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PRESS STATEMENT FOR IMMEDIATE RELEASE

An Effective and Independent FASU is Essential Towards Curtailing Money Laundering in PNG

Thursday, 15th July, 2021 Port Moresby – Transparency International Papua New Guinea (TIPNG) has issued a statement calling on the Private Sector and Government to respect the Independence of the Bank of Papua New Guinea’s Financial Analysis and Supervision Unit (FASU) and allow due process to be followed.

TIPNG has taken this position in light of the various comments made relating to the actions taken by the FASU in issuing a ‘show cause’ notice to the BSP Financial Group Ltd (BFL).

“The financial intelligence unit of the Bank of Papua New Guinea is an operationally independent unit with its functions and powers specified under Anti-Money Laundering and Counter Terrorist Financing (AML CTF) Act 2015. A diligent independent regulator is expected to undertake its responsibilities and dutifully assess the conduct of operators against the relevant laws. The notice issued by FASU to BFL should be viewed as an action that is available to FASU as the responsible regulator. An independent and well-functioning AML CTF watchdog is of significant benefit to the PNG banking and finance sector as it acts as a shield to deflect attempts by corrupt individuals who may attempt to coerce or threaten businesses to breach these laws,” said Peter Aitsi, the Chair of TIPNG, in a media statement.

“Earlier this year, at the EU-funded 1st National Integrity Summit hosted by TIPNG, attendees were informed by the Director of FASU that the regulator had sent approximately 10, 000 files to different law enforcement agencies, yet no action has been taken on these referrals, and even more worrying is that there have been no prosecutions.”

“This was particularly concerning for the country as PNG is scheduled for a mutual evaluation by the Asia-Pacific Group on Money-Laundering’s (APGML) next year. This trend of inaction on suspected money-laundering activities cannot be ignored lest PNG falls back into the APGML grey list, if this happens it will gravely impact the confidence of the international financial markets in PNG’s banking and finance system and also reflect poorly on the reputation of Government of PNG. To avoid such an outcome, the Government and Private Sector must actively encourage and support the efforts of an independent and effective regulator,” said Mr. Aitsi.

In terms of PNG’s overall governance, the role of independent and effective regulators is vitally important if we are serious about reducing the level of corruption in our Country.

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What is TIPNG?

TIPNG is a member of Transparency International a global anti-corruption movement committed to fighting corruption. TIPNG is an independent organization in PNG known as a Chapter of the international movement. The PNG chapter advocates against corruption and promotes transparency, good governance, honesty and accountability both in private and public sector dealings. TIPNG tries to assist strengthen the integrity systems of our country such as the police, the parliament, the public services and the judiciary.