



BANK OF PAPUA NEW GUINEA

**GOVERNOR'S SPEECH
OPENING OF THE STRATEGIC IMPLEMENTATION WORKSHOP
APEC HAUS, 19 NOVEMBER 2024**

Good Morning Everyone,

Chief Secretary, Thank You for your presence with us this morning. I also extend a very warm welcome to our NCC Heads of Agencies.

Chief Secretary, your attendance this morning is a very clear demonstration of our Government's commitment and support for the National Coordinating Committee at the start of this two-day event to workshop the NCC's Strategic Implementation Plan in response to the issues highlighted in the Financial Action Task Force's Mutual Evaluation Report.

We have a very significant task ahead of us over the next twelve months.

I join the Chief Secretary, and my fellow co-Chair, the Secretary of the Department of Justice & Attorney General, in extending my sincere thanks to the Asia Pacific Group Secretariat, led by Deputy Executive Secretary David Shannon, along with Joelle Woods and Caitilin Ryan.

David, in particular, has a long history with PNG, having participated in our first Mutual Evaluation in 2010/2011 and his understanding of PNG's AML/CFT journey will be invaluable as we undertake this body of work that lies ahead of us.

We are also deeply grateful to our donor partners and technical assistance providers: the Asian Development Bank, the United Nations Office on Drugs and Crime, the Australian Government through DFAT and also the US State Treasury.

Your ongoing support has been crucial in building capacity across our line agencies, and your presence here demonstrates your continued commitment to helping PNG improve governance and meet global standards.



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As we know, PNG's Mutual Evaluation has highlighted significant deficiencies in our AML/CTF framework and it is critical that we act decisively to minimize the impact of potential grey listing by FATF.

We've faced this challenge before—being grey-listed in February 2014 and only removed in June 2016 after significant reforms, including the enactment of the Anti-Money Laundering and Counter-Terrorism Financing Act in 2015 and, importantly, the establishment of FASU.

The cost of non-compliance far outweighs the cost of compliance.

Grey listing by the FATF carries real consequences for our financial system, including higher borrowing costs, potential trade sanctions, and the loss of correspondent banking relationships.

The reputational and financial risks to PNG are significant, which is why a whole-of-government approach, backed by strong political will, is essential.

On behalf of the Chairman and the Board of the Bank of Papua New Guinea, I pledge the Bank's full support for the Government's commitment to meeting the FATF's standards and we are committed to implementing the priority action items within the specified timeframes.

The Bank will ensure that FASU is well-resourced to fulfill its mandate in providing continued support to the NCC in developing and implementing our Strategic Implementation Plan (SIP).

As NCC co-chair, the Director of FASU and I remain dedicated to securing technical assistance for NCC members, ensuring that the findings in the Mutual Evaluation are addressed comprehensively and on time.

Thank you all, and I look forward to our collaborative efforts in fully developing our Strategic Implementation Plan, securing its endorsement by the NCC, and supporting FASU in presenting that plan to the NEC.



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Together, and through FASU, we will hold ourselves to account for delivering on our commitments to strengthen PNG's Anti-Money Laundering and Counter-Terrorism Financing framework and protect the integrity of our financial system.

Thank You.