



ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT (2015)

Lawyers

LEGAL FRAMEWORK & OBLIGATIONS:

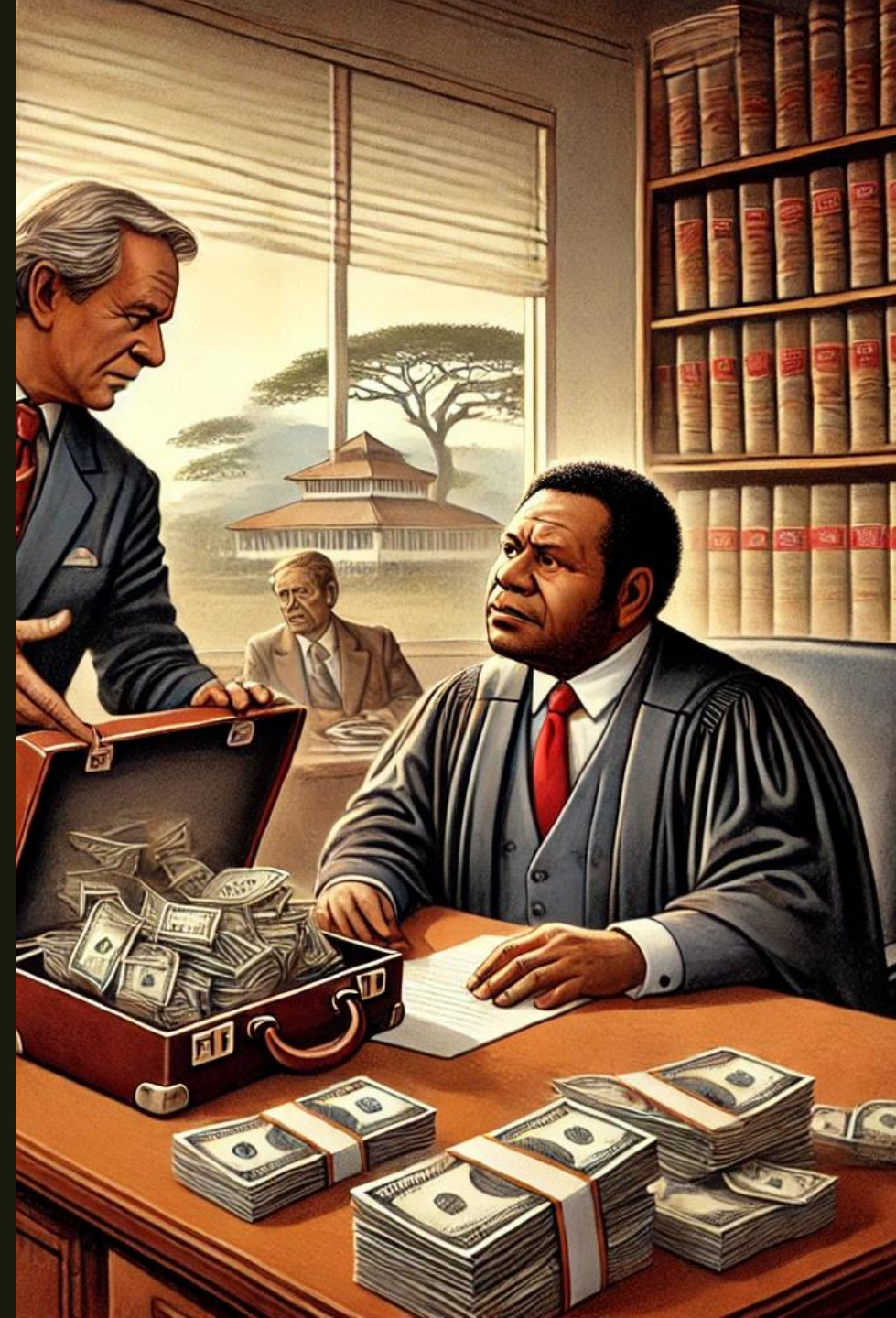
Lawyers and Law Firms, who meet the definition of a designated non-financial Businesses and professions must adhere to a comprehensive set of requirements designed to safeguard the financial system. These include:

- **Conducting Risk Assessments and Implementing AML/CTF Programs:** You must assess the risks your business faces and develop a program to manage and mitigate those risks.
- **Customer Due Diligence:** You are required to verify the identity of your clients, including beneficial owners, and ensure that the information is accurate and up to date.
- **Reporting Obligations:** You must report any transactions above a certain threshold, as well as any suspicious activities, to the Financial Analysis and Supervision Unit (FASU).
- **Record Retention:** All records, including those related to risk assessments and client transactions, must be retained for at least seven years.
- **Beneficial Ownership and Compliance:** Ensure that directors and senior managers meet fit and proper criteria and that your firm is registered with FASU.
- **Compliance with FASU Directives:** Provide any requested information or records to FASU and comply with any enforcement measures they impose.



OBLIGATION IN FOCUS: SUSPICIOUS MATTER REPORTS

- You must report a suspicious matter if you have reasonable grounds to suspect that information known to you may be relevant to the detection, investigation or prosecution of a person for:
 - *Money laundering or terrorist financing;*
 - *Dealing with an asset that is owned, controlled or held, directly or indirectly, by or on behalf of, or at the direction of, a designated person or entity. This is prohibited under Section 14 of the United Nations Financial Sanctions Act 2015;*
 - *Making assets available to a designated person or entity. Which is prohibited under Section 15 of the United Nations Financial Sanctions Act 2015;*
 - *Any other indictable offence; or o a foreign indictable offence.*
 - *You must also report information that concerns criminal property.*



For Noting:

- According to the 2011 Mutual Evaluation on Papua New Guinea (1), the Financial Analysis and Supervision Unit (FASU) had drafted a *Guideline for Lawyers – Suspicious Transaction Reports, Customer Due Diligence and Record Keeping*.
 - It is unclear whether the drafted guideline was ever published.

(1) <https://apgml.org/members-and-observers/members/member-documents.aspx?m=3f87fdab-7836-49ec-85de-62ceb17b97f1>

- FASU published Guidance for Designated Non-Financial Business or Professions on their Obligations under the *Anti-Money Laundering and Counter-Terrorist Financing Act 2015 (No. 2 of 2019)*

(2) <https://www.bankpng.gov.pg/wp-content/uploads/2022/09/2.-Guidance-for-Designated-Non-Financial-Businesses-or-Professions-on-their-Obligations-under-the-Anti-Money-Laundering-and-Counter-Terrorist-Financing-Act-2015-No.-2-of-2019.pdf>



Financial Analysis and Supervision Unit

Guidance for Designated Non-Financial Businesses or Professions on their Obligations under the *Anti-Money Laundering and Counter Terrorist Financing Act 2015 (No. 2 of 2019)*

Issued by the Financial Analysis and Supervision Unit on 20th May 2019

Draw upon learnings from other countries: AML/CTF Obligations on Lawyers



European Union

Lawyers are covered under the (6th) AML Directive. They are required to conduct customer due diligence and report suspicious activities.



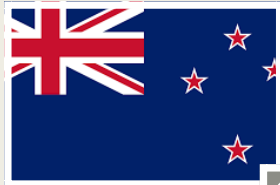
United Kingdom

Lawyers are covered under the UK Money Laundering Regulations. They must report suspicious activities to the National Crime Agency.



Singapore

The AML regulations under the Legal Profession Rules capture lawyers. They are obligated to conduct due diligence and report suspicious transactions.



New Zealand

Lawyers are covered under the AML/CFT Act. They must conduct due diligence, monitor transactions, and report suspicious transactions.