training (Joint APG/EAG Assessor Training)	Malaysia
2018	APG Annual Meeting	Nepal
2018	ACAMS Exam	New Zealand
2018	Joint EAG/APG Typologies and Capacity Building Workshop	Russia
2019	APG Assessor Training	New Zealand
2019	2nd IMF Fintech Roundtable Programme	Washington D.C
2019	Women against money laundering conference	Canberra, Australia
2019	STI Course on Addressing Pressures on Correspondent Banking Relationships	Singapore
2019	APG Assessor Training	Auckland New Zealand
2019	Pacific Regional Financial Action Task Force (FATF) Standards Training Course	Auckland New Zealand
2019	Pacific Workshop on Targeted Financial Sanctions related to Terrorism And Proliferation	Suva, Fiji

b. AML/CFT Awareness Trainings for Financial Institutions

FIU conducted local training for requested Financial Institutions for basic Money Laundering concepts and to understand functions and purposes of the Samoa Financial Intelligence Unit in Samoa.

Table 2: AML/CFT Awareness Trainings for Financial Institutions

Year	Course	Venue
2018	Fexco – New Recruits Training on AML/CFT	Fexco
2018	Cash Transaction Training for all FIs	CBS/FIs
2019	UTOs – Refresher training on AML/CFT	UTOs
2019	Fexco – New Recruits Training on AML/CFT	Fexco
2019	SPBD – Cash Transaction Report Trainings	SPBD

c. United Nation Office on Drugs and Crimes (“UNODC”)

The UNODC is a global leader in the fight against illicit drugs, crime in all its forms, and terrorism. The UNODC maintain an eLearning platform (an interactive tool) specifically designed to assist AML authority and other relevant agencies with enhancing their capacities in the fighting of money laundering and counter terrorism financing.

The UNODC provides assistance and access to FIU and other LEAs staff to complete 13 modules courses on ML and TF and other related crimes. The UNODC e-Learning program is a positive way to improve the standard of the FIU and its

task force members, and to assist with the implementation of AML/CFT standards, as well as the development of policies and procedures in Samoa.

d. ADB – “KYC Utility”

The ADB identified a US based company, the Everest Organization to develop a technology based platform to support customer identification, KYC, Anti-Money Laundering and other financial transactions. The purpose of the KYC utility is to address the de-risking issues for MTOs in which the ADB, IMF and CBS are working together to resolve (i.e. closing of bank accounts in Australia and New Zealand for MTOs).

The Components of the system includes:

- I. Customer Due Diligence for both users and entities – in the verification of ID, MTOs can conduct AML checks of customer names (senders and recipients) against the UN Sanction list, as well as identify Political Exposed Persons to name a few of these features.
- II. The system will captures customer fingerprints and it will automatically verify customer information against the OEC data;
- III. Remittances Transaction tracking - The system will automatically check whether the value

of remittances matches with customer source of income, track money flows, analyze activity flag suspicious transaction activities and automated reporting.

The ADB and the Everest team is developing this technology based platform and it is expected to be adopted by MTOs in Samoa upon completion. The digital KYC utility is develop to improve the efficiency and transparency of the Australia-New Zealand-Samoa remittance corridor, which is a very important project for Samoa.

e. CAMS Examination

One (1) FIU staff passed the CAMs examination in 2018 and became a Certified AML Specialists. The Certified Anti-Money Laundering Specialist (CAMS) credential is the gold standard in AML certification and recognized worldwide. The knowledge and experience from CAMS would be an asset to the development of the FIU in promoting AML compliance in terms of regulating the financial institutions, embedded effective AML program to combat ML/TF activities, and the provision of ongoing training on detection and prevention of ML/TF.

7. LIST OF ACRONYMS

ACAMS	Association of Certified Anti-Money Laundering Specialists
ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
AGO	Attorney General's Office
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism (also used for Combating the financing of terrorism)
APFIU	Association of Pacific FIU
APG	Asian Pacific Group on Money Laundering
AUSTRAC	Australian Transaction Reports and Analysis Centre
BCR	Border Cash Report
CAF	Confiscated Assets Fund
CBS	Central Bank of Samoa
DNFBPs	Designated Non-Financial Business and Professions
FATF	Financial Action Task Force
FI	Financial Institution
FIU	Financial Intelligence Unit
FSRB	FATF Style Regional Bodies
FUR	Follow-up Report
ICRG	International Cooperation Review Group
IMF	International Monetary Fund
MCIL	Ministry of Commerce Industry and Labour
MER	Mutual Evaluation Report
MFAT	Ministry of Foreign Affairs and Trade
MCR	Ministry of Customs and Revenue
MLP Act	Money Laundering Prevention Act
MLPA	Money Laundering Prevention Authority
MLPR	Money Laundering Prevention Regulation
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPMC	Ministry of the Prime Minister and Cabinet
MTO	Money Transfer Operator
NRA	National Risk Assessment
PFTAC	Pacific Financial Technical Assistance Centre
PIC	Pacific Island Countries
POCA	Proceeds of Crimes Act
RBA	Risk Based Approach
SAA	Samoa Airport Authority
SAO	Samoa Audit Office
FIU	Samoa Financial Intelligence Unit
SIA	Samoa Institute of Accountant
SIFA	Samoa International Finance Authority
STR	Suspicious Transaction Report
TC	Technical Compliance
UNODC	United Nation on Drugs and Crime