

The NCC
Vanuatu National Coordinating Committee of
AML and CTF

[Established under section 50K of the AML/CTF Act]



VANUATU

NATIONAL STRATEGY

FOR COMBATTING

MONEY LAUNDERING,

TERRORISM AND

PROLIFERATION

FINANCING

2025-2030

Government of the Republic of Vanuatu
Office of the Prime Minister
August 2025

Endorsed by the NCC on 19 August 2025.



VANUATU'S 2025–2030 NATIONAL AML/CTF/CPF STRATEGY



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Vanuatu

National Strategic Priorities 2025 – 2030

1. Risk & Performance Indicators

Understand ML/TF/PF risks and define clear priorities & KPIs. Design risk-based national policy to address de-risking and financial inclusion.

2. Cross-Sector Collaboration

Domestic & international engagement plus private sector to receive & exchange information and intelligence.

3. Risk-Based Supervision

Use tailored supervision tools so FIs and DNFBPs implement and monitor risk-based preventive measures & apply commensurable sanctions.

4. Beneficial-Ownership Transparency

Enforce laws for up-to-date ownership data from legal persons and legal arrangements plus accessibility of BO information.

5. Maximise FIU Intelligence

Ensure FIU analysis on money laundering, PoC, predicate offences, TF and PF is fully used by law enforcement partners.

6. Enforcement Powers & Capacity

Equip authorities with adequate legal powers, resources and procedures to investigate, prosecute and sanction ML/TF/PF.

7. Asset Freezing & Confiscation

Modernise laws and strengthen frameworks to freeze, restrain and confiscate illicit assets and any linked financial benefits.

8. Terrorism-Financing Controls

Detect, investigate, prosecute and sanction TF offences with effective, proportionate measures and TFS measures.

9. NPO & High-Risk Sector Safeguards

Block terrorists/financiers from raising or moving funds; protect NPOs, VASPs and other vulnerable programs and channels.

10. Proliferation Financing Sanctions

Rapidly apply targeted financial sanctions on WMD proliferation networks in line with UNSCRs.

Acronyms

AML	Anti-Money Laundering
AML&CTF Act	Anti-Money Laundering & Counter-Terrorism Financing No. 13 of 2014
AML&CTF Related Acts	<p>AML&CTF Related Acts are:</p> <ul style="list-style-type: none"> • Proceeds of Crime Act [CAP 284] • Counter-Terrorism & Transnational Organised Crime Act [CAP313] (“CTTOC”) • Penal Code [CAP 135] • United Nations Financial Sanctions Act (UNFSA) • Leadership Code • National Security Act • Customs Act • Tax Administration Act • Gaming (Control) Act • Casino Control Act • Lotteries Act • Business License Act • Currency Declaration Act • Financial Institutions Act • International Banking Act • Insurance Act • International Companies Act • Companies Act • Company & Trust Services Providers Act • E-Business Act • Financial Dealers Licensing Act • Charitable Associations Act • Mutual Funds • Credit Unions • Foundation Act • Cooperative Societies Act
APG	Asia Pacific Group on Money Laundering
BCR	Border Currency Report
CTR	Cash Transaction Report
IFTR	International Funds Transfer Report
CDD	Customer Due Diligence
CPF	Counter Proliferation Financing
CTF	Counter Terrorism Financing
DCIR	Department of Customs & Inland Revenue
DNFBPs	Designated Non-Financial Businesses & Professions
EU	European Union
FATF	Financial Actions Taskforce
FIs	Financial Institutions
FIU	Financial Intelligence Unit

FSRBs	FATF Style Regional Bodies
LEWG	Law Enforcement Working Group
MACMA	Mutual Assistance in Criminal Matters Act [CAP285]
ML	Money Laundering
NCC	National Coordinating Committee
NRA	National Risk Assessment
OAG	Office of the Attorney General
OPP	Office of the Public Prosecutor
ORCBDS	Office of the Cooperatives & Business Development Services
PF	Proliferation Financing
POCA	Proceeds of Crime Act [CAP284]
RBA	Risk-Based Approach
RBV	Reserve Bank of Vanuatu
SAR	Suspicious Transaction Report
SDD	Simplified Due Diligence
STR	Suspicious Activity Report
SWG	Supervisory Working Group
TF	Terrorist Financing/ Terrorism Financing
UN	United Nations
UNCAC	United Nations Convention Against Corruption (2003) or Merida Convention
UNCAITNDPS	United Nations Convention Against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances (1988) or Vienna Convention
UNCATOC	United Nations Convention Against Transnational Organised Crime (2000) or Palermo Convention
UNICSFT	United Nations International Convention for the Suppression of the Financing of Terrorism (1999)
UNSCRs	United Nations Security Council Resolutions
VFSC	Vanuatu Financial Services Commission
VIPS	Vanuatu Immigration & Passport Services
VPF	Vanuatu Police Force
WMD	Weapons of Mass Destruction

1. Foreword

The Honourable Jotham Napat
Prime Minister of the Republic of Vanuatu



I am honoured to present Vanuatu's National Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation Financing Strategy for 2025 - 2030. In an increasingly interconnected world, safeguarding the integrity of our financial system is not only a matter of global obligation but also an essential pillar for national resilience and sustainable economic development. This Strategy reaffirms our commitment that is rooted in my Government's vision to protect our people, our institutions and our economy from the corrosive effects of illicit finance.

Over the next five years, this Strategy will guide a whole-of-government approach that harnesses the dedication of law enforcement, financial regulators, private sector partners and civil society. It establishes a risk-based framework calibrated to Vanuatu's unique economic profile, our growing tourism sector, the dynamism of small-business entrepreneurship, and the vital flow of remittances that sustain families across our islands. By strengthening legal frameworks, enhancing investigative capacities and fostering transparent public-private collaboration, we will deter money laundering, interrupt illicit funding networks and safeguard our shores against the threat of terrorist and weapons proliferation financing.

Developing this first Strategy has been a true national endeavour. I thank every government department, regulatory authority, financial institution and international partner whose expertise, passion and resolve have shaped our collective vision. Special recognition goes to the National Coordinating Committee, the NCC Working Groups and the Financial Intelligence Unit, for their leadership in embedding global best practices within our local context.

Vanuatu stands at a crossroads of opportunity. As we embrace innovation, from digital payments to enhanced information-sharing platforms, this Strategy equips us to manage emerging risks while preserving the trust and confidence that underpin our markets. I call upon every citizen, every business and every partner abroad to join me in upholding the principles laid out here. Together, we will fortify Vanuatu's financial integrity, protect our communities and ensure that our nation remains a beacon of openness, security and prosperity in the Pacific and globally.

I commend this Strategy to all who share in the promise of a safe and thriving Vanuatu.

Jotham Napat
Prime Minister of the Republic of Vanuatu
August 2025

2. The NCC Members

The NCC Vanuatu National Coordinating Committee of AML and CTF

[Established under section 50K of the AML/CTF Act]



The NCC consists of the following permanent members:

<p>Director General of the Prime Minister's Office, as Chairperson.</p> <p>Mr. George Maniuri.</p>		<p>Public Prosecutor; (Acting)</p>	
<p>Governor of the Reserve Bank of Vanuatu;</p>		<p>Director General of the Ministry of Justice and Community Services;</p>	
<p>Director General of the Ministry of Finance and Economic Management;</p>		<p>Attorney General;</p>	
<p>Commissioner of Police;</p>		<p>Director of Financial Intelligence Unit.</p>	

Commissioner of the
Vanuatu Financial
Services Commission



Director
responsible for
Customs and
Inland Revenue



Head of the Office of
the Registrar of
Cooperatives and
Business
Development
Services



3. Executive Summary

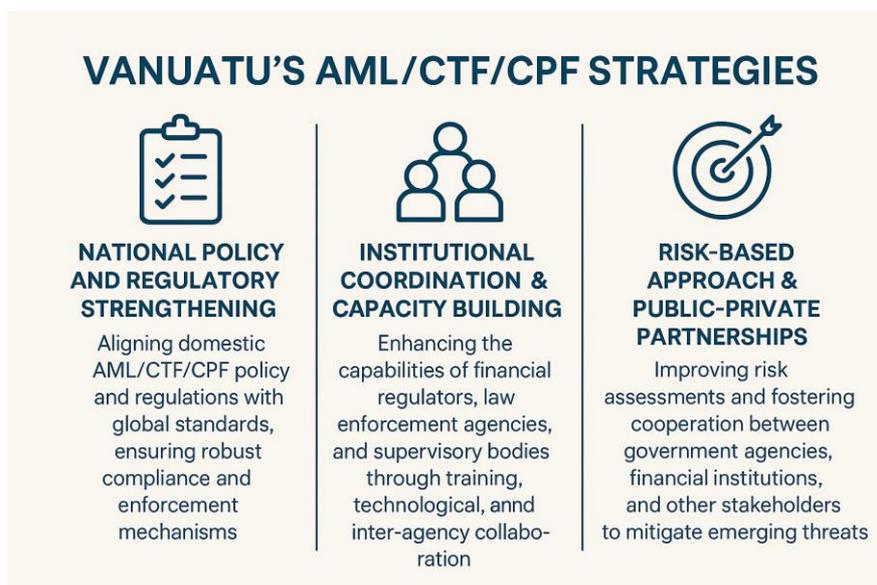
As a founder member of the Asia Pacific Group on Money Laundering (the APG), Vanuatu is strongly committed to participate in the fight against money laundering, the financing of terrorism and the financing of proliferation of weapons of mass destruction.

The purpose of this national strategy and action plan is to set out Vanuatu's position and national framework in supporting the global initiative in this fight and to effectively implement the Financial Action Task Force (FATF) Recommendations that are the international standards for combatting money laundering, terrorism financing and the financing of proliferation of WMD. In an increasingly interconnected financial system, the risks posed by money laundering, terrorist financing, and proliferation financing demand a comprehensive and coordinated response.

This national strategy on AML/CTF/CPF sets forth a framework to safeguard the integrity of Vanuatu's financial sector, enhance compliance with international standards, and strengthen institutional capacity to detect, prevent, and respond to financial crimes effectively.

The strategy and vision are built upon three key pillars:

- **National Policy and Regulatory Strengthening** – Aligning domestic AML/CTF/CPF policy and regulations with global standards, ensuring robust compliance and enforcement mechanisms.
- **Institutional Coordination & Capacity Building** – Enhancing the capabilities of financial regulators, law enforcement agencies, and supervisory bodies through training, technological advancements, and inter-agency collaboration.
- **Risk-Based Approach & Public-Private Partnerships** – Improving risk assessments and fostering cooperation between government agencies, financial institutions, and other stakeholders to mitigate emerging threats.



This strategy also underscores the importance of **international cooperation** in financial intelligence sharing and enforcement, ensuring that Vanuatu remains resilient against illicit financial activities. By implementing this roadmap, the nation can promote financial integrity, deter financial crimes, and uphold its commitment to global security.

The strategic priorities for Vanuatu's AML/CTF/CPF regime incorporate the outcomes emanating from the 2025 National Risk Assessment (NRA) Report which identify the threats to Vanuatu. Vanuatu's National Coordinating Committee (the NCC) would ensure that these strategies and actions are relevant, current and the mitigating measures are appropriate and commensurate with the money laundering, terrorist financing, and proliferation risks.

These strategies and actions would also ensure (a) the integrity and safety of Vanuatu's financial system, (b) money laundering and related criminal activities are investigated and prosecuted, (c) illicit assets are confiscated, (d) strong national and international networking and information exchange, (e) compliance with international AML/CTF/CPF requirements, (f) ease of economic participation and financial inclusion of local business people and ordinary citizens, (g) protection of local and foreign institutions and investors and other stakeholders from illicit financial transactions, (h) the investigation and prosecution of fraud, corruption, tax evasion and other complex financial crimes, (i) readiness to disrupt and prevent illicit financial flows by freezing assets and restricting financial activities of designated individuals and entities, and (j) appropriate sanctions are imposed for any noncompliance.

The key stakeholders of the national strategy are those involved in the regulation, law enforcement, policymaking, networking and coordination, compliance, and the private sector.

- **Government Officials & Policymakers:** Focus on national security, economic stability, and alignment with international AML/CTF/CPF obligations. Highlight policy implications, including financial inclusion, risk assessment, modernise legislative requirements, and the role of government leadership.
- **Regulatory & Supervisory Authorities:** Emphasize compliance with FATF standards. Detail enforcement mechanisms, reporting structures, and the expected risk-based regulatory outcomes, including correspondent banking relationships.
- **Financial Institutions and DNFBPs:** Stress risk management, operational compliance, and financial integrity. Address the practical implications and resources, including customer due diligence, transaction monitoring, and STR reporting.
- **Law Enforcement & Investigative Bodies:** Highlight strategies for detecting and prosecuting financial crimes. Provide insights into

intelligence-sharing, cooperation frameworks, and investigative best practices.

- **International Organizations & Partners** Underscore Vanuatu’s commitment to global security and financial integrity. Showcase collaborative opportunities, compliance with international mandates, and alignment with cross-border enforcement efforts.
- **Private Sector & Business Leaders** Focus on economic risks and corporate responsibility. Emphasize the importance of AML/CFT/CPF measures in protecting investments and maintaining ethical business practices.



International Organizations & Partners

"Vanuatu remains dedicated to upholding international security standards by enhancing cooperation with global financial institutions and enforcement bodies. This strategy ensures alignment with FATF, regional agreements, and international intelligence-sharing efforts, reinforcing our role as a responsible and compliant member of the global financial system."

Law Enforcement & Investigative Bodies

"A proactive approach to AML/CTF/CPF enforcement is essential to disrupting criminal networks. The strategy prioritizes intelligence-sharing, investigative coordination, and capacity-building for law enforcement agencies. Enhanced data analytics and cross-border cooperation will strengthen investigative capabilities, ensuring timely detection and prosecution of financial crimes."

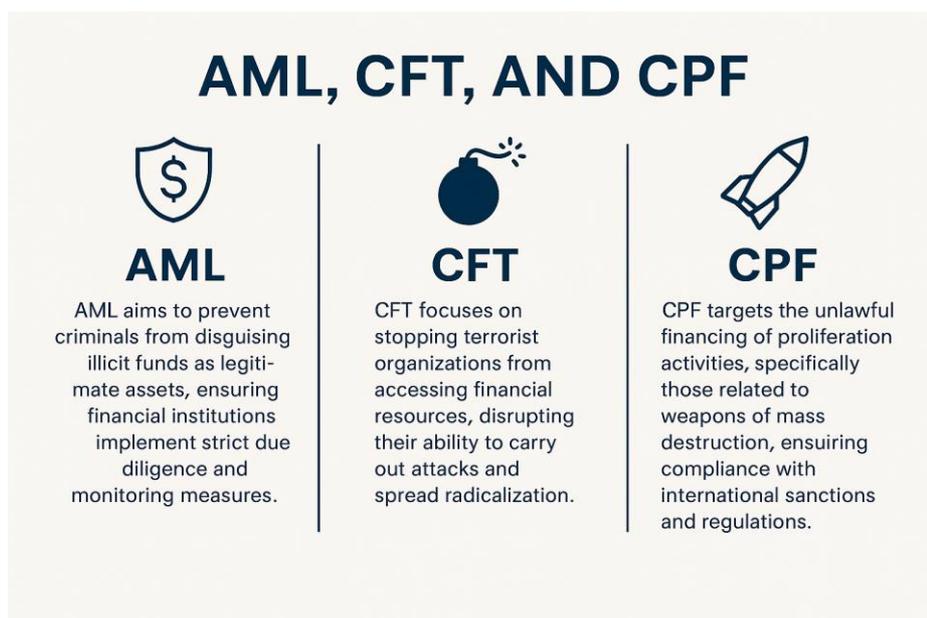
Private Sector & Business Leaders

"The private sector plays a vital role in maintaining financial integrity and mitigating risks associated with illicit financial transactions. This strategy equips businesses with guidelines on compliance, risk assessments, and ethical financial practices. Strengthening private-sector partnerships will create a more resilient and transparent economic landscape while safeguarding investments."

4. Introduction

Financial systems are the backbone of economies, ensuring stability and trust among businesses and individuals. However, these systems are often targeted by criminals seeking to launder illicit funds, finance terrorism, or proliferate weapons of mass destruction. To counter these threats, global efforts have been established under Anti-Money Laundering (AML), Combatting Terrorism Financing (CTF), and Combatting Proliferation Financing of (CPF) frameworks.

AML aims to prevent criminals from disguising illicit funds as legitimate assets, ensuring financial institutions implement strict due diligence and monitoring measures. **CTF** focuses on stopping terrorist organizations from accessing financial resources, disrupting their ability to carry out attacks and spread radicalization. **CPF** targets the unlawful financing of proliferation activities, specifically those related to weapons of mass destruction, ensuring compliance with international sanctions and regulations.



The Government of Vanuatu, the National Coordinating Committee, financial institutions, DNFBPs, other reporting entities, regulatory bodies and other stakeholders play a crucial role in implementing and enforcing these measures, fostering transparency, accountability, and security within the domestic and global financial system. The effective implementation of AML/CTF/CPF framework in Vanuatu not only safeguards the economy but also contributes to international peace and security.

Vanuatu has made significant progress in strengthening its AML/CTF/CPF framework to align with international standards. Recognizing the evolving risks posed by financial crimes, the government has prioritized compliance with global AML/CFT/CPF requirements to safeguard its financial system and maintain economic integrity.

As a member of the Asia/Pacific Group on Money Laundering (APG), Vanuatu has undergone multiple assessments to evaluate its AML/CTF framework. Vanuatu successfully exited the FATF "grey list" in 2018 after demonstrating substantial improvements in its regulatory and enforcement mechanisms. Currently, Vanuatu complies with 39 out of the 40 FATF recommendations, with ongoing efforts to enhance effectiveness in key areas. The national strategy emphasizes:

Strengthening Regulatory Compliance – Ensuring financial institutions adhere to AML/CFT/CPF laws and reporting obligations.

Enhancing Risk-Based Approaches – Conducting national risk assessments to identify vulnerabilities and mitigate financial crime risks.

Improving Monitoring & Enforcement – Establishing mechanisms to detect and prevent illicit financial activities.

International Cooperation – Collaborating with global partners to exchange intelligence and best practices.

In 2024, Vanuatu volunteered for an expedited APG mutual evaluation to be conducted in 2026, demonstrating its commitment to continuous improvement. The National Coordinating Committee is leading efforts to address residual gaps and enhance compliance effectiveness.



BY IMPLEMENTING A ROBUST AML/CTF/CPF STRATEGY, VANUATU AIMS TO PROTECT ITS FINANCIAL SYSTEM, PREVENT ILLICIT FINANCIAL FLOWS, AND CONTRIBUTE TO GLOBAL SECURITY.

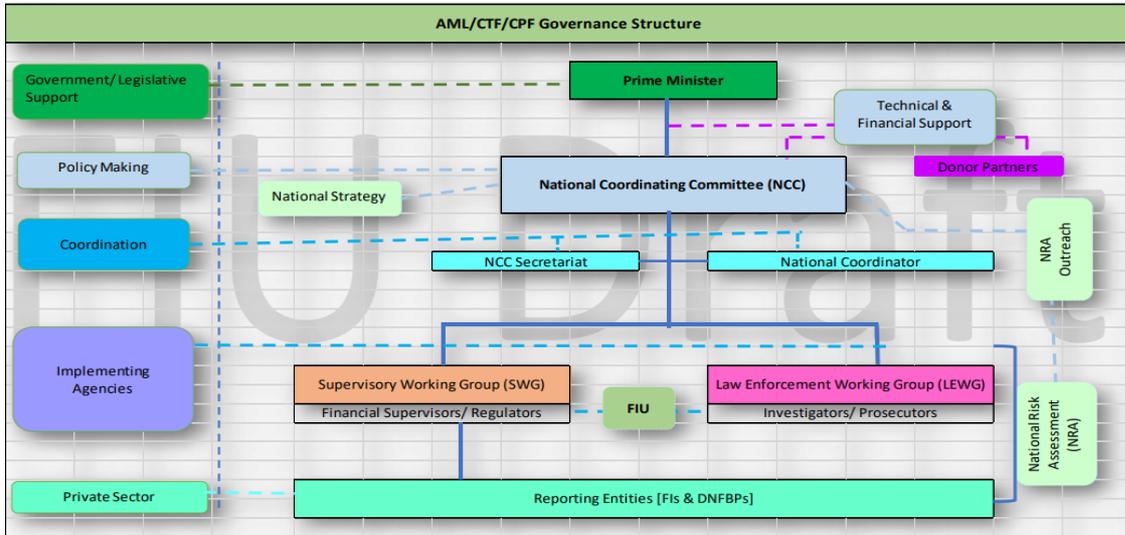
5. Governance Framework

The Vanuatu's financial system integrity depends on a strong AML/CTF/CPF governance and leadership framework.

A well-designed AML/CTF/CPF framework ensures that financial institutions operate transparently, minimizing risks related to money laundering and illicit financial activities. Effective governance is crucial for Vanuatu for:

- **Financial System Stability**
Without strong AML/CTF governance, financial crimes could undermine economic stability, deter foreign investment, and damage the country's reputation.
- **Compliance with Global Standards**
Vanuatu has worked to meet the FATF recommendations, ensuring its financial institutions remain connected to the international banking and financial systems.
- **Safeguarding National Interests**
Strong AML/CTF policies protect Vanuatu's economy from illicit transactions, ensuring that its financial institutions are not misused for money laundering or terrorism financing.
- **Strengthening Oversight & Enforcement**
Regulators, including the Financial Intelligence Unit (FIU), Reserve Bank of Vanuatu (RBV), and the National AML/CFT Coordinating Committee (NCC), ensure financial institutions comply with AML/CFT laws, preventing misuse of financial services.

The national strategy establishes clear line of responsibilities to maintain high-level oversight and accountability.



6. Vision and Strategic Priorities

The primary threats to Vanuatu's financial sector, being a cash-based economy, are money laundering through bank transactions, tax evasion, and financial fraud and corruption.

While the threat of terrorist financing and financing proliferation of weapons of mass destruction (WMD) is perceived as low, Vanuatu remains vulnerable due to international factors and must implement appropriate laws, systems, and policies to address all potential risks.

Vision

The Government's vision is for the public and private sectors to come together to implement a plan to protect Vanuatu from criminals and to deter criminal activities causing harm to the society and international stakeholders (such as trading partners), maintaining Vanuatu's integrity as a cooperative and responsible member of the global community, adhering to international standards to combat financial crime.

This vision aligns well with global efforts to combat financial crime and uphold economic integrity.

By fostering collaboration between the public and private sectors, Vanuatu aims to create a robust framework that protects its financial system while maintaining trust with international stakeholders.

The key components of Vanuatu's AML/CTF/CPF Vision are:

Strengthening Regulatory Oversight – Implementing stringent AML/CTF/CPF policies to ensure compliance with international standards.

Public-Private Partnerships – Encouraging cooperation between government agencies, financial institutions, and businesses to improve financial security.

Risk-Based Approach.1 – Conducting national risk assessments to address vulnerabilities and refine crime prevention strategies.

Risk-Based Approach.2 – Implementing and enforcing preventive measures that are appropriate and commensurate with the identified ML/TF/PF risks.

International Engagement – Collaborating with global financial bodies like the FATF and APG to enhance AML/CTF/CPF effectiveness.

Preventing Criminal Exploitation – Strengthening safeguards around risky sectors, such as, the Citizenship Programs, VASPs and the offshore financial services.

Key components of Vanuatu's AML/CTF/CPF Vision:



Strengthening Regulatory Oversight

Implementing AML/CTF/CPF policies to ensure compliance with international standards.

Public-Private Partnerships

Encouraging cooperation between government agencies and reporting entities to improve financial security.



Risk-Based Approach.1

Conducting NRA to address vulnerabilities and refine crime prevention strategies.

Risk-Based Approach.2

Implementing and enforcing preventive measures that are appropriate and commensurate with the identified ML/TF/PF risks.

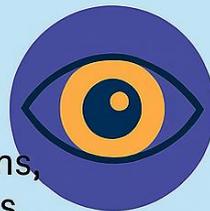


International Engagement

Collaborating with global partners to enhance AML/CTF/CPF effectiveness.

Preventing Criminal Exploitation

Strengthening safeguards around risky sectors, such as, the Citizenship Programs, VASPs and the offshore financial services.



This commitment ensures Vanuatu remains a trusted financial centre, reinforcing its reputation as a cooperative and responsible member of the global financial community.

The scope of this strategy is:

- AML: Anti-money laundering.
- CTF: Combatting terrorism financing.
- CPF: Combatting proliferation financing.

7. Strategic Priorities

The strategic priorities are designed to ensure that the FATF Recommendations are effectively implemented, that focuses on risks, and is integrated into Vanuatu's national laws, regulations, policies, institutional and technical structures, and operational procedures.

This strategic plan aims to address money laundering, terrorist financing, and proliferation financing risks by reviewing the findings of the 2025 and other national and sectoral risk assessment reports, implementing its recommendations, conducting periodic framework assessments, and implementing mitigation measures for perceived risks. The plan focuses on a risk-based approach to combatting these and other financial criminal activities.

NRA Findings:

The plan starts by acknowledging the current threats identified in the 2025 NRA report, which outlines Vanuatu's understanding of ML, TF, and PF risks.

Review and Implementation:

It involves reviewing the NRA findings and implementing the recommended actions to address the identified vulnerabilities.

AML/CTF/CPF Framework Assessment:

The plan includes periodic assessments of AML/CTF/CPF framework to ensure its effectiveness and relevance.

Risk Mitigation:

The core of the plan is to identify and implement measures to mitigate perceived risks, ensuring a proactive approach to preventing and combating illicit financial activities.

Risk-Based Approach:

The plan emphasizes a risk-based approach, which means tailoring mitigation measures to the level of risk, focusing resources on the most significant threats.

The plan outlines 10 strategic priorities for Vanuatu to implement the FATF 40 Recommendations and achieve high-level of effectiveness against the Eleven Immediate Outcomes. These priorities will be achieved by updating Vanuatu's AML-CTF framework, engaging with the private sector through continuous outreach programmes, and providing the necessary resources identified in the NRA report to empower the competent authorities.

Updating Vanuatu's AML-CTF Framework:

This involves revising Vanuatu's AML/CTF/CPF framework to align with the any revision or changes to the FATF standards and recommendations.

Continuous Outreach Programs:

Engaging the private sector through ongoing outreach programs is crucial for promoting awareness, understanding, and compliance with the FATF recommendations.

Resource Allocation:

The plan emphasizes providing the necessary resources, as identified in the NRA report, to empower the competent authorities. This includes funding, training, and technical support to effectively implement the AML/CTF/CPF framework and address identified weaknesses.

Achieving Effectiveness:

The plan aims to enhance Vanuatu's effectiveness in supervising and enforcing, detecting, preventing, and investigating money laundering and terrorist financing, and other areas of FATF's high-level objectives.

Empowering Competent Authorities:

By providing the necessary resources and support, the plan aims to empower competent authorities to effectively implement and enforce the AML/CTF/CPF framework.

In order to successfully achieve this outcome and to reduce financial crime risks and deter criminals, Vanuatu will strengthen the existing collaboration between government authorities and the private sector. This includes enhanced information sharing, improved risk-based supervision, and a focus on building trust and confidence in the financial system.

Enhanced Information Sharing:

Competent authorities (like law enforcement and financial regulators) and private sector entities (like banks, DNFBPs, and other financial institutions) would share information effectively to identify and disrupt criminal activities. This would involve, among other things, sharing data on suspected terrorist financing, money laundering, and other financial crimes.

Improved Risk-Based Supervision:

AML/CFT supervisors would implement a risk-based approach, focusing on areas where the risk of financial crimes is higher. This would allow for more targeted enforcement efforts and helps financial institutions understand and manage their risks and assist in national financial inclusion objectives by implementing simplified due diligence (SDD) measures for targeted customers.

Building Trust and Confidence:

A strong relationship with the community, both nationally and internationally, is crucial for creating an environment where people trust and

confide in Vanuatu's AML/CTF/CPF system, which would help deter criminals and prevent financial crimes. This includes fostering transparency and accountability in the financial sector.

Focus on Prevention:

By strengthening the relationship between authorities and the private sector, Vanuatu will focus on preventing financial crime before it occurs, rather than just reacting to it. This would include educating the public about the risks of financial crime and empowering them to report suspicious activity.

International Cooperation:

Vanuatu would also work with international partners to share information and best practices in the fight against financial crime. This includes participating in international organizations such as the APG.

TEN STRATEGIC PRIORITIES

Strategic Priority One: Understanding the money laundering, terrorism financing, the proliferation financing risks and performance indicators.

Strategic Priority Two: Actively engage with domestic and international agencies, competent authorities, and the private sector to share and exchange information, financial intelligence, and evidence to support enforcement actions against criminals and their assets.

Strategy Priority Three: Implement risk-based supervision and risk management tools to supervise and monitor FIs and DNFBPs' compliance with their obligations to develop and implement risk-based preventive measures including policies, procedures, and systems to mitigate ML/TF/PF risks and report suspicious transactions.

Strategy Priority Four: Introduce, implement, and enforce legislation for up-to-date beneficial ownership information is obtained from legal persons and legal arrangements and that the information is available to all competent authorities and the public.

Strategy Priority Five: Ensure that financial intelligence and other relevant information that are collected and analysed by the FIU in relation to money laundering investigations and associated predicate offences, and terrorism and proliferation financing are effectively used by relevant law enforcement and competent authorities.

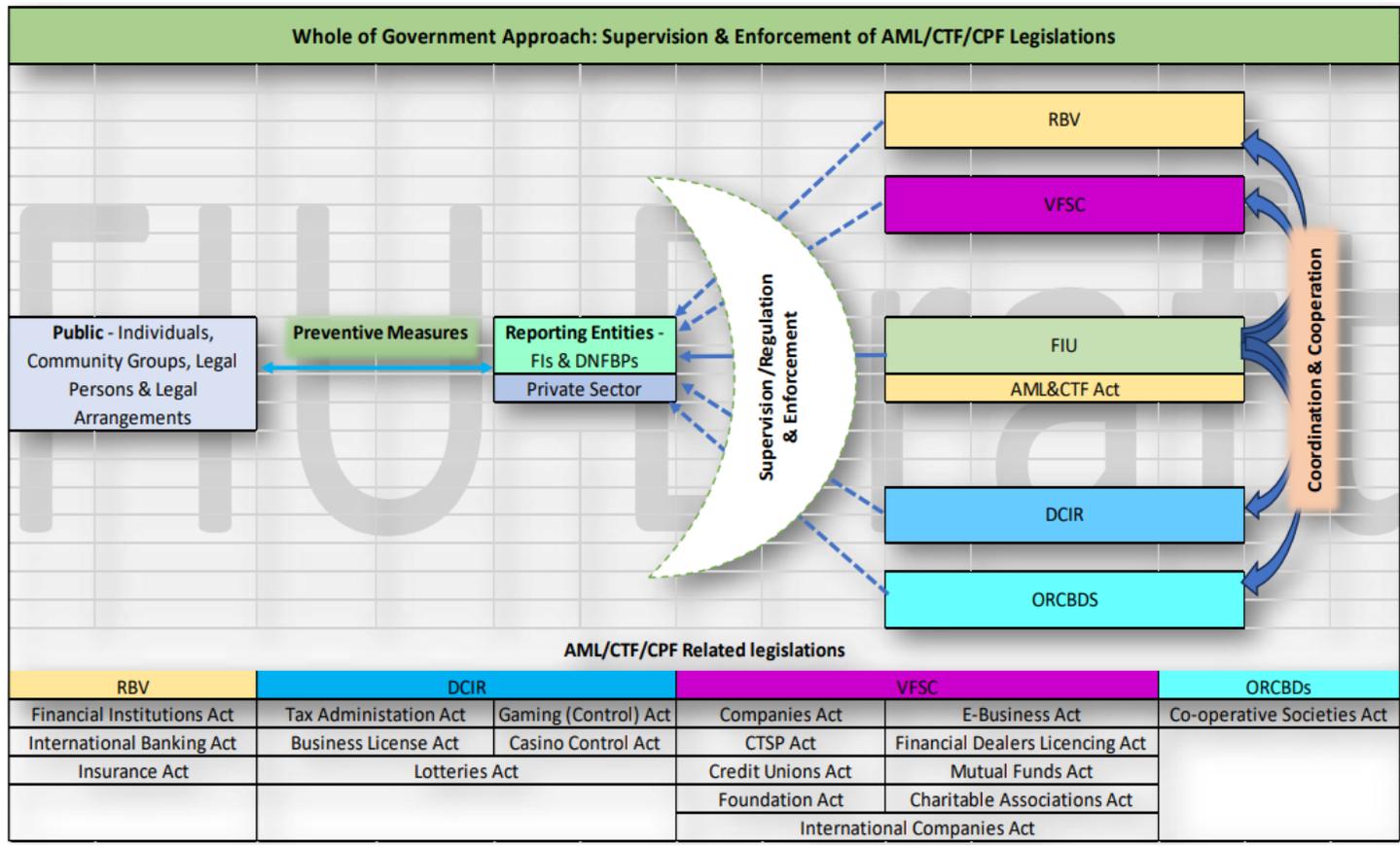
Strategic Priority Six: Law enforcement and other competent authorities have legal powers and measures, adequate resources and capacity, procedures, and tools to investigate and prosecute money laundering offences, associated predicate offences and powers to impose effective, proportionate, and dissuasive sanctions.

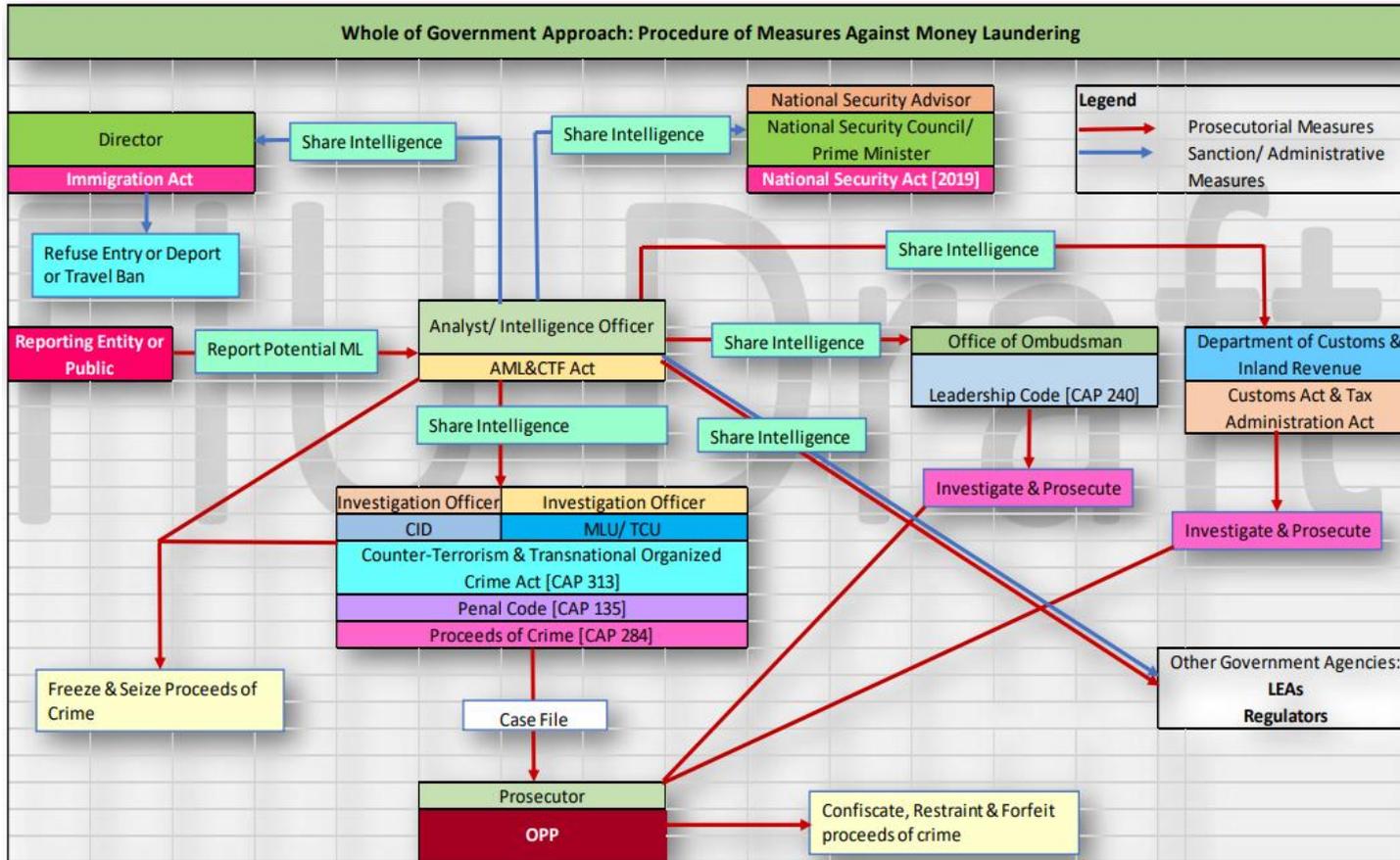
Strategy Priority Seven: Law enforcement and other competent authorities have legal powers and measures, adequate resources and capacity, procedures, and tools for the freezing, restraining and ultimate confiscation of criminal assets from persons and entities who are convicted or not of offences, unexplained wealth, and, deprive them of other financial benefits obtained from or linked to criminal activities and illicit financial transactions.

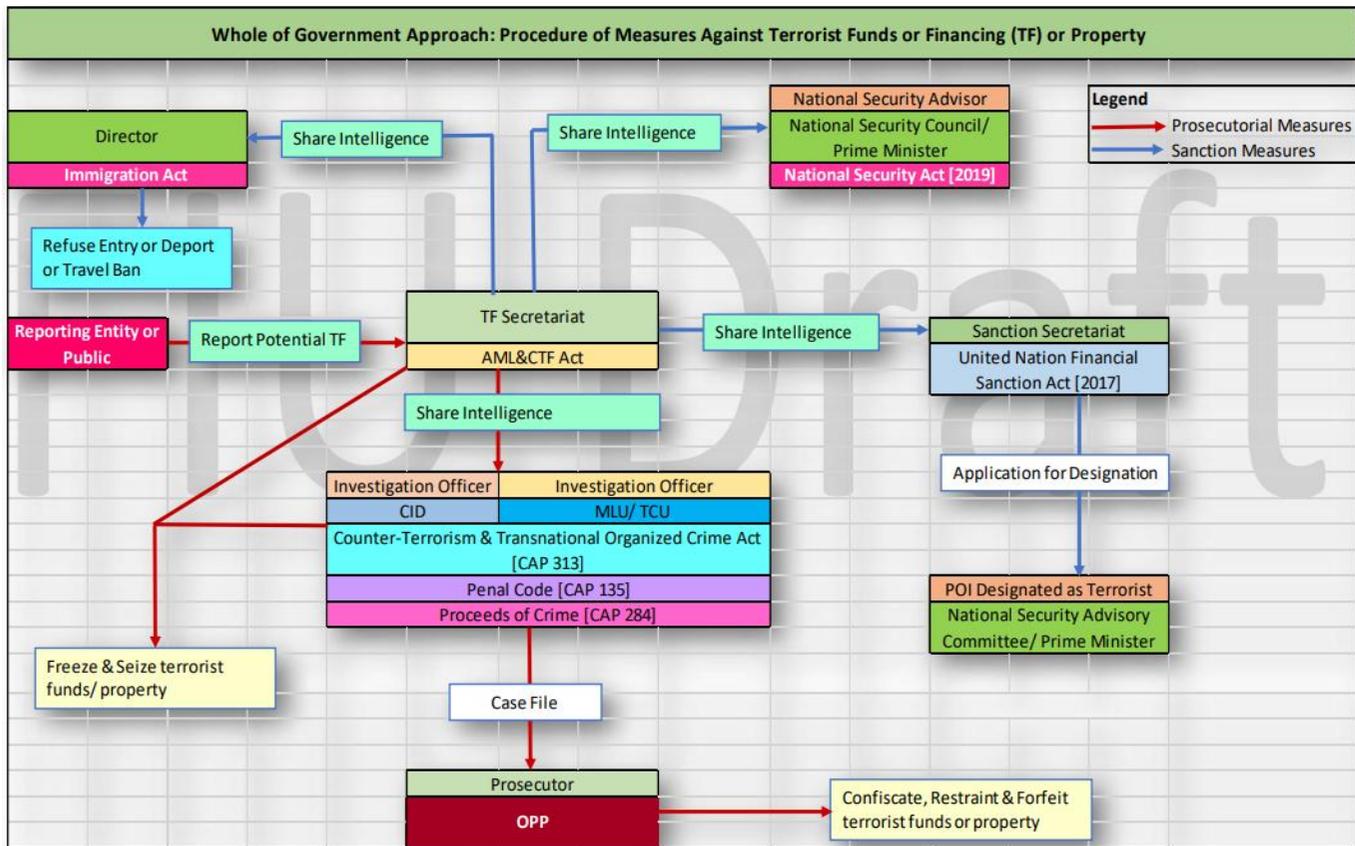
Strategic Priority Eight: Ensure terrorism financing offences are detected, investigated, and prosecuted, and persons who finance terrorism are identified and prosecuted and are subject to effective and dissuasive sanctions and listing.

Strategic Priority Nine: Introduce measures and procedures to detect and prevent terrorists, terrorist organisations and terrorist financiers from raising, storing, moving and using funds, and establish systems, guidance and procedures to identify NPOs that are vulnerable to terrorism financing abuse and apply appropriate sanction measures.

Strategic Priority Ten: Develop and implement targeted financial sanctions and related measures without delay related to the financing of proliferation of weapons of mass destruction. Ensure that authorities have appropriate resources and mechanisms to identify persons and entities involved in the proliferation financing and to prevent them from raising, moving and using funds, consistent with the objectives in the relevant UNSCRs.







8. Legal, Supervisory and Law Enforcement Framework

8.1. Introduction

Vanuatu's AML/CTF/CPF framework is built on the Anti-Money Laundering and Counter-Terrorism Financing Act, the Proceeds of Crime Act, Mutual Assistance in Criminal Matters Act, and AML&CTF related legislations or Acts.

These laws ensure that Vanuatu meets the international AML/CTF/CPF obligations and facilitates cooperation in criminal investigations and implementing relevant international conventions. For instance, UNCAC, UNCAITNDPS, UNCATOC and UNICSFT.

8.2. Legal Framework

Money Laundering Offence

The AML&CTF Act and POCA introduces the offence of money laundering and makes provision for confiscation orders in relation to persons who benefit from criminal conduct. The Act provides for the production of restraint orders to prohibit dealings with property, court orders, monitoring of accounts and searches to assist in investigations relating to money laundering or a person's benefit from criminal conduct and for cooperation with overseas authorities.

The AML&CTF Act and POCA includes provisions for the forfeiture of property obtained through unlawful conduct and establishes a framework for the prevention and detection of money laundering, terrorism financing and for incidental and connected purposes.

The AML&CTF Act also established Vanuatu's FIU with responsibility to act as a national centre for receiving and analysing of suspicious transaction reports concerning money laundering, associated predicate offences and terrorist financing. The FIU is also responsible for disseminating information emanating from its analysis and keeps secure intelligence received from other FIUs.

The AML&CTF Regulations impose obligations on regulated businesses, FIs and DNFBPs (including unregulated entities) requiring these entities to implement policies and procedures to prevent the risk of money laundering and to detect criminal activities that pose a risk to the financial stability of Vanuatu.

The AML&CTF Act provides for the supervisory authority to issue guidance to reporting entities and to make appropriate policies and rules on preventive measures and the reporting of suspicious transactions.

Terrorist Financing Offence

The AML&CTF Act, UNFSA and CTTOC introduces the offence of terrorist financing and makes provision for confiscation orders in relation to persons who benefit from criminal conduct.

Proliferation Financing Offence

The UNFSA and CTTOC introduces the offence of proliferation financing and makes provision for confiscation orders in relation to persons who benefit from criminal conduct.

8.3. General Preventative Measures issued under AML-CTF Regulations

Action: 8.3.1. Customer Due Diligence

The AML&CTF Act and Regulations stipulate that a relevant reporting entity shall apply customer due diligence measures before the reporting entity establishes a business relationship or carries out an occasional transaction.

- (a) customer due diligence measures and ongoing monitoring;
- (b) the reporting of disclosures;
- (c) record-keeping;
- (d) the screening of employees;
- (e) internal controls;
- (f) risk assessment and management; and
- (g) the monitoring and management of compliance with, and the internal communication of, its policies, systems and controls to prevent and detect money laundering and the financing of terrorism and financing and proliferation of WMD.

Action: 8.3.2. Record Keeping

The AML&CTF Act and Regulations require that reporting entity shall keep records comprising of the following:

- (i) a copy of the evidence of identity
- (ii) the supporting documents, data or information that have been obtained in respect of a business relationship or occasional transaction;
- (iii) a record containing details relating to each transaction carried out
- (iv) all account files; and
- (v) all business correspondence and such additional records that enables them to be made available on a timely basis, for at least 5 years.

Action: 8.3.3. Reporting of Suspicious Transactions/Activities

The AML&CTF Act mandates that where a reporting entity knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in money laundering, the reporting entity must disclose the information to the FIU as soon as is reasonably practicable and in any event within 2 working days. Failure to report knowledge or suspicion of money laundering is an offence.

Action: 8.3.4. Supervisory authorities for reporting entities

Vanuatu Financial Intelligence Unit

The Vanuatu FIU is assigned the statutory function to supervise the reporting entities for compliance with AML/CTF/CPF requirements under the AML &CTF Act. The FIU has the following functions in relation to the supervision of reporting entities:

- a) to monitor and assess the level of AML and CTF risk across reporting entities;
- b) to monitor reporting entities for compliance, and for this purpose to develop and implement a risk-based supervisory programme;
- c) to provide guidance and feedback to reporting entities in order to assist those reporting entities to comply with relevant requirements under the AML & CTF Act and the Regulations;
- d) to specify any forms and notices;
- e) to produce guidelines for compliance;
- (a) to monitor and enforce compliance;
- f) to co-operate with the National Coordinating Committee, domestic regulatory authorities, law enforcement agencies and foreign government agencies to ensure the consistent, effective, and efficient implementation of the AML & CTF Act;
- g) to provide training programs for reporting entities in relation to customer due diligence obligations, record keeping obligations and reporting obligations.

The FIU is also empowered to delegate its supervision functions of reporting entities to the Reserve Bank of Vanuatu and other domestic regulatory authorities

The AML & CTF Act describes a domestic regulatory authority as a statutory agency in Vanuatu that:

- a) grants or issues under that law or any other law licences, permits, certificates, registrations or other equivalent permissions; and
- b) performs any other regulatory function related to a matter referred to in paragraph (a), including developing, monitoring or enforcing compliance with standards or obligations prescribed under the relevant laws.

Vanuatu Financial Services Commission

The Vanuatu Financial Services Commission (“VFSC”) established under the Vanuatu Financial Services Commission [CAP 229] and has powers and functions under several legislations to provide for the supervision and regulation of business names, companies (local and international), companies & trust service providers, credit unions, charitable associations, foundations, mutual funds and financial dealers.

VFSC is Vanuatu’s domestic regulatory authority responsible for registering, supervision and regulating relevant businesses and companies under several legislations. The AML&CTF Act prescribes that RBV is a domestic regulatory authority, consequently, it is responsible for monitoring reporting entities and other entities under its supervision commensurate with the AML&CTF Act and regulations.

VFSC is required to monitor the effectiveness of the regulatory enactments in providing for the supervision and regulation of reporting entities and other entities in accordance with internationally accepted standards on AML/CTF/CPF.

Reserve Bank of Vanuatu

The Reserve Bank of Vanuatu (“RBV”) established under the Reserve Bank of Vanuatu Act [CAP 125] and has powers and functions under several legislations to provide for the supervision and regulation of financial institutions, internal banks and insurance.

RBV is Vanuatu’s domestic regulatory authority responsible for licensing financial institutions, international banks and insurance agents. The AML&CTF Act prescribes that RBV is a domestic regulatory authority, consequently, it is responsible for monitoring reporting entities under its supervision and regulation commensurate with the AML&CTF Act and regulations.

RBV is required to monitor the effectiveness of the regulatory enactments in providing for the supervision and regulation of reporting entities in accordance with internationally accepted standards on AML/CTF/CPF.

Department of Customs & Inland Revenue

The Department of Customs & Inland Revenue (“DCIR”) established under the Tax Administration Act and Customs Act and has powers and functions under other legislations to provide for the supervision and regulation of business license, imports, exports, value added tax, import duties and other relevant taxes.

DCIR is Vanuatu's competent authority in relation to exchange of information for tax purposes. The AML&CTF Act prescribes that DCIR is a domestic regulatory authority, consequently, it is responsible for monitoring reporting entities under its supervision and regulation commensurate with the AML&CTF Act and regulations.

DCIR is required to monitor the effectiveness of the regulatory enactments in providing for the supervision and regulation of reporting entities in accordance with internationally accepted standards on AML/CTF/CPF.

Office of the Cooperatives & Business Development Services

The Office of the Cooperatives & Business Development Services to apply appropriate AML/CTF/CPF measures in registration and supervision of Cooperative Societies in Vanuatu.

Action: 8.3.5. Supervisor for Non-Profit Organisations

The Non-Profit Organisations Regulations prescribed the Financial Services Commission as the NPO prudential supervisor. The Regulations specify the financial threshold for the registration of non-profit organisations for the Commission to have oversight of the activities of registered entities. Registered NPOs are subject to the requirements in any law or guidance issued under the Financial Service Registry Act that is applicable to non-profit organisations.

The regulatory obligations set out in the NPO Regulations would be further strengthened to implement all relevant FATF recommendations applicable to non-profit organisations.

Action: 8.3.6. Companies Act and Beneficial Ownership of Legal Persons

The Companies Act and International Companies Act govern company formation and beneficial ownership requirements. International companies in Vanuatu are required to provide information about their beneficial owners, including details such as passport copies, police clearances, proof of residency, source of funds, and any records of convictions or charges. The VFSC maintains a register of beneficial owners and requires companies to disclose details of beneficial owners upon registration and in subsequent notifications of changes. International companies are generally not required to publicly disclose the names of directors, shareholders, or beneficial owners, however, they must still comply with the beneficial ownership requirements outlined above. Companies may be required to have at least one director, who may be a resident of Vanuatu, and must have a registered office and agent. In summary, there are significant beneficial ownership requirements that must be met to comply with the Companies Act and International Companies Act in Vanuatu.

All reporting entities that are covered under the AML & CTF Act are required to identify the beneficial owner of their customers if the customer is undertaking a transaction on behalf of another person.

The FIU is also empowered to require reporting entities to provide information about the beneficial owners of customers to the FIU.

9. Agencies

To effectively address AML/CTF/CPF threats in Vanuatu, a coordinated and collaborative approach is necessary, adhering to the relevant international standards, and involves implementing relevant legislation, sharing information, and cooperating with international bodies to ensure a robust and effective system. The lead role of coordination is vested in the National Coordinating Committee, the regulatory and supervisory bodies, law enforcement and prosecution agencies, other government agencies and the private sector.

9.1. Vanuatu's Financial Intelligence Unit (FIU)

The FIU is the financial intelligence arm of the Vanuatu Government that was established under AML&CTF Act. It acts as the national centre that receives disclosures of suspicious activities made by FIs and non-financial services for the purpose of combating money laundering and the financing of terrorism and WMD. The FIU receives large transaction reports, wire transfer reports, suspicious, terrorism financing reports and other reports such as border currency declarations submitted by FIs and other entities.

The FIU is also empowered to receive from and disseminate to foreign financial intelligence units, information relating to the investigation of proceeds of crime, money laundering and the financing of terrorism and the funding of the proliferation of WMD. The FIU has policies, SOPs (standard operating procedures) and guidance notes which cover the procedures for handling, storage, security, and dissemination of information and its staff are vetted for relevant security clearance and checks.

The FIU is currently being fully resourced in line with its stated objectives to update its systems, methods, and processes and to be a resource centre that analyses, investigates, and disseminates intelligence and other information on money laundering and terrorism financing activities to the competent authorities in Vanuatu, the region, and internationally.

In 2003, the Vanuatu FIU was admitted as a member of the Egmont Group, the internationally recognised body of FIUs which provides a secure platform for the exchange of intelligence between FIUs.

9.2. Vanuatu Police Force

The Vanuatu Police Force (VPF) is responsible for the investigation of serious offences under Penal Code Act and Proceeds of Crime Act. Several predicate offences of money laundering stipulated under Penal Code.

Under the POCA, VPF has the power to freeze properties suspected of being proceeds of crime.

There is a Fraud Unit and a Money Laundering Unit established under the Criminal Investigation Department. They are responsible to investigate ML and related financial crimes and predicate offences.

VPF also operate a Transnational Crimes Unit and INTERPOL National Central Bureau to cooperate and coordinate regional and international law enforcement efforts. For example, Pacific Transnational Crime Network and INTERPOL.

9.3. Department of Customs & Inland Revenue

Vanuatu's Customs and Inland Revenue Service has a team of officers who are responsible for:

- Border control - Policing the Island's Border and the movement of cash
- Asset tracing investigations and weapons and drug trafficking investigations and the importation of illegal substances investigation.
- The Supervision of the information on the movement of goods across borders and keep relevant statistics.

The Customs Control and Management Act require a person who enters Vanuatu with currency or monetary instruments over one million or the equivalent to make a declaration by a completing the form and submitting it to the Customs officer on duty at the port or airport of embarkation and shall provide information regarding the origin of the currency or monetary instrument and its intended use.

DCIR also register business licenses and administer taxation system to ensure businesses and tax requirements implemented according to international standards (FATF Standards) and to ensure persons and criminals do not abuse their tax obligations. It also registers and licences the MVTs sector.

The DCIR is also required to implement border currency declaration requirements under in Vanuatu.

9.4. Vanuatu Immigration & Passport Services

The Vanuatu Immigration Services is responsible to ensure immigration systems detects financial crime, criminal networks, money launderers, terrorists and/ or human traffickers. Further, ensure visa not abuse by criminals or organised criminal networks.

The Passport Services cooperate with Vanuatu citizenship Office to ensures criminals not abuse Vanuatu passport and citizenship for criminal purposes.

As the frontline agents at Vanuatu borders, VIPS to cooperate with DCIR and other border agencies, and the FIU to disrupt any ML/TF/PF related activities.

9.5. Department of Fisheries and Vanuatu Maritime Services Authority

The Department of Fisheries and Vanuatu Maritime Service Authority ensures that fishing licenses are not abused, and Vanuatu's flag of convenience are not abuse by organised criminal networks, for terrorism activities and the proliferation financing activities.

Ensure fishing vessels within Vanuatu and International waters do not conduct illegal unreported and unregulated fishing.

9.6. Department of Biosecurity

The Department of Biosecurity to work closely with the Department of Environmental Protection & Conservation, Department of Fisheries, Department of Forestry and DCIR to counter illegal wildlife trade and biological weapons across Vanuatu borders.

9.7. Office of the Ombudsman

While not a frontline AML/CTF/CPF regulatory or enforcement body, the Office of the Ombudsman plays a complementary and oversight role that supports Vanuatu's integrity framework and FATF compliance as follows:

- Investigates mal-administration, abuse of power, and breaches of the Leadership Code by public officials, including those in regulatory, enforcement, and supervisory agencies relevant to AML/CTF/CPF.
- Promotes good governance and ethical leadership, which are foundational to an effective AML/CTF/CPF regime. This includes ensuring that agencies tasked with financial intelligence, supervision, and enforcement act lawfully and fairly.
- Provides a channel for citizens and entities to report misconduct or failure by government bodies, including those involved in AML/CTF/CPF implementation. This strengthens trust and encourages civic engagement in financial integrity efforts.
- Monitors compliance with the Leadership Code, which includes financial probity and ethical standards for decision-makers who influence AML/CTF/CPF policy and operations.

Through public reports and outreach, the Ombudsman can highlight systemic weaknesses or risks that intersect with AML/CTF/CPF concerns, such as corruption, nepotism, or regulatory failure.

9.8. Office of the Public Prosecutor

The Office of Public Prosecutions (OPP) is responsible for the prosecution of criminal matters before all levels of the Vanuatu Court of Justice. The office is headed by the Public Prosecutor, and who, along with their counsels, are integral to the continued fight for justice and the rule of law. One of the functions of the OPP includes processing and handling requests for mutual assistance in criminal matters and extradition applications under MACMA.

Services offered by the Public Prosecutor include instituting and conducting prosecutions, restraining and confiscating assets used in, or derived from the commission of criminal offences, including offences of money laundering, the financing of terrorism and the proliferations and providing advice to the Vanuatu Police Force and the Vanuatu Financial Intelligence Unit.

It is expected that the OPP and Office of the Office Attorney General would be tasked to facilitate Non-Conviction Based Forfeiture, unexplained wealth and other related provisions upon enactment of appropriate laws in the future.

10. National Committees

The Prime Minister, the National Security Advisory Committee, the NCC, the Commissioner of Police, the Sanctions Secretariat and the Vanuatu Financial Intelligence Unit play key roles in implementing the sanctions regime and ensure that relevant reporting entities are informed of the imposition of financial sanctions against a regime or designated individuals and entities assets are frozen as soon as practicable, and other measures.

i. National Security Advisory Committee

The Prime Minister hold ministerial portfolio for AML/CTF/CPF laws in Vanuatu and leads Vanuatu's efforts to develop and implement an effective AML/CTF/CPF framework that fully complies with the international requirements.

The Prime Minister also has a direct role in the designation and other processes under the United Nations Financial Sanctions Act.

Sanction Secretariat

Vanuatu is obligated under domestic and international laws to implement targeted financial sanctions against designated individuals, groups, organizations, and entities.

These sanctions aim to prevent them from violating international peace and security, supporting terrorism, or financing the proliferation of weapons of mass destruction. Vanuatu's UN Financial Sanctions Act addresses the international obligations and allows for the implementation of these sanctions.

ii. National Coordinating Committee

The Director General of the Prime Minister's Office is the Chairperson of the NCC and oversees the overall AML/CTF/CPF policy and coordination objectives for Vanuatu.

11. Responsibilities of NCC

11.1. Commitment to implement AML&CTF standards

On 30 August 2018 the Government of Vanuatu established the National Anti-Money Laundering and Countering Terrorism financing Committee (AML &CTF NCC). The NCC comprises the heads of policy making bodies, law enforcement, the FIU, the supervisory and regulatory authorities, customs/border control and tax authorities.

The NCC consists of the following members:

<p style="text-align: center;">Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014</p> <p>PART 10A – NATIONAL COORDINATING COMMITTEE</p> <p>50K. National Coordinating Committee of AML and CTF</p> <p>(1) The National Coordinating Committee of the AML and CTF is established.</p> <p>(2) The National Coordinating Committee of the AML and CTF consists of the:</p> <ul style="list-style-type: none">(a) Director General of the Prime Minister’s Office, as Chairperson; and(b) Governor of the Reserve Bank of Vanuatu; and(c) Director General of the Ministry of Finance and Economic Management; and(d) Commissioner of Police; and(e) Public Prosecutor; and(f) Director General of the Ministry of Justice and Community Services; and(g) Attorney General; and(ga) Commissioner of the Vanuatu Financial Services Commission; and(gb) Director responsible for customs and inland revenue; and(gc) Head of the Office of the Registrar of Cooperatives and Business Development Services; and(h) Director of Financial Intelligence Unit.

The role NCC Chairperson to drive and implement its statutory mandate under the AML/CTF Act. The core mandate of the NCC is the national coordination of Vanuatu’s AML/CTF/CPF framework, including the following:

- Advising the Director VFIU and the Prime Minister on matters related to detecting and preventing money laundering and terrorism financing.
- Making recommendations on policies and strategies for AML and CTF.
- Facilitating the flow of information between relevant agencies.
- Producing and disseminating information on AML and CTF risks.
- Promoting cooperation among supervisors and consultation with other agencies for policy and legislation development.
- Ensuring consistent approaches to supervision, guidance materials, and training initiatives.
- Providing a forum for addressing operational or policy issues affecting the AML and CTF system.
- Assisting in coordination between government departments, agencies, and statutory bodies.

In summary, the NCC plays a central role in ensuring effective coordination, strategic direction and national policy formulation, and implementation of AML/CTF measures in Vanuatu. This new role is critical to collective and successful development, implementation and monitoring of the national strategy.

Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014

PART 10A – NATIONAL COORDINATING COMMITTEE

50K. National Coordinating Committee of AML and CTF

(4) The functions of the National Coordinating Committee are:

- (a) to advise the Director and the Minister on any matters relating to the detection and prevention of money laundering or the financing of terrorism; and
- (b) to make recommendations to the Director and the Minister on any matters relating to the detection and prevention of money laundering and the financing of terrorism; and
- (c) to assist the Director and the Minister in the formulation of policies or strategies relating to the detection and prevention of money laundering and the financing of terrorism; and
- (ca) facilitate the necessary flow of information on AML and CTF between relevant agencies; and
- (cb) facilitate the production and dissemination of information on the risks of AML and CTF in order to give advice and make decisions on AML and CTF requirements and the risk-based implementation of those requirements; and
- (cc) facilitate co-operation amongst supervisors and consultation with other agencies in the development of AML and CTF policies and legislation; and
- (cd) facilitate consistent and co-ordinated approaches to the development and dissemination of AML and CTF guidance materials and training initiatives; and
- (ce) facilitate good practice and consistent approaches to supervision of this Act; and
- (cf) provide a forum for examining any operational or policy issues that have implications for the effectiveness or efficiency of the AML and CTF system; and
- (d) to assist the Director in coordination between various Government departments, agencies and statutory bodies.

11.2. National Risk Appetite and National Risk Assessment

Vanuatu's first ML risk assessment was conducted in 2014 and updated review in 2017 to include TF and PF. Sectoral risk assessments were conducted for Vanuatu's offshore financial centre in 2017, a broader financial sectoral risk classification in 2018, and a targeted risk assessment for the VASPs sector was completed in 2024. The 2024 NRA was also finalised. The NRA has taken into consideration the gaps and outcomes of Vanuatu's last mutual evaluation report (MER) that was published by the APG in September 2015. It also incorporates any changes to the FATF international standards and guidance for the effective implementation of legal, regulatory, and operational measures for combating money laundering, terrorism financing and the financing of proliferation of WMD.

The 2024 NRA identifies and assesses Vanuatu's ML/TF/PF risks and apply a risk-based approach to allocating resources and implement measures that commensurate with the identified risks.

11.3. National Risk Appetite

The national AML/CTF/CPF strategy aims to address perceived risks within the Vanuatu's AML/CTF/CPF regime, ensuring that the regime effectively deters, detects, and disrupts money laundering, terrorism and proliferation financing. It provides a framework for managing these risks, incorporating a risk-based approach to regulation as outlined in the AML&CTF Act and Regulations. The strategies also contribute to the global effort to combat money laundering, terrorism and proliferation financing through collaboration with international bodies like the FATF and the APG.

The development of the national strategy to manage ML/TF/PF involved a risk assessment process to identify, assess, and understand the potential risks faced by Vanuatu that also included contextual factors like Vanuatu's size, nature, complexity, customer base, and the types, nature, and size of financial and non-financial services including the simplicity and small size of the OFC, casino and gaming sector and the developing VASPs sector, the as well as the delivery channels. The national strategy also aims to implement appropriate measures to mitigate these risks and ensure compliance with AML/CTF obligations and outlines the specific policies, procedures, and controls that will be implemented to mitigate those risks. It will be subject ongoing monitoring and review of the effectiveness of the implemented measures. This will ensure that the national strategy remains relevant and responsive to evolving risks and regulatory requirements. As noted earlier, the national strategy emphasises a risk-based approach, has tailored the AML/CTF /CPF measures to the specific risks faced by Vanuatu. This means that lower-risk areas will not require the same level of scrutiny, prioritisation and resources as higher-risk areas.

11.4. National Risk Assessment

In 2017, Vanuatu's Parliament approved 30 bills, which included the establishment of the National AML&CTF Coordinating Committee (NCC). These bills, enacted in June and November 2017, aimed to align Vanuatu's AML&CTF legal framework with both the FATF Action Plan and the FATF 40 Recommendations. The NCC was crucial for coordinating Vanuatu's efforts in meeting the FATF's requirements.

The NCC took leadership in 2024 and conducted a national risk assessment of the Vanuatu's AML/CTF/CPF framework.

The NRA was finalised in July 2025.

12. National Strategic AML/CTF/CPF Plan

12.1. Introduction

To effectively protect Vanuatu from being used as a vehicle for money laundering, the financing of terrorism and the financing proliferation, Vanuatu needs to implement a comprehensive AML/CTF/CPF framework. A key part of this framework is the national strategic plan, which is duly endorsed by the Government of Vanuatu to ensure its priorities are met.

As noted above, the national strategic plan outlines Vanuatu's approach to combating ML/TF/PF, including its priorities, goals, and strategies. It is a comprehensive and an inclusive plan that addresses all aspects of the AML/CTF/CPF system, including the continuous modernisation of legislation and policies to ensure the effectiveness and relevancy of the system.

The government's endorsement of this plan and priorities are crucial for ensuring that it's taken seriously and resources are allocated to its implementation. This endorsement signals a commitment to addressing these threats. The framework addresses the specific risks Vanuatu faces, including those related to money laundering, terrorist financing, and proliferation financing and the need to fully comply with international standards and recommendations.

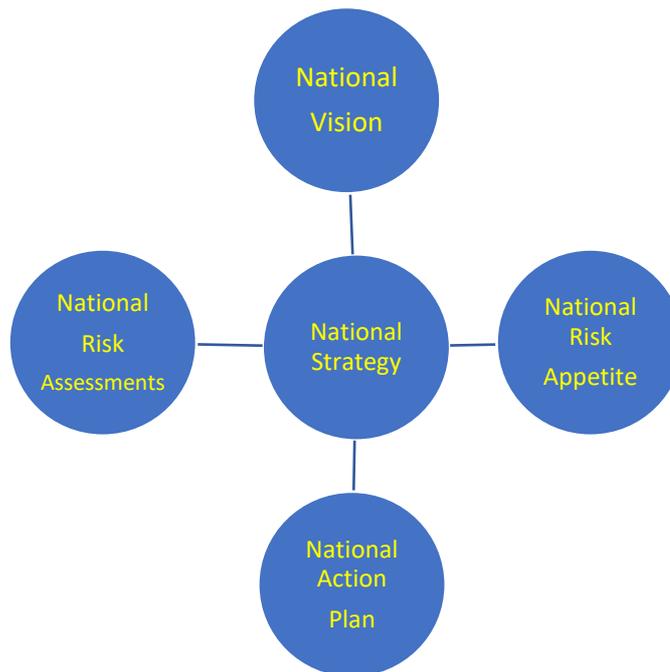
The plan recognises that sufficient financial and human resources are needed to implement and maintain the AML/CTF/CPF framework, including training for officials of NCC members and the private sector reporting entities. Effective cooperation and coordination among different government agencies and the private sector are essential for the success of Vanuatu's AML/CTF/CPF system.

In essence, a strong and effective AML/CTF/CPF framework, underpinned by a government-endorsed National Strategic Plan, is crucial for protecting Vanuatu from being exploited for illicit activities.

The strategic plan recognises the findings and is grounded in the National Risk Assessment Report and aligns with the upcoming APG Mutual Evaluation in March 2026 to ensure compliance with the FATF 40 Recommendations. This requires a proactive approach to address identified vulnerabilities and enhance Vanuatu's AML/CTF/CPF system in the following way:

The strategic plan acknowledges and incorporates the findings of Vanuatu's National Risk Assessment Report, which identifies its specific vulnerabilities to money laundering and terrorist financing. The impending APG Mutual Evaluation in March 2026 will assess Vanuatu's compliance with the FATF 40 Recommendations. The strategic plan is designed to address any potential deficiencies identified in the evaluation and improve Vanuatu's AML/CFT system. The goal of the strategic plan is to achieve full compliance with the

FATF 40 Recommendations. Thus, Vanuatu would take proactive steps to strengthen its AML/CFT system, including, strengthening regulatory frameworks, improving law enforcement cooperation and information sharing, enhancing the effectiveness of the FIU, addressing the risks identified in the NRA Report. Implementing the recommendations provided by the APG during its 2026/2027 mutual evaluation.



12.2. Strategic Priorities and Outcomes

Strategic Priority One: focuses on understanding and addressing the risks of money laundering, terrorism financing, and proliferation financing, as well as monitoring performance indicators related to these risks. This involves identifying and assessing national risk profiles, developing appropriate mitigation measures, and evaluating the effectiveness of these measures.

Outcome: Vanuatu recognises the risks that financial crime poses to the financial sector and effectively introduced laws, implemented policies and activities for a more coordinated approach across the competent authorities and industry to combat money laundering and terrorism financing and mitigate risks.

National Risk Assessments:

Vanuatu is required to conduct national risk assessments of ML, TF, and PF risks, as outlined in FATF Recommendation 1.

These assessments should identify potential threats, assess vulnerabilities, and understand the actors involved. Vanuatu has conducted two national

risk assessments, including a few sectoral assessments. The NRAs are part of a continuous process of review and updating.

Understanding the Risks:

Money Laundering: Involves disguising the origins of illegally obtained funds to make them appear legitimate. Terrorist Financing: Providing financial support to terrorist organizations or activities. Proliferation Financing: Providing financial support for the development or deployment of weapons of mass destruction.

Identifying specific types of risks, such as corruption, cybercrime, and transnational criminal organizations, is crucial. Understanding the different stages of these risks, from funding to disposal of illicit proceeds, is also important.

Performance Indicators:

Specific metrics and key performance indicators (KPIs) are used to measure the success of efforts to combat ML, TF, and PF.

Examples of indicators would include the number of suspicious transaction reports filed, the number of asset seizures, or the number of convictions related to these crimes.

These indicators help track progress, identify areas for improvement, and ensure that resources are being allocated effectively.

Mitigation Strategies:

Risk-Based Approach: Supervisors would allocate more resources to areas of higher risk, based on the level of exposure to ML/TF.

Enhanced Supervision: This includes conducting more frequent and in-depth assessments of financial institutions and other relevant entities.

Cooperation and Information Sharing: Working with other countries and intelligence agencies is crucial for effective risk management.

Targeted Sanctions: Implementing and enforcing sanctions against individuals and entities involved in ML, TF, and PF.

Public-Private Partnerships: Engaging with the private sector to promote awareness and encourage compliance.

Importance of Strategic Priority One:

Failing to effectively address ML, TF, and PF can have serious consequences, including damage to the financial system, erosion of public trust, and increased risk of terrorism and other violent crimes.

By understanding and addressing these risks, Vanuatu would strengthen its financial systems, protect its citizens, and contribute to global stability.

Strategic Priority Two: Actively engage with international agencies, competent authorities and the private sector to facilitate the exchange of information and financial intelligence. This priority is crucial for strengthening Vanuatu's national security efforts and effectively tackling

international illicit financial transactions, money laundering and terrorist financing.

Vanuatu actively engages with international agencies like the APG, FATF, the Egmont Group, PFIC, PILON, PTCN, PTCCC, INTERPOL, CENCoM, PITAA/PFTAC and other regional and international groups to combat ML, TF and PF activities. The focus would also be on strengthening collaboration with domestic authorities to ensure effective information sharing and analysis. Engaging with regulatory bodies is also vital for maintaining a robust regulatory framework that can effectively address financial risks. The private sector, including financial institutions and DNFBPs are also key stakeholders in the fight against financial crime, thus collaboration ensures that they are informed and contribute to intelligence gathering and risk management.

The core of this priority is the exchange of information and financial intelligence between these various stakeholders. This includes data on suspected illicit activities, financial transactions, and emerging threats. By actively engaging with international bodies and local authorities, Vanuatu strengthens its national security apparatus and enhances its ability to counter various threats, including terrorism, financial crimes, and other threats,

Outcome: Pursue assistance from foreign counterpart agencies in investigating criminal activities and use formal and informal gateways to exchange information. Respond proactively to requests by providing constructive and timely assistance in a secure manner when requested by or from other countries. Engage in the sharing of and usage of information to combat financial crime within and between the public and private sectors, across participants, including competent authorities local and international agencies.

Strategy Priority Three: Employ Risk-Based Supervision and Risk Management tools to supervise and monitor FIs and DNFBPs' compliance with their legal obligations by implementing risk-based policies and procedures to prevent criminal activities and mitigate ML, TF, and PF risks.

The strategy focuses on risk-based supervision and risk management tools to enhance compliance efforts. *Outcome:* Reporting entities have adopted robust and risk-based policies and procedures to combat money laundering, and the supervisor employs a risk-based approach and provide feedback. Effective procedures and supervisory manuals are in place to monitor FIs, DNFBPs and VASPs' compliance with AML/CTF/CPF requirements to prevent crime and report any unusual transactions and activities. Threats are identified, risks mitigated, violations are remedied and/or sanctioned, and suspicious activities reported.

Risk-Based Supervision: involves tailoring the supervisory response to the specific risks identified in each institution or business. This means allocating resources and efforts where they are most needed, rather than applying a one-size-fits-all approach.

Risk Management Tools: utilizes various tools and techniques to identify, assess, and manage AML/CTF risks within FIs and DNFBPs. This includes

tools like national risk assessments, internal risk assessments, and compliance programs.

Legal Obligations: Ensures FIs and DNFBPs have risk-based policies and procedures in place to prevent criminal activities. This includes establishing policies, procedures, and controls to identify and manage ML/TF risks.

Mitigating AML/CFT Risks: Implementing measures to reduce the likelihood of money laundering and terrorist financing within Vanuatu's financial system. This involves strengthening controls, enhancing supervision, and collaborating with other agencies.

Compliance Monitoring: Regularly monitoring FIs and DNFBPs to ensure they are complying with their legal obligations and risk management practices. This includes conducting on-site and off-site inspections, as well as reviewing compliance reports.

Strategy Priority Four: Enhance transparency and preventing misuse of corporate vehicles by requiring beneficial ownership information from all legal persons and arrangements. This information is accessible to competent authorities and the public, supporting efforts against ML and TF.

Outcome: Laws are in force to empower the Companies Registrar to obtain the identity of the beneficial owners of all registered legal entities and legal arrangements; beneficial ownership information for each legal entity is verified, accurately stored and the information kept updated and is readily accessible.

The strategy aims to ensure that information about the real owners and controllers of companies and other legal entities is readily available, preventing their use for illicit activities like money laundering and terrorism financing. This requirement applies to all legal persons and arrangements, including companies, foundations, trusts, and other entities that can be used to hide assets or conceal the identity of those involved in criminal activities.

Beneficial ownership information must be accessible to competent authorities, including law enforcement and financial intelligence agencies, as well as to the public, subject to appropriate safeguards and restrictions.

Transparency in beneficial ownership helps law enforcement "follow the money" in investigations, identify those responsible for illicit activities, and locate assets. It also supports efforts to combat corruption and tax evasion.

Implementing this requires careful consideration of legal frameworks, data protection, and verification mechanisms to ensure accurate and timely information.

Strategy Priority Five: Ensure that financial intelligence and other relevant information are collected and developed by the FIU are utilised effectively to conduct investigation of money laundering and associated predicate offences and ensure competent authorities can access and use this intelligence and information for their money laundering and terrorism financing investigations.

Outcome: With enhanced capacity and powers, the FIU is resourced to collect, analyse and disseminate relevant information for use by competent authorities. Law enforcement and other competent authorities are in a better position to use the shared information to develop evidence to trace laundering offences, associated predicate offences, terrorism financing activities and actively share information with other competent authorities.

Key points about this strategy are that:

- The FIU must actively gather financial information from various sources, including financial institutions, government agencies, and other relevant stakeholders.
- The collected information needs to be thoroughly analysed to identify suspicious patterns and potential money laundering activities.
- The FIU should provide intelligence and information to law enforcement agencies to support their investigations into money laundering and related offenses.
- The FIU should collaborate with other international FIUs to share information and coordinate efforts against transnational money laundering and terrorism financing.
- The FIU should have the necessary operational independence to conduct its investigations effectively, including the ability to access and request additional information when needed.
- Managing and analysing large volumes of complex financial data can be challenging. Thus, the FIU must utilise technology support to securely collect information from reporting entities, run data analytics and generate visualisation and related reports. Ensuring secure and timely exchange of information between the FIU and other agencies can be complex.
- FIU may need to develop the necessary skills and capacity to analyse complex financial transactions and information.

Strategic Priority six: Ensure law enforcement authorities have adequate resources, procedures, and tools to investigate and prosecute money laundering offences, associated predicate offences and powers to impose effective, proportionate, and dissuasive sanctions. This includes the Vanuatu Police Force, the OPP, DCIR, the Judiciary, and supported by agencies like the FIU.

Outcome: With the FIU/Police/OPP, (the Judiciary system), properly resourced, trained staff investigate and prosecute different types of money laundering activities in a timely manner; competent authorities carry out multi-disciplinary investigations, and have adequate powers to impose appropriate sanctions applicable to the offences.

Adequate resources include personnel, technology, and funding to support investigations and prosecutions. Procedures and tools are the established protocols and guidelines for handling ML investigations, ensuring consistency

and effectiveness, access to financial records, data analysis software, and other tools necessary for tracking and identifying money laundering activities. Effective sanctions are the powers to impose penalties, asset freezes, and other measures to deter money laundering and disrupt criminal operations.

Emphasis must also be placed on financial investigations training, particularly for the money laundering investigative unit within the Vanuatu Police Force. Efforts to ensure efficient and effective international cooperation in money laundering investigations and prosecutions.

Strategy Priority Seven: Law enforcement implements procedures to confiscate proceeds of crime from convicted offenders and to deprive them of other financial gains derived from criminal activities. This involves a comprehensive [proceeds of crime regime](#) as a key law enforcement tool. Vanuatu's legislation enables authorities to seize and confiscate such proceeds. The OPP plays a primary role in implementing the Proceeds of Crime Act and works closely with other law enforcement agencies.

Outcome: Policy objectives to pursue confiscation and contribution from other agencies, including foreign agencies when investigating cases have been adopted. Where applicable defendants are prosecuted and Court Orders used to confiscate criminal proceeds and instrumentalities of crimes. Policies and procedures to confiscate undeclared or undisclosed movements of currency and the imposition of sanctions are in place.

Proceeds of Crime Act governs offences related to proceeds of crime and provides a framework for their confiscation and the law outlines procedures for confiscating property derived from criminal activities, including converted or transformed property and economic gains derived from it. If proceeds of crime are intermingled with other property, a portion of the intermingled property is considered proceeds of crime and can be confiscated. The OPP is responsible for implementing the Proceeds of Crime Act and works with other law enforcement agencies. The law also criminalizes the concealment of proceeds of crime, including receiving, possessing, or disposing of them.

Strategic Priority Eight: Ensure that the ability to counter terrorism financing are strengthened by ensuring that such activities are thoroughly investigated, perpetrators are prosecuted, and effective and dissuasive sanctions are imposed that will deter terrorism financing activities.

This priority aligns with broader global efforts to combat the financing of terrorism, which can undermine financial systems and national security.

Outcome: A designated team is established within FIU to monitor terrorism financing activities in the region, analyse and identify the types of TFs, collections movements; money transaction and terrorist property activities are monitored to identify any suspicious transactions and terrorism financing in its broadest terms, and the incorporation of new legal entities are monitored.

Vanuatu is committed to investigating and prosecuting all cases of terrorism financing. This includes identifying the sources of funding, tracing the flow of funds, and gathering evidence to support legal proceedings. Vanuatu also aims to implement sanctions that are both effective in their impact and dissuasive enough to discourage future involvement in terrorism financing. This involves freezing assets, imposing fines, and restricting travel.

Beyond responding to specific cases, Vanuatu seeks to prevent terrorism financing activities from occurring in the first place. This includes improving risk-based supervision of the financial system, enhancing intelligence gathering, and strengthening regulatory frameworks.

Vanuatu recognizes that combating terrorism financing is a global challenge and works with international partners to share information and collaborate on enforcement efforts.

Strategic Priority Nine: Introduce procedures and measures against terrorism financing by preventing the raising, movement, and use of funds by terrorists, terrorist organisations and terrorist financiers from raising, and establishing systems, guidance and procedures to identify NPOs that are vulnerable to terrorism financing abuse.

Outcome: Guidance to the public is available on FIU's website of the measures in place to implement targeted financial sanctions. Procedures and processes are in place to inform FIs, DNFBPs, VASPs and other stakeholders within 24 hours of targeted UNSCR/UK sanctions against designated persons/or legal entities.

The priority recognizes the three key stages in terrorism financing: raising funds, moving funds, and using funds. Strengthening financial systems by improving the regulatory and supervisory frameworks for financial institutions to prevent the misuse of funds. Systems, guidance, and procedures would be developed that will identify NPOs that are susceptible to being used for terrorism financing. This could involve assessing the risk factors associated with different types of NPOs, such as their size, activities, and sources of funding.

Strategic Priority Ten: Have measures to effectively implement targeted financial sanctions without delay. Have resources and introduce mechanisms to identify persons and entities involved in the proliferation of WMD and to prevent them from raising, moving, and using funds, consistent with the objectives in the relevant UNSCRs.

Outcome: Notice of sanctions are issued within 24 hours and funds and assets of designated persons and entities relating to proliferation are identified by FIs, DNFBPs and VASPs are frozen. NPOs are identified and registered and outreach programmes initiated to bring awareness and understanding to the community of the risks of financing of terrorism.

The strategy ensures that the necessary legal and regulatory framework are in place to swiftly and accurately implement sanctions against individuals and entities identified as posing a threat to national security. Vanuatu will allocate sufficient resources (financial, human, and technological) to effectively support the implementation of these measures, including personnel training and the development of necessary tools.

Measures must be in place to prevent individuals and entities identified as involved in WMD proliferation from raising, moving, and using funds that could be used to support their activities.

In essence, this priority focuses on strengthening Vanuatu's ability to combat the risks associated with WMD proliferation by effectively using financial tools and resources to prevent the spread and financing of such weapons.

13. Action Plan

13.1. Strategic Priority One:

Understanding and addressing the risk of money laundering and terrorist financing, and the financing of proliferation as well as monitoring the performance indicators related to these risks.

This involves identifying and assessing national risk profiles, developing appropriate mitigation measures, and evaluating the effectiveness of these measures.

Outcome: Vanuatu recognises the threats that financial crime poses to the financial sector and has implemented measures to combat money laundering and terrorism financing this includes laws, policies and has coordinated efforts among the competent authorities and industry to mitigate risks.

Introduction:

The findings in the NRA report will enable both the private and public sector and the public sectors with critical insights, enabling them to allocate resources strategically to mitigate the most significant threats and minimising vulnerabilities effectively.

This report will serve as a valuable tool for government agencies, reporting entities and businesses to work together to enhance their understanding of ML/TF threats that could undermine the financial services sector and hinder Vanuatu's economic development.

The findings and recommendations Vanuatu's 2025 NRA strongly supports the application of a risk-based approach to allocating resources and implementation of measures to prevent or mitigate ML/TF risks.

The implementation of Vanuatu's national strategic plan will drive significant legal, policy, and resource advancements, strengthening Vanuatu's ability to combat financial crimes.

Through the introduction of new legislation, regulatory measures, and targeted resource allocation, Vanuatu will enhance its capacity to identify, prosecute, and disrupt third-party money launderers and other financial offenders.

S P One - Action# 1

Ongoing review and update the National Risk Assessment.

Develop an understanding of the threat posed by financial crime domestically and internationally and our performance in combatting financial crime.	
We will	<ul style="list-style-type: none"> • Provide resources to mitigate the greatest threats. • Increase understanding across both competent authorities and the private sector industry of current and emerging financial crime risks and facilitating a coordinated approach to combat and mitigate those risks. • Undertake ongoing NRAs which allow the government, agencies and the financial to work together to create a comprehensive and uniform understanding of the threats, mitigants and action plans. • Create public awareness of the threats of money laundering and terrorist financing • Introduce programmes within supervisory networks to undertake regular awareness programmes of reporting entities within the respective networks, such as, banking sector, OFC sector, DNFBP sector, etc.
We will do by:	2025/2026, Ongoing
We will measure our success	<ul style="list-style-type: none"> • Public awareness and programme conducted for law enforcement and each supervisory network and sectors. • Quantitative and qualitative increase in engagement and increase in STRs reported.
It will be led by	<ul style="list-style-type: none"> • NCC • Competent authorities and supervisory networks

S P One - Action# 2

Obtain approval from of the strategic plan to combat money laundering, the financing of terrorism, and the financing of proliferation and take Action to identify, assess, and risks.

We will	<ul style="list-style-type: none"> • Develop a national strategic plan for combatting money laundering, the financing of terrorism and the financing of proliferation. • Ensure the strategic priorities are agreed by the NCC and relevant competent authorities; • Obtain approval of the NCC, the Prime Minister, and the Council of Ministers of the National AML/CTF/CPF Strategy. • Publish the strategy and share it will all stakeholders.
We will do by:	2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Ensure that the national strategy is fully implemented within the agreed timelines. • It is reviewed every two years or earlier.
It will be led by	<ul style="list-style-type: none"> • The NCC.

S P One - Action# 3

Update the national risk appetite

We will:	Update the national risk appetite which will assists the private sector reporting entities and business sectors to determine their own business strategies and appetites in line with the metrics, data obtained and national risk outcomes.
We will do this by:	2025/2026, Ongoing
We will measure our success by:	Publish the strategy and share it will all stakeholders upon approval by the NCC.
It will be led by	NCC

S P One - Action# 4 –

Develop a fully operational performance system to measure and prioritise works in combatting financial crime –

We Will:	<ul style="list-style-type: none"> • Measure the efforts in the public and private sectors in disrupting financial crime. • Follow-up on gap analysis of effectiveness of work. • Ensure all competent authorities and industry are engaged.
We will do by:	2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Published reports of steps taken to prevent financial crime.

	<ul style="list-style-type: none"> • A developed national database of activities carried out to disrupt financial crimes
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S P One - Action# 5

Improve data related to freezing, seizing and confiscation

We will:	<ul style="list-style-type: none"> • Develop reliable and reconcilable national statistics on freezing, seizing and confiscation. • Monitor regularly national performance at appropriate level and taking corrective actions where necessary. • Confiscation statistics to include both amounts ordered, and amounts realised if available. • Build a ringfenced (for security reasons) section of database for investigations and prosecutions data.
We will do it by:	2025/2026, Ongoing
• We will measure our success by:	• Builds on S P Action 9.
It will be led by:	VPF & OPP

S P One - Action# 6 –

Develop an AML and CTF Policy and AML&CTF Strategy and National Action Plan aligned with NRA and National AML&CTF Strategy

We will	<ul style="list-style-type: none"> • Prepare policy internal guidance for processing Sanctions Orders and circulating sanction notices to FIs, DNFBPs and the financial sector • Prepare external guidance to bring public awareness of financial sanctions notices • Conduct awareness programmes to members of the public.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success	<ul style="list-style-type: none"> • Approval of guidelines and policy manuals by NCC and FIU. • Awareness programme conducted for government agencies and private sector.
It will be led by	<ul style="list-style-type: none"> • NCC and FIU

S P One - Action# 7

Introduce Internal and External Policies procedures for implementing UN sanctions orders

We will	<ul style="list-style-type: none"> • Prepare policy and procedural guidance for implementing sanctions; and • Conduct awareness programmes to government agencies and the public.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success	<ul style="list-style-type: none"> • Approval of policy manuals by NCC and VNSC • Awareness programme conducted
It will be led by	<ul style="list-style-type: none"> • NCC and FIU

S P One - Action# 8

Data to improve risk understanding of regulated entities and registered companies

We will:	<ul style="list-style-type: none"> • Improve processes for collection of data and information to determine origin of investors. • Develop a database for recording the transactions flow of funds in and out of Vanuatu from data provided by FIs. • Geographical location of investors ownership.
We will do by:	2025/2026, Ongoing
We will measure our success	<ul style="list-style-type: none"> • Database of investors by sector and geographical local. • Database with statistical data of transaction flows through FIs by currency and geographical location.
It will be led by:	<ul style="list-style-type: none"> • FIU, VFSC, DCIR, RBV & ORCBDS

13.2. Strategic Priority Two:

Actively engage with international agencies, competent authorities and the private sector to share appropriate information and financial intelligence and evidence to facilitate action against criminals.

Outcome: Respond proactively to requests by providing constructive and timely assistance when requested by or from other countries in the pursuit of criminals and their assets; pursue better sharing of and usage of information to combat financial crime within and between the public and private sectors across participants, including competent local and international parties.

Introduction

With all organs of government involvement, competent authorities, the financial sector, and effective public private partnerships better cooperation should result in enhanced awareness of the threats highlighted in the NRA, drug related offences, corruption, should raise the quality of SARs. Vanuatu will also be in a better position to respond to requests for information relating to financial crimes, sanctions notices, confiscate and share assets.

S P Two - Action# 1

Enhance mechanisms for better sharing of information with competent authorities.

We will:	<ul style="list-style-type: none"> • Review the FATF requirements. • Engage with FIU, Law Enforcement and Customs at regular meetings. • Enter MOUs with other agencies and measure the effectiveness of sharing information. • Provide feedback to the private sector on the changes in the environment especially with regard new technology. • consult with the private sector, of practical, locally based guidance and money laundering indicators, which address the risks Vanuatu faces.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Policies, procedures and MOUs exchanged. • Case metric measures.
It will be led by:	<ul style="list-style-type: none"> • All competent Authorities

S P Two - Action# 2

Equip the FIU with resources to process and analyse receipt of disclosures filed by reporting entities

We will:	<p>In respect of FIU:</p> <ul style="list-style-type: none"> • Introduce policy on information classification system. • Introduce rules governing the security and confidentiality of information, including procedures for handling, storage, dissemination, and protection of, and access to information. • Ensure that that FIU staff have the necessary security clearance levels and understand their responsibilities in handling and disseminating sensitive and confidential information. • Ensure that access to FIU facilities and information, including IT systems are subject to enhanced security clearance.
We will do by:	2025/2026, Ongoing
We will measure our success by:	Approval of rules governing security, storage, dissemination, access and protection of confidential and classified information.
It will led by:	FIU

S P Two - Action# 3

Develop information sharing mechanisms for better sharing of international cooperation

We will:	<ul style="list-style-type: none"> • We will engage more effectively with the Egmont Gorup to share and exchange information and intelligence. • Develop policies and procedures for international information sharing, particularly outgoing requests, VFIU exchanges of intelligence, law enforcement relationships and regulator to regulatory. • Allocate and train staff to access and utilise ESW system.
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	<ul style="list-style-type: none"> • This would be accompanied by metrics measuring exchange and its effectiveness and STR analysis and ML/TF/PF risks. • Fully implement international cooperation, e.g., extradition, mutual legal assistance measures as a matter priority.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Active member of the Egmont Group. • Number of formal and informal information exchange undertaken by competent authorities.
Led by	<ul style="list-style-type: none"> • All Competent Authorities

S P Two - Action# 4

Enhance Public Private Partnership (PPP) approach

We will	<ul style="list-style-type: none"> • Develop a working relationship between the public and private sectors adopting international best practice. • Establish a PPP structure and deciding which sector poses the greatest risks to Vanuatu. • Publish an ongoing outreach programme managed by the NCC and to include consultations ahead of relevant changes in legislation and changes in government AML/CTF/CPF policy.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Evidence of an established partnership relationship with the private sector. • Having deeper understanding of challenges faced by private sector. • Knowledge of the sectors that pose greater risk to development of the financial sector. • Sectoral risk assessments.
Led by	<ul style="list-style-type: none"> • All agencies

S P Two - Action# 5

Introduce mechanisms to facilitate and encourage inclusion in the financial sector.

We will:	<ul style="list-style-type: none">• Ensure that AML/CTF policies, in particular, KYC rules for low risk customers do not impede in the economic development of Vanuatu.• Endeavour to make every day financial services easily available to a greater number of the population at a reasonable cost.• Participate in the promotion of Digicel and Vodafone platforms, such as digital transactions, making it easier for all persons to conduct personal and business transactions.• Remove the barriers that exclude people from participating in the financial sector.
We will do it by:	2025/2026, Ongoing
We will measure our success by	Greater participation in the financial sector by persons who would be otherwise excluded, e.g., persons without verifiable identification.
It will be led by:	The Bankers Association and other private sector reporting entities and financial regulators.

13.3. Strategy Priority Three:

Implement risk-based supervision and risk management tools to supervise and monitor FIs and DNFBPs' compliance with their obligations to develop and implement risk-based preventive measures, including policies, procedures and systems to mitigate ML/TF/PF risks and report suspicious transactions.

Outcome: Reporting entities have adopted robust policies and procedures to combat money laundering, and the supervisor employs a risk-based approach and to monitor activities and provide feedback. Effective procedures are in place to monitor FIs, DNFBPs and VASPs' compliance with AML/CTF/CPF legal obligations to prevent crime and report. Threats are identified, risks mitigated, violations are remedied and/or sanctioned, and suspicious activities reported.

Introduction

With the results of the NRA pointing to certain threats and areas of vulnerability, the AML/CTF/CPF supervisory authorities, including the VFSC, are embarking on an aggressive outreach programme with the aim of providing feedback to the supervised sectors and sensitizing the community of the risks involve in undertaking certain activities and the need to develop approaches to address the perceived threats.

The risk-based approach to supervision of the FIs and DNFBPs will be conducted using off-site desk review and onsite examination framework. The supervisors should verify that policies and procedures to comply with the requirements in the AML&CTF laws, regulations and guidelines, and that the reporting entities are implementing these policies to counter money laundering and the financing of terrorism and the financing of proliferation and the supervisors should impose sanctions for any violations of the AML&CTF requirements.

The risk-based supervisory framework will assist authorities to identify high and low priority sectors and provide supervisory resources accordingly. In particular, insurance, motor vehicle, yacht sellers, NPO sector, small community-based micro-finance-style co-operative entities sectors are identified as low risk for ML/TF/PF in Vanuatu's NRA, and in line with the FATF Recommendations, will be deprioritized while those sectors that are considered high or medium risk, will be subject to more frequent and greater level of supervision, compliance and enforcement measures.

Casino, gaming, offshore, real estate agents, and the VA/VASPs sectors will be also subject to Vanuatu's risk-based supervisory regime to protect our financial system from current and emerging risks.

VFIU will consider designating VFSC, RBV and DCIR as the Vanuatu's designated AML/CTF supervisory authorities consistent with the AML/CTF Act and Regulations. VFIU will also consider sharing supervisors and

examiners from RBV, VFSC and DCIR to undertake joint onsite examination of relevant reporting entities.

S P Three - Action# 1

Review and update legislation framework to comply with the FATF standards for supervising FIs and DNFBPs.

We will	<ul style="list-style-type: none"> • Identify and introduce amendments relevant AML/CTF/CPF laws and regulations that meet the FATF Recommendations.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<p>Approval by the NCC and COM of the proposed legislative amendments:</p> <ul style="list-style-type: none"> • AML-CTF laws and regulations are updated to meet the requirements in the FATF Recommendations including making local PEPs subject to AML-CTF requirements. • Proceeds of Crime Act is amended to meet the requirements of FATF • Legislations are passed to enable the extend UN Conventions are to Vanuatu • Expedite full implementation of all relevant the UN Conventions, including, UNCAC.
It will be led by	<ul style="list-style-type: none"> • FIU, VFSC & OAG

S P Three - Action# 2

Update Policy guidance to more effectively implement supervisory activities

We will:	<ul style="list-style-type: none"> • Develop guidance manuals for all supervisory functions for: <ul style="list-style-type: none"> ○ All FIs; ○ DNFBPs; ○ Non-Profit Organisations. • Issue guidance on Sanction Notices • Conduct of ongoing due diligence of licensed and registered entities. • Apply proportionate and dissuasive administrative sanctions.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
It will be led by:	VFU

S P Three - Action# 3

Conduct desks reviews of prescribed reports, including registration and compliance reports, conduct onsite examinations, collect additional compliance data, and build case management system.

We will:	<ul style="list-style-type: none"> • Conduct staff training to examine and report on FIs and DNFBPs. • Conduct risk-based onsite examinations of FIs and DNFBPs • Maintain complete and relevant statistics. • Use data to build an internal case management system to record instances of non-compliance, intelligence, and decisions and outcomes on sanctions and penalties.
We will do it by:	<ul style="list-style-type: none"> • Ongoing
We will measure success by:	<ul style="list-style-type: none"> • Conduct onsite examination and collect data on the entities examined. • Implementation of a case management system with details of enforcement measures taken to achieve compliance, intelligence, and decisions.
It will be led by:	<ul style="list-style-type: none"> • VFIU, RBV, FSC, DCIR

S P Three - Action# 4

Wire Transfers

We will	<ul style="list-style-type: none"> • Obtain data of type, purpose, and volume of remittance transactions to and from Vanuatu. • Conduct analysis of the financial flows to develop any strategic analysis of the MVTs sector and assess if any new ML/TF/PF threat is identified. • Update NRA accordingly with the outcome and allocate resources to mitigate the threats.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Better understanding of the MVTs sector. • Sharing of the sectoral risk assessment with relevant stakeholders. • Allocation of additional resources and mitigation strategies if any new risk is identified.
It will be led by	<ul style="list-style-type: none"> • VFIU

S P Three - Action# 5

Strengthen supervisory functions of the VFSC.

We will:	<ul style="list-style-type: none"> • Revise the strategy for supervising of FIs and DNFBPs. • Revise the enforcement strategy to ensure it is risk-based approach and adequately fits both FIs and DNFBPs. • Revise the VFSC’s strategy for supervision of NPOs to include all the activities
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure success:	<ul style="list-style-type: none"> • Updated strategic plans to adequately cover the functions of the VFIU, RBV and VFSC • Bring transparency to the real estate market which involves businesses and professions that facilitate money laundering and illicit activities.
It will be led by:	<ul style="list-style-type: none"> • VFIU, RBV & VFSC

S P Three - Action# 6

Require NPOs to submit information on their activities.

We will:	<ul style="list-style-type: none"> • Review Non-Profit Organisations Regulations to include provisions to require registered entities to submit information annually on the type of activities they carry out. • Increase enhanced obligations on “at-risk” NPOs (in the event any NPO is identified) that are at higher risk of being abused for terrorism financing purposes and designate the VFSC with a wider range of powers. • Undertake outreach programmes to the public to bring awareness of the activities of registered NPOs.
We will do so by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success	<ul style="list-style-type: none"> • Legislative provisions are in enacted to require “at-risk” NPOs to provide additional information on partners and beneficiaries. • NPOs considered at risk of being used for funnelling funds are identified on an on-going basis. • Outreach programmes have been conducted.
It will be led by	<ul style="list-style-type: none"> • VFSC/OAG

S P Three - Action# 7

Develop systems to regulate real estate transactions.

We will:	<ul style="list-style-type: none"> • Develop new guidelines to address the potential misuse of real estate and mitigate illicit financial transactions. • Require real estate agents to provide regular returns with information of the nature, number and value of transactions in relation to their covered activities under the AML/CTF Act and regulations.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Submission of regular/ quarterly returns to the VFIU.
It will be led by:	<ul style="list-style-type: none"> • VFSC/VFIU/ DCIR

S P Three - Action# 8

Implement Supervisory Framework to regulate Virtual Asset Sector

We will:	<ul style="list-style-type: none"> • Prepare policy and procedure manual to effectively implement the supervisory provisions under the Virtual Assets Service Providers Act. • Develop, publish and implement guidelines to FIs and DNFBPs on the requirements for licensing and reporting of VASPs • Have systems in place to coordinate and engage with VASPs. • Monitor financial and other sectors for any unauthorised or unlicensed virtual assets business.
We will do this by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure success by:	<ul style="list-style-type: none"> • Implementation of policy and procedure manual on the VASPs Act. • Publication of guidelines on the requirements to setup and operate VASP business. • Conducting outreach and awareness programmes for all stakeholders and the members of the public.
It will be led by:	<ul style="list-style-type: none"> • VFSC

13.4. Strategy Priority Four:

Introduce, implement and enforce legislation for up-to-date beneficial ownership information is obtained from legal persons and legal arrangements and that the information is available to all competent authorities and the public.

Outcome: The Companies Registrar is required to obtain the identity of the beneficial owners of all registered legal entities and legal arrangements; beneficial ownership information is verified, accurately stored and the information kept updated and is readily accessible and are promptly available to all relevant parties.

S P Four - Action# 1

Fully enforce the Companies Act on the requirement to obtain beneficial ownership information from legal entities and legal arrangements that is accurate and complete

We will:	<ul style="list-style-type: none"> • Ensure that the provisions in the Companies Act to obtain BOI from legal entities and legal arrangements are implemented effectively. • Fully implement the operational beneficial ownership public Registry. • Engage with the legal entities to ensure timely BOI is obtained and recorded in the Registry. • Engage with the legal entities to ensure timely BOI is obtained and recorded in the Registry.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Full implementation of the Companies Act, in particular, BOI provisions. • Obtain beneficial ownership information from legal entities. • Continuously update BOI of legal entities in Companies Registry
It will be led by:	<ul style="list-style-type: none"> • VFSC

13.5. Strategy Priority Five:

Ensure that financial intelligence and other relevant information that are collected and analysed by the FIU in relation to money laundering investigations and associated predicate offences, and terrorism and proliferation financing are effectively used by relevant law enforcement and competent authorities.

Outcome: With enhanced capacity and powers, the FIU is resourced to develop and provide financial intelligence and other relevant information for use by competent authorities. Law enforcement and other competent authorities are in a better position to use the shared information to conduct their investigations and profiling, of money laundering offences, associated predicate offences, proceeds of crime, terrorism financing activities and actively share information with other competent authorities.

Introduction

The function of the FIU is to collect suspicious transaction and other reports from reporting entities, analyse this information and develop financial intelligence, and disseminate financial intelligence and information to relevant law enforcement partners, domestically and internationally. from reporting entities. These information are used for pursuing an investigation only and not as evidence.

It is important that the Agency shares relevant information with other competent authorities to increase their knowledge of level of activities, and provide intelligence and statistics to participants in the financial sector, and where appropriate share information with foreign counterparts.

The plan encourages the sharing of information and where necessary be underpinned, by formal mechanisms to ensure full and timely cooperation between competent authorities, reporting entities, and international agencies.

The FIU currently lacks adequate resources to fulfil its mandate under the AML&CTF Act. Therefore, this national strategy is intended to identify key priorities and ensure that the FIU is adequately resourced.

S P Five - Action# 1

Restructure the FIU to more effectively undertake its core legislative functions and powers.

We will:	<ul style="list-style-type: none">• Realign and restructure the FIU in line with its core functions and powers, namely, intelligence, policy, supervision, and coordination• Intensify FIU's engagement with the private sector to bring confidence and awareness of preventive measures and address the any
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	<p>threats of money laundering/ terrorist financing/ proliferation financing.</p> <ul style="list-style-type: none"> • Develop guidance and money laundering indicators and red flags for each the different types of reporting entities and DNFBPs, which addresses the ML/TF/PF risks • Establish key indicators for the nature, level and types of threats identified in the NRA. • Develop database and maintains thorough statistics, including the types of threats and frequency, volume of transaction flows. • Share statistics to competent authorities on the activities of VFIU. • Prepare are publish VFIU annual report.
We will do by:	2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Implement the VFIU’s approved structure plan by NCC/OAG. • Understand the threats posed by financial crime domestically and internationally and our role in combatting financial crimes. • Engage with the private sector reporting entities more effectively.
It will be led by:	<ul style="list-style-type: none"> • VFIU, NCC and OAG

S P Five - Action# 2

Resource FIU to be operationally independent and autonomous.

We will:	<ul style="list-style-type: none"> • Ensure that the FIU has full autonomy to carry out its functions and powers freely, including the autonomous decision to analyse, request and/or disseminate information. • Engage independently with domestic competent authorities and/or foreign counterparts on the exchange of information. • Procure and deploy the resources needed to carry out its functions free from any undue political, government or industry influence or interference. • We actively participate in the Egmont Group’s ESW for exchange of information globally.
We will do by:	2025/2026, Ongoing
We will measure success by:	<ul style="list-style-type: none"> • Infrastructure and operations of the FIU is transparent and comply with the requirements of the FATF and the Egmont Group.

	<ul style="list-style-type: none"> • Providing the FIU with its own budget that will be managed by Head of the FIU to carry out the functions and powers independently. • Becoming an active member of Egmont Group
It will be led by:	OAG, VFIU and the NCC

S P Five - Action# 3

Identify and agree the security policy for the new premises of the VFIU.

We will:	<ul style="list-style-type: none"> • Implement the physical security features for access, logins/password resets for the new office building for the VFIU. • Ensure that the premises has high-level of physical security of the VFIU Office that commensurate with the nature, purpose, role and activities of the VFIU.
We will do it by	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We measure success by:	<ul style="list-style-type: none"> • Adequate physical and operational security for the VFIU. • Adequately and well resources VFIU offices including appropriate technology platform and office equipment.
It will be led by:	<ul style="list-style-type: none"> • VFIU and NCC

S P Five - Action# 4

Assess annual budgetary requirements for 2025 – 2026

We will:	<ul style="list-style-type: none"> • Review the infrastructure of the FIU to assess the technical needs and physical resources for the VFIU. • Request direct access to the databases of the Police, Immigration, Customs and other relevant government agencies. • Assess the financial resources required to effectively carry out the functions and powers of VFIU. • Prepare and publish annual report of the activities of the VFIU.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure success by:	<ul style="list-style-type: none"> • Presentation to Ministry of Finance of Budget Estimates
It will be led by:	<ul style="list-style-type: none"> • VFIU & NCC

S P Five - Action# 5

Develop a sustainable and long-term resourcing model for financial crime reform.

We will:	<ul style="list-style-type: none"> • Create a methodology to assess resources and undertaken annual benchmarking exercise by competent authorities to ensure any resourcing requirements can be added into government annual budget estimates
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Resources required are included in the annual budget review.
It will be led by:	VFIU, NCC.

S P Five - Action# 6

FIU Strategic Review.

We will:	<ul style="list-style-type: none"> • Undertake a strategic review of the VFIU's operations; • Independence of reporting lines, seniority, and • Provide adequate resources including the development of its IT system.
We will do it by:	2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Regular updates on VFIU's strategic plan and priorities. • Submit and publish annual reports on the activities of VFIU to the Parliament.
It will be led by:	<ul style="list-style-type: none"> • VFIU & NCC

S P Five - Action# 7 –

Bring awareness to other competent authorities, VFIU and Law Enforcement of available data/intelligence.

We will:	<ul style="list-style-type: none"> • Networking with other competent authorities to create awareness to maximise the use of VFIU data/intelligence.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure success by:	<ul style="list-style-type: none"> • Commencement of regular meetings with other competent authorities • Collection of data and make readily available to other competent authorities
It will be led by:	<ul style="list-style-type: none"> • VFIU

13.6. Strategic Priority six:

Law enforcement and other competent authorities have legal powers and measures, adequate resources and capacity, procedures, and tools to investigate and prosecute money laundering offences, associated predicate offences and powers to impose effective, proportionate, and dissuasive sanctions.

Outcome: Relevant authorities, namely, the VFIU, VPF and the OPD would be adequately resourced with trained staff to successfully investigate and prosecute money laundering, associate predicate activities and proceeds of crime in a timely manner; competent authorities carry out multi-disciplinary investigations, and have adequate powers to impose appropriate sanctions applicable to the offences.

Introduction

The Government is forging ahead with its policies and plans for sustainable and economic development in Vanuatu. Therefore, the law enforcement authorities are encouraged to collaborate with stakeholders and other competent authorities to raise awareness on fraud, corruption, and other types of finance criminal activities.

S P Six - Action# 1

Identified resource gaps and enhance systems and to tools to effectively investigate money laundering and criminal activities

<ul style="list-style-type: none"> We will 	<ul style="list-style-type: none"> Develop a Police/FIU strategy to prioritise the investigation of high-risk criminal activities and ML and PoC cases. Improve data collection on investigations and prosecutions including date of offence type of offence, start of investigation, outcome. Develop a catalogue of cases to show investigations are in line with risks. Develop a strategy to focus efforts on key money laundering threats identified in the NRA report. Carry out risk-based processes to prioritize investigations and prosecutions.
<p>We will do by:</p>	<ul style="list-style-type: none"> 2025/2026, Ongoing
<p>We will measure our success by:</p>	<ul style="list-style-type: none"> Approve the strategy for determining the key money laundering threats. Approval by authorities of guidance and procedure manual for effective investigation of money laundering, and other types of financial crime. Conducting regular quantitative and qualitative reviews of money laundering

	investigations and prosecutions using data reporting mechanisms.
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S P Six - Action# 2

Law Enforcement Policies and procedure manuals

We will:	<ul style="list-style-type: none"> • Develop policies/manuals that ensure the following are in place; <ul style="list-style-type: none"> ○ Policy document to conduct parallel investigations in financial crime cases. ○ Money Laundering Manual ○ Update Investigations and prosecution manual. • Develop operational guidance for effective investigation of money laundering and other types of financial crimes. <ul style="list-style-type: none"> ○ Update financial investigation manual to cover disruption options.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Policies and procedure manuals approved
It will be led by	<ul style="list-style-type: none"> • FIU, OPP and VPF

S P Six - Action# 3

Establishing threshold for reporting material data from Customs and other agencies

We will:	<ul style="list-style-type: none"> • Establish threshold and develop a process for reporting quantitative and qualitative data for pursuing investigations.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Procedure and system/mechanism in place for reporting.
It will be led by:	<ul style="list-style-type: none"> • DCIR

S P Six - Action# 4

Establishing a Prioritisation matrix to support disruptive opportunities

We will:	<ul style="list-style-type: none"> • Tasks to be determined
We will do it by:	<ul style="list-style-type: none"> • TBC
We will measure our success by:	<ul style="list-style-type: none"> • Procedure and system/mechanism in place for reporting incidents of disruptive activities
It will be led by:	<ul style="list-style-type: none"> • DCIR

S P Six - Action# 5

Training, capacity building and succession planning

We will:	<ul style="list-style-type: none">• Review recruitment policy within NCC members and develop appropriate framework on entry-level qualification and skillset that is required in all areas of combating ML/TF/PF and generally for the sustainable economic development, safety and security of Vanuatu.
	<ul style="list-style-type: none">• Broaden deepen the skills and expertise of the Vanuatu's workforce, particularly within the NCC members.
We will do it by:	<ul style="list-style-type: none">• High priority – Adoption of policy
We will measure our success:	<ul style="list-style-type: none">• TBD on approval of policy
It will be led by:	<ul style="list-style-type: none">• NCC Members and Government

13.7. Strategy Priority Seven:

Law enforcement and other competent authorities have legal powers and measures, adequate resources and capacity, procedures, and tools for the freezing, restraining and ultimate confiscation of criminal assets from persons and entities who are convicted or not of offences, unexplained wealth, and, deprive them of other financial benefits obtained from or linked to criminal activities and illicit financial transactions.

Outcome: Law enforcement authorities are seeking assistance from other agencies, including foreign law enforcement and other competent agencies, when investigating cases, criminals are prosecuted, appropriate sanctions are imposed, and relevant Orders of Court are effectively utilised to restrain and confiscate tainted assets and instrumentalities of crimes.

Introduction

One of the aims of the NCC is to have in place appropriate laws and policies embodied in the AML/CTF/CPF framework is to ensure that persons do not benefit from their criminal activities. The Proceeds of Crime Act provides the Court with power to restrain and confiscate assets of persons who have been convicted or even not convicted of any criminal conduct and obtained illicit financial benefits from proceeds of their alleged criminal conduct.

S P Seven - Action# 1

Introduce new provisions to empower Law Enforcement Authorities to confiscate the instrumentalities of crimes.

We will:	<ul style="list-style-type: none"> • Enhance use of legislative powers in the relevant legislation, e.g., Proceeds of Crime. • Modernise legislative framework on tainted assets, such as: <ul style="list-style-type: none"> ○ non-conviction-based confiscation; and ○ unexplained wealth provisions. • Seize assets or confiscate goods for failure to declare correct value of goods (Customs Act)
We will do it by:	<ul style="list-style-type: none"> • Prioritising drafting and enactment of any amendments to existing laws or introducing new laws and regulations if needed. 2025/2026, ongoing.
We will measure our success by:	<ul style="list-style-type: none"> • Providing adequate training to relevant officials of competent authorities. • Having in place internal procedures and policies. • Office of the Public Prosecutor to prioritise and pursue successfully obtaining orders of the Court on tainted assets and proceeds of crime.

	<ul style="list-style-type: none"> • Court to freeze, restrain and confiscate proceeds and instrumentalities of crimes or property of equivalent value. • Imposition of administrative sanctions on persons who commit offences arising from false declaration under laws governing importation of goods. • In the medium term, commence proceedings on any non-conviction-based confiscation and unexplained wealth cases upon enactment of relevant legal provisions.
It will be led by	<ul style="list-style-type: none"> • Office of the Public Prosecutor • Vanuatu Police Force • Vanuatu FIU • DCIR

13.8. Strategic Priority Eight:

Ensure terrorism financing offences are detected, investigated, and prosecuted, and persons who finance terrorism are identified, disrupted, prosecuted and are subject to effective and dissuasive sanctions and listing.

Outcome: A designated team is established within FIU to monitor global TF threats and terrorism financing activities domestically and in the region, analyse and identify the types of terrorism financing in the context of Vanuatu; money transaction and terrorist property activities are monitored to identify any suspicious transactions and/ or terrorist funding activity, Vanuatu’s financial system and its communities are protected from terrorist activity.

Introduction

Despite the absence of terrorist activity in, or linked to Vanuatu, the Government remains committed to forging ahead with its policies and plans for national and international peace and security, and sustainable progress, stability and economic development in Vanuatu; law enforcement is encouraged to collaborate with stakeholders and competent authorities to raise awareness and understanding of terrorism financing activity and emerging threats.

S P Eight - Action# 1

review resource gaps and enhance systems and tools to identify and effectively investigate any suspected terrorism financing activities.

<ul style="list-style-type: none"> We will 	<ul style="list-style-type: none"> Develop a Police/FIU/OPP strategy to prosecute terrorist financing. Develop and implement a TF desk within the VFIU. Develop and implement an appropriate TF awareness outreach regime. Ensure that robust data collection points relating to terrorism financing responses are in place and used accordingly. Develop a knowledge base of terrorism financing activity to maintain an awareness of exiting regional and global threats and risks. Ensure the appropriate response is provided to any terrorism financing threats identified in the TF NRA report. Ensure any terrorism financing related leads are prioritised and investigated.
<p>We will do by:</p>	<ul style="list-style-type: none"> 2025/2026, Ongoing

We will measure our success by:	<ul style="list-style-type: none"> • Having a dynamic approach to understanding TF risks and emerging threats. • Maintaining the appropriate skill set of relevant authorities through tabletop exercises. • Carrying out regular quantitative and qualitative reviews of terrorism financing investigations if and when they occur. • Conducting thematic assessments when deemed necessary to respond to emerging threats.
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S P Eight - Action# 2

Law Enforcement policies and procedure manuals

We will:	<ul style="list-style-type: none"> • Develop policies/manuals that ensure the following are in place; <ul style="list-style-type: none"> ○ Policy document in parallel TF investigations in predicate crime cases if any terrorist activity is suspected. ○ Terrorism financing investigation manual. ○ Update investigations and prosecution manual. • Develop operational guidance for effective investigation of terrorist financing. <ul style="list-style-type: none"> ○ Include a section on disruption options in the TF investigation manual.
We will do by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Policies and procedure manuals approved.
It will be led by	<ul style="list-style-type: none"> • FIU, OPP & VPF

S P Eight - Action# 3

Establishing threshold for reporting material data from DCIR and other agencies.

We will:	<ul style="list-style-type: none"> • Establish threshold and develop a process for reporting quantitative and qualitative data for pursuing TF investigations.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Procedure and system/mechanism in place for reporting.
It will be led by:	<ul style="list-style-type: none"> • DCIR

S P Eight - Action# 4

Training, capacity building, and succession planning

We will:	<ul style="list-style-type: none"> • Develop appropriate framework on skills and expertise that are required in all areas for sustainable economic development safety and security of Vanuatu
	<ul style="list-style-type: none"> • Broaden the skills and expertise of the Vanuatu’s workforce, particularly with the NCC members.
We will do it by:	<ul style="list-style-type: none"> • High priority – Adoption of policy • 2025/2026, Ongoing
We will measure our success:	<ul style="list-style-type: none"> • Maintaining a record of training and other capacity building programs received by officers of NCC members. • Attendance at the CTF OT forum. • Conducting table-top exercises.
It will be led by:	<ul style="list-style-type: none"> • NCC members and Government

S P Eight - Action# 5

Border currency declaration and trade-based ML.

We will:	<ul style="list-style-type: none"> • Seize assets or confiscate goods for failure to declare correct value of goods. • Seek contribution from other agencies, including foreign agencies, when investigating breach of border currency declaration and TBML cases • Introduce policy and procedures to confiscate undeclared or undisclosed movements of currency and goods are implemented and sanctions imposed.
We will do it by:	2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Increase use of Court to confiscate proceeds and instrumentalities of crimes or property of equivalent value. • Imposition of administrative sanctions on persons who commit offences arising from false declaration under laws governing importation of goods. • Imposition of administrative sanctions under the Income and Corporation Tax Act. • We will develop and compile analysis of cash declarations at the border drawing on HO security analysis.
It will be led by	<ul style="list-style-type: none"> • DCIR

13.9. Strategic Priority Nine:

Introduce measures and procedures to detect and prevent terrorists, terrorist organisations and terrorist financiers from raising, moving, and using funds, and establish systems, guidance and procedures to identify NPOs that are vulnerable to terrorism financing abuse and apply appropriate sanction measures.

Outcome: Relevant Guidelines are made available to the members of public on FIU’s website of the measures in place to implement TF targeted financial sanctions. Procedures and processes are in place to inform FIs, DNFBPs, VASPs and other stakeholders without delay of targeted UNSC and other sanctions against designated persons/or legal entities.

Introduction

Targeted financial sanctions are a key tool used to combat terrorism financing by freezing the assets of individuals and entities identified as supporting terrorist activities.

Appropriate measures are implemented by the relevant competent authorities and stakeholders in Vanuatu to deny terrorists and their supporters’ access to financial resources, thus hindering their ability to carry out attacks and other harmful actions, should any cases be detected in or through Vanuatu. Combating terrorism financing is crucial because it directly supports terrorist activities, including recruitment, training, and the execution of attacks.

Targeted financial sanctions are imposed without delay on any specific individuals, groups, and entities identified as supporting terrorism under the AML/CTF framework. This framework in Vanuatu would include freezing their assets, preventing them from accessing financial services, and restricting their ability to engage in financial transactions, including money value transfer systems, charities, and digital currencies.

NPOs are identified and registered and outreach programmes initiated to bring awareness and understanding to the community of the risks of financing of terrorism.

S P Nine - Action# 1

Develop and maintain a robust and effective CTF and sanctions regime to safeguard national security but also to uphold international credibility and access to global financial systems.

We will:	<ul style="list-style-type: none">• Ongoing review and update of the United Nations Financial Sanctions Act to ensure alignment with evolving FATF standards.
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	<ul style="list-style-type: none"> • Ensure full implementation AML & CTF Act, including clear obligations for reporting entities. • Strengthen the NCC to oversee implementation and monitoring of CTF and TFS measures. • Establish a Sanctions Implementation Taskforce and operationalise the National Security Advisory Committee to coordinate between the VFIU, law enforcement, and financial regulators. • Implement 2025 NRA, with a focus on terrorism financing and proliferation risks. • Enhance VFIU capabilities to detect and analyse suspicious transactions linked to terrorism financing. • Strengthen private sector engagement, mandate sanctions screening systems for all reporting entities. • Provide sector-specific training and awareness on identifying and reporting suspicious activities and potential sanctions breaches. • Strengthen coordination and cooperation by information-sharing agreements or on ad-hoc basis, with regional and international partners. • Participate actively in APG and FATF initiatives such as providing reports and questionnaires • Drive regular public awareness campaign on the importance of CTF and TFS compliance. • Maintain an up-to-date consolidated list of designated persons and entities on the VFIU website. • Implement regular monitoring, audits and compliance checks for reporting entities. • Enforce penalties for non-compliance, including fines and license revocations, as outlined in the UNFS Act.
We will do it by:	<ul style="list-style-type: none"> • 2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • Updated legislation, and risk assessment. • Full implementation of measures to combat TF and TFS. • Institutional preparedness. • Supervision, compliance and enforcement actions. • Outreach and awareness for all stakeholders. • Domestic and international coordination and networking.
It will be led by:	<ul style="list-style-type: none"> • NCC Members

13.10. Strategic Priority Ten:

Develop and implement targeted financial sanctions and related measures without delay related to the financing of proliferation of weapons of mass destruction. Ensure that authorities have appropriate resources and mechanisms to identify persons and entities involved in the proliferation financing and to prevent them from raising, moving, and using funds, consistent with the objectives in the relevant UNSCRs.

Outcome: Notice of sanctions concerning proliferation are issued without delay and funds and assets of designated persons and entities relating to proliferation are identified by all stakeholders, including the FIs, DNFBPs, VASPs and other agencies and parties, are prevented from operating or executing financial transactions or other assets.

Introduction

Tackling the issue of proliferation financing and developing robust financial sanctions is an important part of Vanuatu's AML/CTF/CPF regime. PF involves providing financial support for the development, acquisition, or transfer of WMDs, including nuclear, chemical, and biological weapons, and their delivery systems. The Government of Vanuatu, the NCC, and reporting entities play a role in identifying and preventing proliferation financing. Businesses also have an obligation to assess their vulnerability to proliferation financing, understanding the risks associated with potential breaches or evasion of sanctions. These measures will also restrict the financial resources available to individuals, groups, or entities involved in proliferation financing or other activities that threaten international peace and security.

S P Ten - Action# 1

Disrupt financial networks by freezing assets and restricting access to financial services for designated individuals, entities, and countries involved in or supporting proliferation.

A well-coordinated implementation framework that includes government agencies, financial institutions, and international cooperation.

We will:	<ul style="list-style-type: none">• Review and strengthen domestic laws to criminalize proliferation financing.• Align national legislation with international standards such as the UN Security Council Resolutions and the FATF Recommendations.• Conduct comprehensive national risk assessment.• Establish partnerships within the NCC members, in particular, the VFIU, to collect,
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	<p>analyse, and share information on suspected activities.</p> <ul style="list-style-type: none"> • Train reporting entities to identify red flags associated with proliferation financing. • Require enhanced customer due diligence and beneficial ownership transparency. • Develop clear guidance on screening against sanction lists. • Regularly update lists of designated individuals and entities. • Freeze assets promptly upon designation and prohibit dealings. • Ensure domestic enforcement agencies are aware of their requirements. • Enhance monitoring through supervisory bodies and ensure compliance by financial institutions and DNFBPs. • Impose proportionate and dissuasive penalties for non-compliance. • Strengthen coordination and share information with other jurisdictions and international organizations.
We will do it by:	2025/2026, Ongoing
We will measure our success by:	<ul style="list-style-type: none"> • An inclusive NRA. • Comprehensive legal framework. • Institutional readiness. • Engagement and awareness with all stakeholders. • Monitoring, enforcement and sanctions. • Exchange of information and coordination
It will be led by:	NCC Members and VFIU

14. Conclusion

Vanuatu's 2025–2030 National AML/CTF/CPF Strategy charts a clear course for safeguarding our financial system, upholding the rule of law and protecting our nation against the multitude threats posed by money laundering, terrorist financing and the proliferation of weapons.

By embracing a risk-based approach, strengthening legal and regulatory frameworks and fostering inclusive partnerships across government, the private sector, civil society and international allies, we will build resilience, promote transparency and enable sustainable economic growth.

14.1. Our Key Commitments:

- ✓ Deepen our understanding of ML/TF/PF risks through robust data-driven analysis and clear performance indicators.
- ✓ Enhance information-sharing and operational cooperation domestically and with global counterparts to disrupt illicit networks.
- ✓ Apply risk-based supervision to ensure financial institutions and DNFBPs adopt effective preventive measures, report suspicious activity and apply commensurable sanctions for non-compliance.
- ✓ Maintain up-to-date beneficial ownership registers accessible to competent authorities and the public.
- ✓ Maximise the use of FIU outputs by law enforcement and regulatory bodies.
- ✓ Provide authorities with the legal powers, resources and capacities necessary to investigate, prosecute and sanction financial crime.
- ✓ Modernise asset-freezing and confiscation regimes to deprive criminals of their ill-gotten gains.
- ✓ Prevent, detect and punish terrorism-financing activities, while safeguarding legitimate non-profit organisations.
- ✓ Rapidly implement targeted sanctions to counter the proliferation financing of weapons of mass destruction.

The implementation of Vanuatu's national strategic plan will drive significant legal, policy, and resource advancements, strengthening Vanuatu's economic development, financial system safety and security, and global compliance.

14.2. Next Steps and Oversight

To ensure effective implementation, the action plan will be rolled out with clear timelines, roles and responsibilities.

Progress will be monitored through annual reports and a mid-term review in 2027, allowing us to recalibrate our efforts in response to evolving risks.

Continuous stakeholder engagement across government agencies, the financial sector, DNFBPs, civil society and our international partners, will remain central to our success.

14.3. Strategic Priorities (2025–2030) – Summarised

Advancing AML/CTF/CPF Effectiveness & National Integrity	
<p>1. Risk & Performance Indicators</p> <ul style="list-style-type: none"> Define ML/TF/PF risks and national KPIs Develop inclusive, risk-based policy addressing de-risking and financial inclusion <p>2. Cross-Sector Collaboration</p> <ul style="list-style-type: none"> Enhance domestic and international engagement Facilitate intelligence exchange across public, private, and global partners <p>3. Risk-Based Supervision</p> <ul style="list-style-type: none"> Apply tailored supervision tools for FIs and DNFBPs Enforce proportionate preventive measures and sanctions <p>4. Beneficial Ownership Transparency</p> <ul style="list-style-type: none"> Maintain accurate, accessible BO registry Support verification and law enforcement access <p>5. Maximise FIU Intelligence</p> <ul style="list-style-type: none"> Strengthen FIU analysis, tech integration, and dissemination Provide actionable feedback to reporting entities 	<p>6. Enforcement Powers & Capacity</p> <ul style="list-style-type: none"> Equip authorities with legal powers and operational resources Investigate and prosecute ML/TF/PF effectively <p>7. Asset Confiscation</p> <ul style="list-style-type: none"> Identify, freeze, and manage proceeds of crime Include cross-border assets and NPO-linked funds <p>8. International Cooperation</p> <ul style="list-style-type: none"> Improve responsiveness to MLA, extradition, and TF requests Deepen partnerships with foreign counterparts and international bodies <p>9. NPO & High-Risk Sector Safeguards</p> <ul style="list-style-type: none"> Prevent terrorist financing via NPOs, VASPs, and vulnerable channels Balance security with operational continuity and inclusion <p>10. Proliferation Financing Sanctions</p> <ul style="list-style-type: none"> Conduct PF risk assessments Enforce WMD-related sanctions in line with UNSCRs

14.4. Call to Action

Every institution, organisation and individual has a part to play in this national endeavour. I urge all partners to commit their expertise, resources and vigilance to deliver on these strategic priorities.

Together, we will fortify Vanuatu’s financial integrity, protect our communities and uphold our reputation as a secure and transparent hub in the Pacific.

On behalf of the Government of the Republic of Vanuatu, I commend this Strategy and acknowledge the contributions by law enforcement agencies, supervisory agencies, private sector, partners and pledge our unwavering support for its full and timely implementation.

Mr. George Maniuri
 Director General of the Prime Minister’s Office
 Chairperson- Vanuatu National Coordinating Committee

August 2025