

**APG REGIONAL WORKSHOP
“THE EXPLOITATION OF NON-PROFIT ORGANIZATIONS (NPOs) FOR
TERRORIST FINANCE (TF)”**

**24 – 25 November 2017
Lanai Kijang, Bank Negara Malaysia (BNM)
Kuala Lumpur, Malaysia
Agenda**



**Asia/Pacific Group
on Money Laundering**

FOCUS: Combating TF: Regulating NPOs

Host: Malaysia

Presenters:

Asia/Pacific Group on Money Laundering’s Secretariat (APG)
Australian Charities and Non-for profits Commission (ACNC, Australia)
Australian Transaction Reports and Analysis Centre (AUSTRAC, Australia)
Bank Negara Malaysia (BNM, Malaysia)
Charity Commission for England and Wales (CCEW, United Kingdom)
Financial Intelligence Unit - Malaysia (UPWBNM)
Financial Transaction Reports and Analysis Centre (PPATK, Indonesia)
United Nations Counter-Terrorism Executive Directorate (UN-CTED)
Royal United Services Institute (RUSI, United Kingdom)

Background

On the basis of results from our third round of mutual evaluations and requests from APG members for technical assistance, the APG will be conducting a two-day workshop on the regulation of the NPO sector to reduce vulnerabilities to terrorist financing (TF), hosted by Bank Negara Malaysia (BNM), immediately following the 3rd Counter-Terrorism Financing (CTF) Summit Plenary.

The concept of holding the workshop arose in the South East Asia sub-regional meeting at the 2016 Annual Technical Assistance & Training Forum (September 2016, San Diego, United States).

While the workshop was open to all APG members, priority was given to APG members that have requested technical assistance in the field of NPOs, and members from the South East Asian sub-region.

Purpose of Workshop

The purpose of this workshop is to ensure that priority APG members have the appropriate skills to effectively implement the legal and institutional frameworks/mechanisms required by the Financial Action Task Force (FATF) Recommendation 8 and the Immediate Outcome 10 pertaining to NPOs to protect this sector from terrorists’ exploitation.

Learning Objectives

In order to achieve the objective of this workshop, participants will:

- gain a more detailed understanding of the requirements of FATF R.8 and IO10;
- discuss how regional risk assessment on NPOs can support implementation of the related international standards;
- consider best practice for inter-agency coordination mechanisms to implement targeted financial sanctions in the NPO sector;
- discuss the frameworks and mechanisms of jurisdictions who have been successfully conducting outreach and external engagement with NPOs sector;
- discuss financial investigative techniques and methods to detect terrorists activities within the NPOs sector ; and
- develop draft plans of action (key steps and timelines) to bring mechanisms into force and commence effective implementation.

Method

Participants will:

- Learn from experts and peers with successful experiences.
- Share experiences and challenges on legal frameworks and implementing mechanisms.
- Understand trends, regional risk and the risk based approach;
- Work as a group to engage in inquiries and develop action plans.

Contact Point

For any inquiries, please contact Dr. Mohammad AlRashdan, Deputy Director, Technical Assistance and Training (mail@apgml.org; +61 2 92770600).

| DAY ONE – FRIDAY 24 NOVEMBER 2017 | |
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| 08:30 – 09:00 | REGISTRATION |
| 09:00 – 09:30 | OFFICIAL WELCOME AND OPENING SESSION <ul style="list-style-type: none"> • Official welcome by Malaysia (10-15 Minutes) • Overview of workshop program and objectives (APG Secretariat (10-15 Minutes)) |
| 09:30 – 10:30 | INTERNATIONAL STANDARDS ON NPOs AND REGIONAL IMPLEMENTATION Speaker/s: APG Secretariat <ul style="list-style-type: none"> - FATF Recommendations, Methodology and Mutual Evaluations (APG Secretariat) (30 – 45minutes) <p><i>This session has been designed to cover the relevant revised international standards address TF in the NPO sector (Rec 8 and IO10). The APG Secretariat will highlight the experience of mutual evaluations in assessing compliance with these standards.</i></p> <p><i>The floor will be open for discussions and interaction (approximately 15 minutes).</i></p> <p style="text-align: right;"><i>Moderator: ACNC</i></p> |
| 10:30 – 11:00 | Morning tea & Official photograph |
| 11:00 – 12:30 | REGIONAL RISK ASSESSMENT ON NPOs <ul style="list-style-type: none"> • Group activity (45 minutes) • Outcomes of CTF SUMMIT on NPOs risk assessment (CTF Summit NPO working group Co-chairs) (30 minutes) • Discussion (15 minutes) <p><i>This session will highlight the need to understand the nature of the TF threat to NPOs at the national and regional level.</i></p> <p><i>Participants will have an opportunity to work together (7 to 8 working groups) for about 15 minutes, to identify the following points:</i></p> <ul style="list-style-type: none"> • <i>Understand TF risks related to NPOs.</i> • <i>Structure of NPOs’ regulations in their jurisdictions;</i> • <i>Challenges faced in regulating and supervising NPOs for TF.</i> <p><i>Interactive group discussion will be held on these points (approximately 30 minutes).</i></p> <p><i>Following this brief introduction to issues and participants, the co-chairs of the CTF Summit NPO working group will outline the outcomes of the working group’s work for about 30 minutes.</i></p> <p><i>We end this session with a short wrap-up interactive discussion on review and risk assessment of NPOs in the TF context (approximately 15 minutes).</i></p> <p style="text-align: right;"><i>Moderator: APG Secretariat</i></p> |
| 12:30 – 14:00 | Lunch |

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| 14:00 – 15:30 | <p>TRENDS AND A RISK-BASED APPROACH (RBA) TO NPO REGULATION</p> <p>Speakers: CCEW & ACNC</p> <ul style="list-style-type: none"> • Trends and experiences of TF in the NPO sector (35 minutes) – ACNC • The UK Charity Commission’s risk-based approach (35 minutes) – CCEW <p><i>This session has been designed to highlight the application of RBA to NPOs and glean lessons from the ACNC & CCEW work in the Asia Pacific region.</i></p> <p><i>The floor will be open for discussions and interaction (approximately 20 minutes).</i></p> <p style="text-align: right;"><i>Moderator: APG Secretariat</i></p> |
| 15:30 – 16:00 | Afternoon tea |
| 16:00 – 17:00 | <p>CTF REQUIREMENTS AND THE ROLE OF NPOs</p> <p>Speaker: RUSI</p> <ul style="list-style-type: none"> • CTF, NPOs and Humanitarian Action: Balancing Conflicting Priorities <p><i>This session will discuss the balance between mitigating TF risks through NPOs and the charitable role that NPOs play, especially in broken and fragile states.</i></p> <p><i>Following the presentation the floor will be open for discussions.</i></p> <p style="text-align: right;"><i>Moderator: APG Secretariat</i></p> |
| DAY TWO – SATURDAY 25 NOVEMBER 2017 | |
| 09:00 – 10:00 | <p>CHARITIES REGULATION</p> <p>Speaker/s: CCEW</p> <ul style="list-style-type: none"> • Models and challenges in regulating NPOs (45 minutes) <p><i>This session will detail the approaches to, and difficulties in, regulating NPOs for TF.</i></p> <p><i>The floor will be open for discussions and interaction (approximately 15 minutes).</i></p> <p style="text-align: right;"><i>Moderator: ACNC</i></p> |
| 10:00 – 10:30 | Morning tea |

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| 10:30 – 11:30 | <p>TARGETED FINANCIAL SANCTIONS TO COMBAT TF</p> <p>Speaker/s: UN-CTED (45 minutes)</p> <ul style="list-style-type: none"> • Requirements for designation • Requirements to apply sanctions • Requirements for asset freezing <p><i>This session has been designed to highlight the objectives and process of targeted financial sanctions to combat TF in the NPO sector and the importance of using intelligence and intelligence sharing in support of terrorism investigations. It will also look at the need to develop and train a dedicated counter-terrorism unit to investigate terrorist abuse of charities and officers of NPOs who engage in TF; to impose targeted enforcement actions; and to engage in follow-up to ensure compliance with sanctions.</i></p> <p><i>The floor will be open for discussions and interaction (approximately 15 minutes).</i></p> <p style="text-align: right;"><i>Moderator: APG Secretariat</i></p> |
| 11:30 – 13:00 | <p>LAW ENFORCEMENT AND PROSECUTION AUTHORITIES – FROM REGULATION TO PROSECUTION</p> <p>Speaker/s: CCEW (60 minutes)</p> <p><i>This session will highlight the need to review the adequacy of authorities required to conduct investigations, prosecutions and impose targeted financial measures against charities and their officials engaged in TF.</i></p> <p><i>The floor will be open for discussions and interaction (approximately 30 minutes).</i></p> <p style="text-align: right;"><i>Moderator: APG Secretariat</i></p> |
| 13:00 – 14:00 | Lunch |
| 14:00 – 15:30 | <p>CASE STUDIES: INTERNAL AND EXTERNAL ENGAGEMENT</p> <p>Speakers:</p> <ul style="list-style-type: none"> - AUSTRAC (15 minutes) - PPATK (15 minutes) - Malaysian Financial Intelligence Unit (UPWBNM) (15 minutes) - CCEW (15 minutes) <ul style="list-style-type: none"> • Domestic and international information sharing • Outreach to NPO sector <p><i>Learning from regulators and jurisdictions that have tackled the task of conducting outreach to and engagement with the NPO sector, this session teases out the importance of assigning primary and secondary agencies for combatting TF, for record keeping by law enforcement and charitable sector regulators and supervisors and of enhancing the relationship between related agencies and the local and foreign NPOs operating in the country to understand and mitigate the threat of terrorism financing in the NPO sector.</i></p> <p><i>The floor will be open for discussions on lessons learnt and interaction (approximately 30 minutes).</i></p> <p style="text-align: right;"><i>Moderator: ACNC</i></p> |

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| 15:30 – 16:00 | Afternoon tea |
| 16:00 – 17:00 | <p>ACTION PLANS & FUTURE TECHNICAL ASSISTANCE NEEDS</p> <p><i>This will be a practical session where we break up the room by jurisdiction and each of the three moderators work with up to four jurisdictions to develop an action plan for application of lessons from the workshop.</i></p> <p><i>This will also be an opportunity for jurisdictions to raise issues with regard to their NPO sector (laws, regulation, investigations, supervision, etc.), as well as to identify any future needs with regard this sector.</i></p> <p style="text-align: right;"><i>Moderator: CCEW, ACNC & APG Secretariat</i></p> |
| 17:00 – 17:30 | <p>WRAP UP & CERTIFICATES DISTRIBUTION</p> <p style="text-align: right;"><i>Led by APG Secretariat</i></p> |