

**GOVERNMENT OF THE
REPUBLIC OF VANUATU**
OFFICE OF THE DIRECTOR GENERAL,
PRIME MINISTER'S OFFICE P M B 9053
Port Vila, Vanuatu Tel: (678) 22413



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PRESS RELEASE

Vanuatu's removal from the FATF Grey List - a concerted country team effort

Vanuatu was officially removed from the FATF Grey List in June 2018. The positive result, in a short time span, was attributed to a collective team effort and commitment from the Vanuatu Government, the Vanuatu Parliamentarians, the AML&CTF National Coordinating Committee, the Supervisory and Law Enforcement Working Group, the State Law Office, the VFIU & other supporting Government Agencies, and the private sectors.

Vanuatu was placed under the Grey List in 2015 and referred to the FATF's International Cooperation Review Group (ICRG) for review and monitoring. In February 2016 and January 2017, Vanuatu, through the Prime Minister, Honourable Charlot Salwai Tabimasmas made high-level political commitments to work with the FATF and APG to address its strategic AML&CTF deficiencies, adopting an action plan which identified eight strategic deficiencies. This resulted in amongst other actions, the setting up of the AML&CTF National Coordinating Committee and two Working Groups, the signing of MOUs between the working group members, the passing of 30 AML&CTF related Bills, and the commencement of implementations after the legislative amendments, including having strategic plans in place.

During the 2017 APG Annual Plenary Meeting, the APG members agreed to the following: Vanuatu remain under APG membership action on the basis of the extant FATF public statement issued pursuant to an APG-initiated referral to the FATF following adoption of the Vanuatu MER; the governance committee would continue to note ongoing progress by Vanuatu in the ICRG and maintain delegated authority to amend the APG public statement; and the governance committee would revise the APG's public statement during the year to reflect amendments by the FATF's to its public statement prior to the APG's next annual meeting. In August 2017, the APG conducted a further ICRG-support visit to Vanuatu focusing on implementation planning to assist Vanuatu complete its ICRG action plan and set out implementation priorities.

In February 2018 the ICRG recognised that Vanuatu had substantially completed its action plan and recommended an ICRG onsite visit, which took place in May 2018. The ICRG onsite team consisted of representatives from Australia, New Zealand, Papua New Guinea and the secretariats of the APG and FATF. In June 2018 the FATF recognised that Vanuatu demonstrated considerable progress and issued a public statement de-listing Vanuatu from the ICRG.

In July 2018, the APG Annual Plenary Meeting held in Kathmandu, Nepal, discussed Vanuatu's status as an APG member, and Vanuatu's Third Round (enhanced expedited) Follow-Up Report. Representing Vanuatu during the APG Plenary meetings were the Head of Delegation, Mr. Simeon Athy, Governor of the Reserve Bank of Vanuatu (RBV) and the Vice Chairman of the AML&CTF National Coordinating Committee (NCC), Mrs. Sera Obed, Deputy Commissioner of Vanuatu Financial Services Commission (VFSC) and member of the NCC, Floyd Ray Mera, the Director of the Financial Intelligence Unit (FIU) and member of NCC, Noel Vari Director of Supervision (RBV) and Chairman of the Supervisory Working Group, Collins Gesa, Deputy Director Department of Customs and Inland Revenue (DCIR) and Chairman of the Law Enforcement Working Group and Joshua Tari, Manager of Supervision VFSC.



(L-R) Collin Gesa, Simeon Athy, Serah Obed, Floyd Mera, Joshua Tari & Noel Vari

On the APG membership issue, the APG members, in recognising FATF's de-listing of Vanuatu from the Grey List, discussed and approved the following:

- APG membership action with respect to Vanuatu to cease; and
- The APG public statement be updated to confirm Vanuatu's removal from APG membership action and FATF listing, and be placed on the APG website for a period of three (3) months. The revised public statement is now available on the APG website.

The APG members also discussed the Third Round (enhanced expedited) Follow-Up Report, and on the basis of the significant progress made by Vanuatu, Recommendations 1, 2, 3, 4, 5, 6, 7, 16, 17, 27, 31, 34, 35 & 36, 37 and 39 were upgraded to Compliant. Recommendations 8, 10, 14, 18, 22, 23, 24, 25, 33, 37, 38, 39 & 40 were upgraded to Largely Compliant. Recommendation 19 on the other hand remained at Partial Compliant as at this stage Vanuatu is yet to address the key deficiencies. Therefore out of the 40 Recommendations, Vanuatu has no Non-Compliant, only 1 Partial Compliant, 23 Largely Compliant and 16 Compliant. Overall, this is a significant improvement when compared to the 2015 Mutual Evaluation Report which rated Vanuatu with 13 Non-Compliant, 17 Partial Compliant, 9 Largely Compliant and only 1 Compliant.

The APG Plenary meeting also approved the following: Vanuatu exit the enhanced follow-up (expedited) and be placed on enhanced follow-up; Vanuatu provide its next Follow-Up Report by 31 January 2019; and the Co-Chairs write to relevant Ministers bringing their attention to the remaining deficiencies.

In recognition of the significant achievement and progress made thus far, the Prime Minister, Honourable Charlot Salwai Tabimasma will be hosting an acknowledgment function on 9th August 2018 for those involved. The Prime Minister will also take the opportunity to call for ongoing strong collaboration and sustainable implementations, given that the next follow-up report will be due by 31 January 2019.

Vanuatu also acknowledge the assistance of the APG Secretariat, FATF, the Joint Group team, the Asian Development Bank, the World Bank, the New Zealand Government, the Australian Government, the US Government, the South Korean Government, the European Union, the Commonwealth Secretariat, members of the APG and others who have assisted Vanuatu during the process.