

Action Plan for recommendations of the Asia-Pacific group on Money Laundering

Category	№	Action Plan	Activities	Timeframe	Main responsible organization	Co-Responsible Organizations
I. Legislation and Regulations						
1	1	Amendments to the AML/CFT Law and other relevant legislation	Amendments to the AML/CFT Law under reporting entities shall cover missing DNFBPs, and other business entities conducting financial activities designated by the FATF. ML offence sanctions to be raised in the Criminal code and Petite Offence Law (Infringements Law).	December 2017-October 2018	National Committee	NCC, Mongolbank, FIU, MOJHA
1	2	Improve the legal regulations facilitating the UNSCR targeted and other financial sanctions.	Associated regulations shall be revised in terms of implementing UNSCR financial sanctions related to combating financing of terrorism and proliferation.	December 2017-October 2018	GIA	MOJHA, National Committee, NCC, FIU
1	3	Develop a TF investigation/prosecution plan.	Investigation/prosecution plan shall highlight detection, investigation of TF, asset freezing, priority response plan, roles, responsibilities and international cooperation of related agencies.	March 2018	NCTCC	NCC, GIA
1	4	NCC and NCTCC shall confirm the formal cooperation.	NCC and NCTCC shall establish required arrangements to facilitate cooperation between the councils and its principles.	December 2017	NCTCC, NCC	-
1	5	A formal decision confirming NCTCC responsibility as the national coordinator for TF and PF shall be undertaken.	Amendments to Anti-Terrorism Law and Terrorist listing regulation. Oversee the action items related to combating TF and PF; take measures to improve the results of mutual evaluation.	December 2017	NCTCC	NCC, GIA, MOJHA
1	6	BoM and FRC shall raise controls upon issuing special license.	Existing laws and regulations for issuing special license shall be revised accordingly for overseeing fit and proper controls for checking on current and new license holders, including obtaining background information from domestic and foreign supervisory authorities.	December 2017-October 2018	Mongolbank, FRC	MOJHA, GPO, GPA, GIA, IAAC
1	7	BoM and FRC shall make arrangements to cooperate with law enforcement agencies (LEAs) to improve fit and proper controls.	BoM, FRC and LEAs develop an arrangement to respond to requests for confirmation of possible 'criminal associates', especially organised crime (including, legal and natural persons).	December 2017	Mongolbank	FRC, GPO, GPA, IAAC, GIA

1	8	Develop the legal regulations for reporting entities to monitor media sources for crime cases and check customers/transactions for possible related STRs and its reporting to FIU.	Revise ML and TF offence regulations and guidance accordingly.	December 2017-October 2018	FIU	Mongolbank, FRC
1	9	BoM and FRC shall establish arrangements to share information to clarify ownership of banking and non-bank sectors.	BoM, FRC and FIU shall share information with the FRC with data on ownership of the non-bank entities that are included in bank 'group' arrangements. ie the bank or non-bank FIs (banks, NBFIs, DNFBPs, and subsidiaries).	December 2017-October 2018	Mongolbank	FRC, FIU
1	10	Establish regulatory framework for the real-estate sector.	Develop law, regulations and guidance on facilitating the real-estate related communication	By July 2018	FRC	FIU, NCC
II. General Arrangements and Structure						
2	1	NC, NCTCC, and Financial Stability Council shall brief the Government of Mongolia and the National Security Council on the ICRG progress every quarter.	Relevant organizations shall report on their progress regularly and provide information.	December 2017-October 2018	National Committee	NCC, Financial Stability Council
2	2	Implementation of AML/CFT National Program shall be overseen, international technical assistance shall be coordinated, progress monitored.	During the enhanced reporting period, working group shall be established within relevant authorities and implementation of plan shall be reported regularly.	December 2017-November 2018	National Committee	NCC, FIU
2	3	NCC engage with the Mongolian Bankers Association to brief them on the ICRG process, the ICRG action plan and seek their support to complete the priority action plan items.	Awareness raising sessions with the banks and NBFIs (including remitters) on PF risks and coming asset freezing obligations shall be conducted. BoM and FIU work with the Mongolian Bankers Association (MBA) to support policy to avoid de-risking and ensure priority actions to support concerns of correspondent banks. MBA to share good practice AML/CFT internal policies, manuals, and good practices to support consistency and quality across the banking sector.	December 2017-October 2018	Mongolbank	NCTCC, NCC, FIU, MBA

2	4	Action plan progress, newly-emerging risks, and cooperate with regulatory authorities.	During the period leading upto ICRG review, banks and priority non-bank financial institutions shall be provided with information on possible cooperation, and meetings to exchange ideas shall be organized. Also, public awareness raising measures shall be organized regularly.	October 2017-October 2018		Mongolbank, FRC, FIU, NCC
2	5	Regular meetings with the diplomatic corps on ICRG issues; technical assistance; and international cooperation shall be organized.	Regular meetings with diplomatic corps of jurisdictions with AML/CFT framework including USA, RF, PRC, Canada, Japan, UK, RoK, Italy, Australia, Turkey, Germany; and international organizations to seek technical assistance and cooperation on the ICRG issues. NCC working group (WG) shall research AML/CFT good practices from other countries and report to the NCC. Measures to seek technical assistance from other jurisdictions and international organizations shall be sought after to develop a policy and plan addressing ML/TF detection, investigation, and prosecution including specialized-training, development of guidances and regulations.	December 2017-October 2018	MOFA	NCC
2	6	Develop a list of countries required to establish cooperation officially and unofficially.	List of countries required to establish cooperation officially and unofficially shall be developed. The jurisdictions shall be based on the following: - Jurisdictions corresponded the most related to ML/TF offence, - Jurisdictions where corruption, malfeasance crimes, fraud, tax evasion, environmental crimes are committed originating from Mongolia.	December 2017	NCC	MOFA, National Council, GPO, GPA, Mongolbank
III. Activities to be Implemented by the Law Enforcement Agencies						
3	1	Conduct TF risk assessment, make risk ratings, share results with relevant entities (LEAs and private sector).	Produce a public version of the TF risk assessment report that can be shared with the private sector.	January 2018	NCTCC	GIA, FIU
3	2	Establish a special unit designated for financial investigation unit.	GPA, IAAC and GIA shall establish a special unit designated for financial investigation unit.	January 2018	GPA	GIA, IAAC, MOF, National Council, NCC
3	3	Prepare PF risk assessment of the Mongolian economy being used directly/or indirectly to evade UNSCR financial targeted sanctions using foreign natural and legal persons.	Exchange information and cooperate with jurisdictions with deficiencies in implementing UNSCR financial targeted sanctions.	December 2017	NCTCC	MOFA, GIA, MOJHA

3	4	Documents on investigation and prosecution of ML shall be developed.	Relating to the anti-money laundering, freezing, seizing, confiscation, and management of confiscated assets shall be prioritized. Financial investigations associated with ML high-risk predicated offences, such as corruption, fraud, tax offences, environmental crime shall be prioritised and directions / guidelines for conducting parallel financial investigations shall be developed.	December 2017-October 2018	GPO	IAAC, GPA, GIA, FIU
3	5	Mutual legal assistance (MLA) and extradition requests and receipt of those requests shall be registered and overseen in a general registration.	In mutual legal assistance (MLA) and unified registration relating the extradition aspects on freezing, seizing, and confiscation shall be prioritized.	First quarter of 2018	GPO	MOJHA, Judicial General Council
3	6	GPA, IAAC, and GIA shall enhance the cooperation mechanisms with the FIU regarding ML and other predicated offences.	Endorse a document regulating requesting information and providing feedback to the same in related to ML and other predicated offences.	December 2017-October 2018	GPO	FIU, IAAC, GPA, GIA
3	7	Employees of GPA, IAAC, and GPO shall be provided with guidance on financial investigations and directives on asset tracing and obtain specialized-training on ML/TF on a regular basis.	Employees shall be trained in domestic and international trainings on the subject regularly.	December 2017 – November 2018	NCC	GPO, IAAC, GPA, GIA, Judicial General Council
IV. Activities to be Implemented by the Mongolbank and the Financial Regulatory Commission						
4	1	Measures to enhance BoM AML/CFT unit to achieve the priority tasks related to regulation and supervision shall be undertaken.	BoM AML/CFT unit shall add three more supervisors.	December 2017	Mongolbank	-
4	2	FRC shall enhance its human resource to achieve the priority tasks related to AML/CFT regulation and supervision.	FRC shall establish a special-unit designated for AML/CFT regulation and supervision.	December 2017	FRC	

4	3	Publicise risk-based supervisory mission, policy, and other measures.	BoM shall publicise progress with AML/CFT implementation / new guidance / supervisory results/ etc to ensure foreign respondent banks have the best available information on risk mitigation.	December 2017-October 2018	Mongolbank	FRC, MBA
4	4	Develop guidelines and manuals on CDD and internal controls tailored to the needs of the NBFIs sectors.	Develop guidelines and manuals after amendments to the relevant laws and distribute to financial institutions.	October 2018	FRC	Mongolbank, FIU
4	5	Risk assessment with focus on banking and non-banking financial institutions sector - thematic <u>not</u> full-scope AML/CFT supervision.	<p>Risk assessment information should be revised on:</p> <ul style="list-style-type: none"> • Targeted financial sanctions, • CDD in relation to beneficial ownership, • Systems for identifying and reporting STRs, etc. • Updating internal risk assessment, including in relation to high risk crime types, <p>FRC shall conduct sectoral-risk assessment offsite and develop guidance, regulations, and manuals to undertake AML/CFT-based supervision.</p>	December 2017-October 2018	Mongolbank	FRC
4	6	Follow-up onsite visits of a few high-risk banks conducted to verify whether rectification orders have been met.	<ul style="list-style-type: none"> • Chose five banks per year (based on elements of their risk profile). • Consult with FIU on STR reporting problems and failures to report STRs shall be subject to sanctions. 	2018	Mongolbank	
4	7	Develop priority risk-based AML/CFT supervision plan for non-banking financial sector.	<p>The plan shall reflect priority sectors; focus of supervision; sanctioning processes; international cooperation, etc.</p> <p>Few banks shall be chosen based on risk elements to identify stakeholders and to re-assess whether the origin of the joint stock capital meets the requirements.</p>	November 2017-October 2018	Mongolbank	FRC
4	8	FRC/BOM/FIU shall do a ML/TF risk scoping exercise of the money remittance sector – both licensed and unlicensed.	<p>Supervision working group developed within the NCC shall lead the risk assessment of the money remittance sector. ML/TF sectoral assessment shall focus on:</p> <ul style="list-style-type: none"> • FRC prioritise identifying unlicensed remitters and getting them to register, or else work with the police to stop their unlicensed business. 	First half of 2018	Mongolbank	FRC, GPA, GIA, FIU
4	9	Plan priority supervision based on the ML/TF sectoral assessment.	FRC, Mongolbank, and FIU shall conduct additional fit and proper checking on money remitters after the ML/TF sectoral assessment.	Last half of 2018	FRC	Mongolbank, GPA, GIA, FIU

4	10	Focus on AML/CFT compliance team level and hold quarterly meetings to discuss STR reporting / financial crime trends, etc.	FIU supported by the LEAs shall hold meetings with banks and other reporting entities (REs) to provide information on high-risk crime trends, etc. Feedback on previous STRs, their results be presented, and regular inforamatory meetings with AML compliance officers shall be organized.	December 2017-October 2018	Mongolbank	FIU
4	11	Real estate offsite sectoral risk assessment shall be conducted.	After the real estate sectoral risk assessment is completed, BoM and FRC shall conduct awareness raising activities on sectoral-risks, customer CDD, and STR reporting obligations.	First half of 2018	Mongolbank	FRC, General Taxation Authority, GAISPR, Chamber of Notaries, GPA, FIU
4	12	Design a future strategy of regulation and supervision in the real estate sector.	FRC / Ministry of Finance / BoM shall jointly design of a future strategy of regulation and supervision on the real estate sector.	March 2018	Mongolbank	FRC, General Taxation Authority, GAISPR, Chamber of Notaries, GPA, FIU
V. Activities to be Implemented by the FIU and Other Organizations						
5	1	FIU shall enhance its support to LEA investigations to combat offences.	Increase FIU's capacity support (operational analysis) to law enforcement investigations (predicate, ML and TF) and enhance its capacity to trace and seize assets. FIU shall enhance its analytical database – move from collection to data analysis to better support needs of investigation agencies. FIU shall be provided with additional analysts focusing on supervision regulation, awareness raising, and support to LEA investigations.	October 2018	FIU	GPA, IAAC, GIA, General Taxation Authority
5	2	FIU's direct access to other government databases and mutual exchange of information shall be increased.	Information exchange regulations shall be endorsed with relevant authorities and required information shall be exchanged accordingly.	December 2017-October 2018	FIU	General Taxation Authority, GAISPR
5	3	Customs authority shall improve its detection on smuggling of cross border cash, monetary instruments, precious metals, etc.	Supervision to detect smuggling of cross border cash, monetary instruments, precious metals, etc shall be improved.	December 2017	General Customs Authority	Border Protection Agency, GIA, GPA

5	4	Customs and Taxation authority officials to be covered by AML/CFT capacity building training sessions.	Customs and Taxation authority officials shall be covered by AML/CFT capacity building specialized- training sessions. Taxation authority officials shall be covered by AML/CFT capacity building training sessions.	Second quarter of 2018	General Customs Authority, General Taxation Authority	FIU
5	5	Establish a joint-working group and conduct a compliance project on registration, filing requirements on companies.	GAISPR, General Taxation Authority, Immigration Agency, Supreme Court shall establish a joint-working group and conduct a compliance project on registration, filing requirements on companies and take remedial measures on inconsistency.	November 2017- March 2018	GAISPR	General Taxation Authority, Immigration Agency, Supreme Court
5	6	Conduct a TF short risk assessment of non-profit legal persons designated by FATF as high-risk.	TF short risk assessment of non-profit legal persons shall be conducted jointly with Non-Profit Organizations Associations, information on TF risk shall be communicated; and conclusion on weaknesses with controls on transparency and quality of registered information and TF risks shall be drawn.	March 2018	GIA	GAISPR, General Taxation Authority, MOJHA, FIU
5	7	Conduct a short risk assessment of legal persons and foreign trusts that may be misused for ML and other financial crimes in Mongolia.	Priority shall be given to resolve weaknesses with controls on transparency and quality of registered information on basic ownership, and specific risks. BoM and FRC issue brief guidance to reporting entities regarding CDD on beneficial ownership of companies and foreign trusts. GAISPR should conduct measures to deal with companies which fail to meet registration information requirements. Issue a practice direction to LEAs on obtaining beneficial ownership information.	November 2017- October 2018	FRC	GAISPR, GPA, FIU, TaEF, Mongolbank, FIU