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We wish to inform the public and our respective stakeholders that the Money Laundering Prevention Amendment Act 2018 has been passed by Parliament, and assented to by the Head of State on Friday 22 June 2018.

The purpose of these amendments is to strengthen Samoa's anti- money laundering frameworks based on international standards that have been set by the Financial Action Task Force (FATF)¹, and implemented by its regional branches such as the Asia Pacific Group (APG)², of which Samoa is a member. These standards set the framework that is needed to effectively combat money laundering and terrorist financing. This is also in line with our efforts to ensure a stronger and more stable financial sector macroeconomic framework that sustains economic growth, as stipulated in the Strategy for the Development of Samoa (SDS) 2016/17-2019/20.

The creation of this law took two years in the making as there was a lot of groundwork undertaken. We needed to ensure that there is capacity domestically to implement changes to the law. There were trainings conducted for the law enforcement agencies in Samoa, thorough consultations with all the relevant stakeholders, both during the policy development stage and the draft Bill stage. The amendment was also submitted to the APG who also provided comments on the amendment. The new amendments also means Samoa can now apply to the APG for an improved rating of its framework. An improved rating framework will further enhance Samoa's reputation and ensure we are not blacklisted for money laundering. The urgency in Parliament passing the amendments was so Samoa could meet the deadline in submitting its report and application for a re-ratings to the APG. The Central Bank will provide further updates once Samoa's application is successful.

The significant changes that are contained in the amendment are as follows:

1. The offence of money laundering has increased from 7 years to 15 years imprisonment, as well as the increase in penalty units to 1,000 (in the case of a natural person) or 10,000 penalty units (in the case of a body of persons, whether corporate or unincorporated).³
2. All dealers or promoters in crypto-currency are now part of the anti-money laundering framework. This means that those conducting any workshops or presentations on crypto-currency investments **must** first seek the approval or clearance from the Central Bank of Samoa.

¹ The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 by the Ministers of its Member jurisdictions. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. The FATF is therefore a "policy-making body" which works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

² The Asia/Pacific Group on Money Laundering is an inter-governmental organisation, consisting of 41 member jurisdictions, focused on ensuring that its members effectively implement the international standards against money laundering, terrorist financing and proliferation financing related to weapons of mass destruction.

³ 1 penalty unit is equal to \$100 tala



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Any person or company that conducts workshops, presentations or any other related activity on crypto-currency investments without CBS approval, commits an offence. This is a deterrence to potential criminal activities to defraud/mislead the public on unregulated investment initiatives using complicated technology.

3. Repealing the power to freeze an account from Court and to be listed under the Governor of the Central Bank of Samoa. This is for practical and efficiency purposes.
4. The inclusion of non-profit organizations as financial institutions under the Anti-Money Laundering framework.

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