



COMMUNIQUE

INAUGURAL ANTI-MONEY LAUNDERING, COUNTER-TERRORIST & COUNTER-PROLIFERATION (AML/CTF/CPF) CONFERENCE 2025

Wednesday 01st - Thursday 02nd October 2025

Theme: “Fighting Financial Crime improves our economy””

Overview

The inaugural Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation (AML/CTF/CPF) Conference was a two-day event held at the APEC Haus in Port Moresby from Wednesday 1st - Thursday 2nd October 2025, bringing together private and government organizations to discuss actions to strengthen PNG’s financial systems. The Conference, co-hosted by the Financial Analysis and Supervision Unit (FASU), Bank of Papua New Guinea (BPNG), and Transparency International PNG (TIPNG), had over 800 participants from government agencies, financial institutions, businesses, civil societies, and students, reflecting the growing national efforts to improve capabilities and systems to better track and address financial crimes.

This communique provides a summary of the panel discussions held at the Conference and highlights the tangible commitments and actions made by the stakeholders. In doing so, the communique also highlights the inclusion of Designated Non-Financial Businesses and Professionals (DNFBPs), who participated and were involved in discussions during the conference. The communique concludes by aligning stakeholder commitments to Financial Action Task Force (FATF) Recommendations in the PNG AML/CTF Mutual Evaluation Report (MER) 2024 by Asia/Pacific Group on Money Laundering (APG).

Keynote and Panel Discussions

The event began with a keynote address given by Mrs. Elizabeth Genia, the Governor of the Bank of Papua New Guinea, who acknowledged grey-listing by FATF and described it as a challenge, framing it as a “call to action” rather than a catastrophe. Outlining the government's ongoing and planned reforms, Governor Genia emphasized that PNG's response must be a *whole-of-society* effort to demonstrate that PNG is serious about combating financial crime through the employment of reforms such as inter-agency coordination frameworks, legislative amendments, and increased prosecutions and asset confiscations.

Panelists explored how the government can strengthen PNG’s AML/CTF framework, by considering the implementation of obligations by reporting agencies, the effectiveness of enforcement, as well as the role that civil society can play in strengthening AML/CTF in the 2015 legislative framework. A total of 6 panel discussions were facilitated, urging the need for financial integrity, transparency, and accountability. The discussions highlighted the importance and urgent need for government accountability, compliance towards creating safer societies, and protecting citizens from organized crime and corruption.

The Department of Justice and Attorney General (DJAG) stated that there must be compliance, aligning financial reforms with broader development while ensuring delivery of services with the priority of exiting or reducing the risk of grey-listing. Panelists from DJAG further stated that the laws are passed, but the implementation and awareness of those laws remain a challenge. For instance, FASU's analysis of grey-listing in 2014 pointed to an ongoing risk. The top priority is improving the systems, processes, and participation across agencies by ensuring accountability.

PNG's AML/CTF Act 2015 is based on the recommendations published by the FATF. The key concepts of the AML/CTF Act include Know Your Customer (KYC), transaction monitoring and reporting, training and awareness, beneficial ownership and information sharing. Panelists from Credit Bank in their presentation stated that the key challenge is beneficial ownership (identifying the ultimate owner of the entity). To address this barrier financial institutions such as Credit Bank PNG, are digitalizing factor AML/CTF re-equipment. Panelists from businesses (Ela Motors) also stated that the transition to the cashless payment system, where transactions are made electronically, will allow for improved tracking as opposed to paper-based systems. Additionally, it enables businesses and financial institutions to understand the behavior of their customers.

FASU stated that the most common financial crimes include misuse of public funds, government procurement fraud, tax evasion, and corruption. Further, there was steady growth in reporting these crimes by financial institutions and motor vehicle dealers and that the function of AML/CTF at BSP with the *Know Your Customer and Customer Due Diligence* was one primary example of an initiative they had taken to improve reporting.

They also noted that there was a lack of trained personnel to fully oversee all sectors, and priority was given to the banking sector because of its vulnerability to money laundering. For instance, BSP was prioritized by FASU, for building capacity and policy frameworks and risk-based approach enforcement however their efforts in isolation cannot ensure effective implementation of AML. It was said that for PNG to avoid grey-listing, all sectors must work collaboratively to strengthen overall enforcement and compliance.

Designated Non-Financial Businesses and Professions (DNFBPs)

DNFBPs are non-financial entities like law firms and accounting firms that are exposed to AML/CTF risks because of the work they do. DNFBPs have a critical responsibility to uphold AML/CTF standards by ensuring transparency in financial dealings and supporting the financial institutions to protect integrity of PNG's financial system.

According to the Panelist from Dentons PNG, DNFBPs face two main challenges:

To identify the Ultimate Beneficial Owners (UBO) and understand the source of funds in transactions. Failure to do so makes them unwilling participants in money laundering.

The management of large sums of money, like property transactions, poses a risk. If funds are not properly tracked or returned to their rightful owners, this can result in DNFBPs legitimizing illicit funds.

For way forward, the panelist from the DNFBPs commended FASU and TIPNG for organizing the forum to highlight the challenges and risks across all sectors. The panelists urged participants to engage in FASU's training sessions and implement what they learn.

Role of Civil Society in Financial Crime

Panelists from TIPNG shared views on financial crimes through the lens of corruption, stating its specific interest in the activities of corrupt individuals and how they manipulate the system to the detriment of the law-abiding majority. Panelists from the PNG Extractive Industries Transparency Initiative stated that CSOs, NGOs and community leaders are not just helpful partners but critical to the success of anti-financial crime efforts, by serving as links to communities and monitoring the exercise of power by related authorities. Furthermore, panelists from law firms emphasized that the state's weakness in prosecution is the greatest barrier to institutionalizing AML/CTF efforts, because a lack of enforcement perpetuates impunity which in turn undermines our systems of accountability.

Commitments to Way Forward

The panel discussions, joined by government officials, financial and private sectors, civil societies, and international partners, shared views underscoring the urgency of collective action to strengthen PNG's financial integrity while utilizing the two-day conference as an opportunity for collaborations and solutions-oriented dialogue. The following table shows the commitments made during the panel discussions:

Table: Commitments made by stakeholders during the AML Conference shown against FATF PNG Mutual Evaluation Report (MER) (2024).

PNG Country Recommendations – FATF, MEL 2024	Commitments by stakeholders
1. Assessing Risk and applying a Risk-Based Approach	BSP has institutionalized a risk-based approach by transitioning from manual processes to automated systems for customer risk ratings, transaction monitoring, and due diligence. The bank utilizes the Know your customer (KYC) and Customer due diligence (CDD) data to assess the specific risk posed by each customer, allowing systems to flag transactions that deviate from a customer's known profile, i.e. expected income and business nature. BSP Representatives also noted that the regulator (FASU) has matured significantly toward a more assertive and risk-based approach to enforcement.
2. National Cooperation and Coordination	The conference was designed to capture and foster national cooperation and coordination, understanding the that the fight against financial crime requires a “whole –of society effort”. The conference reflected the high level of interest in cooperation, as seen by the attendance of over 800 participants ranging from government officials, students, financial institutions, businesses, and civil society. In terms of coordination, key mention of the AML /CTF National Coordinating Committee (NCC) which is responsible for overseeing PNG's AML/CTF regime. The chairs are the Bank of PNG and DJAG.
3. Money laundering offence	

	In addressing the failures in the effectiveness of enforcement, particularly in money laundering investigations and asset confiscation was the establishment of the Task Force Arrow PNG (FASU / Public Prosecutor) to aggressively identify, freeze and pursue forfeiture of assets from financially motivated crimes.
4. Confiscation and provisional measures	– Governor for BPNG, outlined the government’s planned reforms – including inter-agency coordination frameworks, legislation amendments, and increased prosecutions and asset confiscations, to demonstrate that PNG is serious about combatting financial crime.
5. Terrorist Financing	None The Investment Promotion Authority (IPA) is specifically undertaking a National Risk Assessment on legal persons and entities to identify both money laundering and terrorist financing (TF) risks. This is part of the effort to address gaps identified in PNG's Mutual Evaluation Report.
6. Targeted financial sanctions related to terrorism and terrorist financing	None
7. Targeted financial sanctions related to Proliferation	None
8. Non-profit organizations	IPA, outlined major upcoming legislative changes under the Associations Incorporations Act (AIA) that will strengthen governance and accountability among CSOs, including mandatory annual general meetings (AGMs), financial reporting requirements, and disclosure of executive/committee members and accountability to members.
9. Financial institution secrecy laws	National Banking Cooperation outlines that the key requirement tool is allowing banks to share information when a customer is “exited” (removed) by one bank (e.g., if one bank exits a customer, that information should be accessible to another bank considering onboarding them).
10. Customer due diligence	FASU’s goal is to work pragmatically with reporting entities to help them understand and articulate risks, know their customers and demonstrate awareness of services or channels they operate in to foster voluntary compliance where the institutions take ownership of their AML obligations to work proactively.
11. Record-keeping	None
12. Politically exposed persons	None
13. Correspondent banking	None
14. Money or value transfer services	None
15. New Technologies	None
16. Wire Transfers	None

17. Reliance on third parties	None
18. Internal control and foreign branches and subsidiaries	The Independent Commission Against Corruption (ICAC) affirmed its building capacity through training investigators, intelligence, and legal officers while engaging in best practice exchange internationally.
19. Higher-risk countries	None
20. Reporting of suspicious transaction	Bank of South Pacific Ltd continues to take practical action when witnessing a financial transaction that is out of the ordinary, promptly reinforcing security precautionary actions by comparing the unusual transactions against customers' KYC profiles.
21. Tipping-off and confidentiality	None
22. DNFbps: Customer Due diligence	PNG Law Society prioritizes working closely with Transparency International and FASU, and by 2027, Law Society is mandating Continuing Legal Education (CLE) to upskill lawyers in fast-moving digital/AI world to ensure they understand the modern financial crime landscape.
23. DNFbps: Other measures	None
24. Transparency and beneficial ownership of legal persons	Investment Promotion Authority (IPA) continues to address beneficial ownership (BO) by: <ul style="list-style-type: none"> • making amendments to the Companies Act, including Business Groups Incorporation Act and Association Act to obtain and record information for ILGs, Associations and Businesses to identify the legal person • National Risk Assessment on legal persons/entities to identify ML/TF risks • Awareness on BO and legal changes to the wider public and law enforcement agencies. • Re-registration exercise for all associations and NPOs to introduce new reporting requirements.
25. Transparency and beneficial ownership of legal arrangements	None
26. Regulations and supervision of financial institutions	None
27. Powers of supervisors	None
28. Regulation and Supervision of DNFbps	None
29. Financial Intelligence units	None
30. Responsibilities of law enforcement and investigative authorities	The Deputy Secretary for DJAG reinstated their top priority to improve systems, processes, and, especially, working together across agencies.
31. Powers of law enforcement and investigative authorities	
32. Cash Couriers	None

33. Statistics	None
34. Guidance and feedback	CreditBank PNG prioritizes compliance with establishing overarching AML/CTF compliance programme (covering the people, training, systems and processes) and fulfill reporting obligations (including Suspicious Money Reporting, Threshold Transaction Reports (TTRs), and International Funds Transfer Reporting).
35. Sanctions	None
36. International Instruments	None
37. Mutual legal assistance	None
38. Mutual legal assistance: freezing and confiscation	None
39. Extradition	None
40. Other forms of international cooperation	FASU continues to maintain collaborations amongst government agencies with international partners regionally and domestically, as well as collaboration between the private, public, school and civil society to establish functional, prosperous, and secure economy from financial crime.

TIPNG committed the following actions:

- Continue to make submissions to support IPA to drive legislative and procedural changes to ensure transparency in Beneficial Ownership
- To take the lead with the Right to Information/Freedom of Information (FOI) Bill with the Department of Communication and Information Technology (DICT) and the Media Council
- Ensure public awareness of Proceeds of Crime Act (POCA)
- Provide a communique roadmap for immediate action, aligning stakeholder commitments directly with the FATF recommendations and holding the stakeholders accountable for the next conference.
- Encourage concerned citizens, bankers and leaders to join TI as members to support civil society in their advocacy work, contributing to improved national governance.

TIPNG actively believes in accountability, transparency, and integrity across all government sectors and strives to combat corruption, and that weak transparency facilitates opportunities for corruption, money laundering, and financial crime.