



TRANSPARENCY INTERNATIONAL (PNG) INC
Lokua Avenue, Boroko, Section 54 Lot 31
PO Box 591 Port Moresby, NCD Phone 323 7517/4917 Fax 323 4317
E-mail: michael.arnold@transparencypng.org.pg
Website: www.transparencypng.org.pg

PRESS STATEMENT FOR IMMEDIATE RELEASE

URGENT ACTION NEEDED ON ANTI-MONEY LAUNDERING ENFORCEMENT TO PREVENT PNG MOVE TO GREY LIST

Wednesday, 26th May 2021 Port Moresby - Ahead of Papua New Guinea's scheduled mutual evaluation by the Asia-Pacific Group on Money-Laundering's (APGML) next year, serious concerns have now been raised by watchdog agencies regarding the need for urgent collaborative action to improve anti-money laundering enforcement to prevent PNG from slipping back into the APGML grey list.

This was highlighted as a matter of grave and urgent concern in a panel discussion on Illicit financial flows and money laundering during the recent Transparency International PNG (TIPNG) 1st National Integrity Summit funded by the European Union, held in Port Moresby from 13-14th May 2021.

During the panel discussion, a worrying trend was highlighted regarding what was described as an apparent lack of urgency in the enforcement of PNG's existing Anti-Money Laundering and Counter Terrorist Financing (AMLCTF) Act 2015. It was revealed that the financial regulator has sent approximately 10, 000 files to different law enforcement agencies, yet no action has been taken on these referrals, and even more worrying is that there have been no prosecutions.

TIPNG Board Chair, Peter Aitsi in a statement responding to this trend said, "The lack of enforcement identified by the panellists speaks to the findings of the National Integrity System Assessment (NISA) 2021. While PNG has adequate laws, implementation and enforcement of these laws has been poor. If we do not take action PNG stands the risk of being moved into the grey list. This will result in higher interest rates for project financing, and place further strain on existing foreign investment. PNG could also be branded a high-risk country for international trade."

"TIPNG calls on the government to provide immediate support to improve cross-agency collaboration as a matter of urgency, priority needs to be given towards improving the enforcement of our current AMLCTF law. If we take no action, there will be serious and real negative impacts on our economy," said Mr Aitsi.

"Law enforcement agencies during the summit spoke of chronic issues such as lack of funding and political interference. These issues need to be addressed by Government if we are to have any hope of salvaging our compliance status and ensuring better outcomes for our economy and our people."

"A key finding from TIPNG's recent National Integrity Systems Assessment report indicated that of the fourteen pillars in the PNG National Integrity System, only five had adequate integrity, while the rest were rated as having only basic levels of integrity. If we are serious about combatting corruption, a genuine effort is required by all stakeholders to improve the performance of these watchdog institutions," he said.

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Authorized by:

Arianne Kassman
CHIEF EXECUTIVE OFFICER

Media contact:

Michael Arnold
COMMUNICATIONS OFFICER

What is TIPNG?

TIPNG is a member of Transparency International a global anti-corruption movement committed to fighting corruption. TIPNG is an independent organization in PNG known as a Chapter of the international movement. The PNG chapter advocates against corruption and promotes transparency, good governance, honesty and accountability both in private and public sector dealings. TIPNG tries to assist strengthen the integrity systems of our country such as the police, the parliament, the public services and the judiciary.