

The Kingdom of Thailand



National Strategy for Combating Money Laundering and the Financing of Terrorism 2010 to 2015



Anti-Money Laundering Office (AMLO)



Thailand AML/CFT Joint Cooperation Program

The Kingdom of Thailand National Strategy for Combating Money Laundering and the Financing of Terrorism was developed in conjunction with the International Monetary Fund under a joint collaboration project. Financial support for the project was provided by the IMF's Topical Trust Fund for AML/CFT which is funded by the following country donors: Norway, Switzerland, Canada, Japan, Kuwait, Qatar, Saudi Arabia, the United Kingdom, Luxembourg, the Netherlands, Korea, and France.

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ISBN	978-974-496-965-1
Edition	April 2011
Copies	500
Publisher's name and address	Anti-Money Laundering Office (AMLO) 422 Thanon Phayathai, Wangmai, Patumwan, Bangkok 10330
Press's name and Address	Business Organization of the Office of the Welfare Promotion Commission for Teachers and Educational Personnel 2249, Wangthonglang, Bangkok 10310 www.suksapan.or.th E-mail : suksapan_press@hotmail.com

Foreword

Under a policy put forward by the Anti-Money Laundering Office (AMLO) to raise Thai anti-money laundering and combating the financing of terrorism (AML/CFT) regime to international standards, which obtained the Cabinet's approval on 11 November 2008, a National Strategy for AML/CFT has been introduced to cover a period of five years from 2010 to 2015. This was rolled out through consultation with all relevant agencies and public hearing. It is a phased action plan with timelines and a clear approach to assessment for improvement of Thai AML/CFT regime to international standards. The Cabinet approved it on 7 December 2010 and instructed all agencies concerned to carry out activities under the National Strategy within their authority and remit established by the law governing each agency.

Success of this National Strategy depends on cooperation of all parties concerned, be it a public or private one. It is fervently hoped that concerted action by all relevant agencies under this National Strategy will help protect Thailand from transnational crimes in a sustainable manner.

AMLO
March 2011

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1. Abbreviations

AFTC	Agricultural Futures Trading Commission
AML	Anti-Money Laundering
AMLA	Anti-Money Laundering Act (1999)
AMLB	Anti-Money Laundering Board
AMLO	Anti-Money Laundering Office
APG	Asia/Pacific Group on Money Laundering
BOT	Bank of Thailand
CFT	Combating the Financing of Terrorism
DNFBP	Designated Non-Financial Businesses and Professions
DSI	Department of Special Investigation
FATF	Financial Action Task Force
FI	Financial Institution
FIU	Financial Intelligence Unit
FT	Financing of Terrorism
IBT	Immigration Bureau of Thailand
IMF	International Monetary Fund
LEA	Law Enforcement Agency
MIP	Master Implementation Program
ML	Money Laundering
MOF	Ministry of Finance
MOI	Ministry of Interior
MOAC	Ministry of Agriculture and Cooperatives
MOJ	Ministry of Justice
MOU	Memorandum of Understanding
NACC	National Anti-Corruption Commission
NIA	National Intelligence Agency
NPO	Non-Profit Organisation
NSC	National Security Council
OAG	Office of Attorney General
OIC	Office of Insurance Commission
ONCB	Office of Narcotics Control Board
RTC	Royal Thai Customs
RTP	Royal Thai Police
SEC	Securities and Exchange Commission



2. Overview of the AML/CFT National Strategy

vision

Protect the Kingdom of Thailand, its people, its institutions, its economy and the global community from criminals and terrorists by collaboratively and efficiently preventing, detecting, and suppressing money laundering, its predicate offences as well as terrorism financing and the resulting terrorism in line with international standards.

Mission

Combating money laundering, its predicate offences as well as terrorism financing and the resulting terrorism by carrying out effective preventative measures, intelligence sharing, enforcement efforts and sanctioning in line with international standards through: making improvements to the AML/CFT legal regime; enhancing the AML/CFT capacity, collaboration, implementation, execution, and transparency of the Kingdom's public and private institutions; and increasing society's AML/CFT awareness and support.

Strategic Objectives

Enhance in line with international standards;

Core Objective I

The AML and CFT legal regime by developing, amending and enacting laws, regulations and notifications.

Core Objective IV

The effective implementation of AML/CFT preventative measures by Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPS)

Core Objective V

The capacity and collaboration of, and the effective implementation and execution by, supervisory authorities to ensure compliance with AML/CFT preventative measures.

Core Objective II

The capacity and collaboration of, and the effective implementation and execution by, law enforcement agencies, prosecution and judicial authorities to investigate, prosecute, convict, and sanction money laundering, its predicate offences, terrorism financing and the resulting terrorism.

Core Objective VI

The transparency of juristic persons and legal arrangements (such as trusts, charities and foundations) so that they cannot be abused by criminals and terrorists.

Core Objective III

The capacity and collaboration of, and effective implementation and execution by the Anti-Money Laundering Office (AMLO) to collect, analyse and disseminate financial intelligence to assist law enforcement agencies mandated to combat money laundering, its predicate offences, terrorism financing and resulting terrorism.

Core Objective VII

International and domestic co-operation on combating money laundering, its predicate offences, terrorism financing and the resulting terrorism.

Core Objective VIII

Increase society's awareness and support relating to the combating of money laundering, its predicate offences, terrorism financing and the resulting terrorism.



3. Introduction

- 3.1 The aim of this document is to set out the Kingdom of Thailand's strategy for combating money laundering (ML) and the financing of terrorism (FT). Included is the:
 - 3.1.1 Background to this National Strategy;
 - 3.1.2 Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) vision and mission statements of the Kingdom of Thailand;
 - 3.1.3 Strategic objectives and outputs; and
 - 3.1.4 The process to review and monitor the progress for achieving the goals of the National Strategy and its objectives and outputs as well as a list of potential impediments and challenges.

- 3.2 This National Strategy is the result of a collaborative effort of many key AML/CFT agencies who participated in several interactive workshops and discussion forums and who engaged in further consultation through national cooperative working groups.

- 3.3 The Strategy has been supported, drafted and endorsed by the key agencies, listed in Appendix 1.

- 3.4 This document was submitted to the Cabinet by the Minister of Justice on November 5th, 2010 and adopted by the Cabinet on December 7th, 2010.



4. Commitment

4.1. ML, its predicate offences as well as financing of terrorism¹ and the resulting terrorism pose serious threats to Thailand's society. These illegal activities of criminals and terrorists harm law-abiding citizens and jeopardise the integrity of the economy. For example, criminals can harm and exploit our nation's people, erode financial systems and damage the Kingdom's international reputation through illicit drug trafficking. The proceeds from these crimes can be laundered in Thailand or overseas. Likewise, people can fund terrorism activities that cause harm in Thailand, to both Thais and foreigners, or that cause harm to Thais visiting other countries.

4.2. The soundness and stability of financial institutions and systems can be undermined, foreign investment discouraged, and international capital flows distorted by ML and FT activities. Moreover, problems in one country can quickly spread to other countries in the region or in other parts of the world. "Individual countries benefit from robust AML/CFT regimes as enhanced financial sector integrity and stability facilitate their integration into the global financial system. They also contribute to more transparent governance and effective fiscal administration. The integrity of national financial systems is thus essential to financial sector and macroeconomic stability both on a national and international level."²

¹Predicate offences for money laundering in Thailand include the financing of terrorism. FT is listed separately here due to the international focus on countering terrorism and its financing.

²International Monetary Fund "IMF to Start Operations Under its First Topical Trust Fund Supporting Technical Assistance in Anti-Money Laundering and Combating the Financing of Terrorism" Press Release No. 09/108 April 1, 2009 www.imf.org/external/np/sec/pr/2009/pr09108



- 4.3. The international linkages between countries, including, unfortunately, criminal and terrorism linkages mean that no one country can combat ML, its predicate crimes, FT and the resulting terrorism in isolation. Criminals and terrorists will exploit vulnerabilities in one jurisdiction if it helps them to achieve their illicit objectives in another. For this reason, the international response to ML and FT has been built on the basis of “united we stand, divided we fall” - with jurisdictions recognising that they need to protect one another in order to protect themselves.
- 4.4 For these reasons, the Kingdom of Thailand is committed to improving its AML/CFT regime to protect Thailand, its people (wherever in the world they are), its institutions, its economy, and the global community from all elements of terrorism and criminal abuse including corruption.
- 4.5 It is, therefore, imperative to have a strong legal regime countering ML and FT to:
- 4.5.1 Provide law enforcement agencies (LEAs) and prosecutors with sufficient legal powers and tools to detect and disrupt criminals and terrorists and to make certain that those who commit such acts against Thailand, its people, its institutions, its economy, or the global community are detained, delivered to the courts and disciplined, including through depriving them of their liberty, and de-funding them of their assets;
 - 4.5.2 Ensure preventative measures are taken by financial institutions and other related businesses (Designated Non-Financial Businesses and Professions – DNFBPs) to discourage ML or FT activity from occurring in those sectors, to detect such activity when it occurs, disclose suspicions to the authorities,



and to provide LEAs with information and a paper trail of evidence relating to such activity;

4.5.3 Ensure that international cooperation and assistance is provided and able to be received to support global efforts in fighting these threats;

4.5.4 Deter criminals or terrorists from abusing Thailand, its people (wherever in the world they may be), its institutions, its economy, or the global community.

4.6 As such, Thailand has a clear vision to safeguard the country, its people and its way of life.

The Vision Statement:

Protect the Kingdom of Thailand, its people, its institutions, its economy and the global community from criminals and terrorists by collaboratively and efficiently preventing, detecting and suppressing money laundering, its predicate offences as well as terrorism financing and the resulting terrorism in line with international standards.

4.7 Thailand needs to undertake a strategic and robust program to improve its AML/CFT regime by building effective partnerships and programs to:

4.7.1 Strengthen the criminal provisions relating to offences of ML and FT and demonstrate their effective implementation through increasing the number of criminal convictions against those committing ML or FT offences;



- 4.7.2 Broaden the scope of and effectively apply freezing and forfeiture measures with respect to assets derived directly or indirectly from or used in the commission of terrorism financing and ML and its predicate offences;
 - 4.7.3 Improve preventative measures and practices of financial institutions and other businesses to deter, detect, disclose and document transactions related to ML and FT;
 - 4.7.4 Enhance awareness of AML/CFT trends and typologies with the public, government levels, law enforcement, regulatory supervisors, and other stakeholders to protect Thailand, its people, its institutions, its economy and the global community as well as encourage all stakeholders to take effective action when required.
- 4.8 To achieve the vision, Thailand is undertaking a clearly defined mission to achieve its objectives:

The Mission Statement:

Combating money laundering, its predicate offences as well as terrorism financing and the resulting terrorism by carrying out effective preventative measures, intelligence sharing, enforcement efforts and sanctioning in line with international standards through: making improvements to the AML/CFT legal regime; enhancing the AML/CFT capacity, collaboration, implementation, execution, and transparency of the Kingdom's public and private institutions; and increasing society's AML/CFT awareness and support.



4.9 The 2008 AML/CFT Capacity Enhancement Program³ (the Program) has been utilised as the platform for development of an expanded robust strategic direction which has been developed in consultation with, and supported by, Thailand's key AML/CFT agencies. The Program includes four broad streams as follows:

- 4.9.1 Development of laws and regulations in line with international standards;
- 4.9.2 Preventative measures for financial sectors and related businesses and professions;
- 4.9.3 Effective combating measures for LEAs, prosecution authorities, and the Financial Intelligence Unit; and
- 4.9.4 Capacity building for international and domestic co-operation on FT and ML matters.

4.10 This National Strategy and its strategic objectives are driven by a Master Implementation Program⁴ (MIP) that was developed in the past twelve months through the efforts of key stakeholders in the Kingdom's AML/CFT regime.

³AML/CFT Capacity Enhancement Program, endorsed by the Cabinet on November 11, 2008.

⁴AML/CFT Capacity Enhancement Program, section 1.1 sets forth the requirement to develop a "Master Plan in line with international AML and CFT Standards" This plan developed is known as the Master Implementation Program (MIP) which outlines legal amendments, technical assistance, capacity building and preventative measures.



The Strategic Objectives

Enhancing in line with international standards:

- I. The AML and CFT legal regime by developing, amending and enacting laws, regulations and notifications.
- II. The capacity and collaboration of, and the effective implementation and execution by, law enforcement agencies⁵, prosecution and judicial authorities to investigate, prosecute, convict, and sanction money laundering, its predicate offences, terrorism financing and the resulting terrorism.⁶
- III. The capacity and collaboration of, and effective implementation and execution by the Anti-Money Laundering Office (AMLO) to collect, analyse and disseminate financial intelligence to assist law enforcement agencies mandated to combat money laundering, its predicate offences, terrorism financing and the resulting terrorism⁷.

⁵ Law enforcement agencies including but not limited to Royal Thai Customs, Office of Narcotic Control Board, Department of Special Investigation, Royal Thai Police, National Anti-Corruption Commission or any other law enforcement agencies who have a mandate to combat ML, its predicate offences, terrorism financing and resulting terrorism related offences.

⁶ AMLO's mandate also includes conducting independent civil investigation leading to the seizure and forfeiture of assets derived from the commission of predicate ML offences. AMLO also play a key role in supporting LEAs in criminal investigation as per their mandates described in Strategic Objective III.

⁷ Ibid.



- IV. The effective implementation of AML/CFT preventative measures by Financial Institutions⁸ and Designated Non-Financial Businesses and Professions (DNFBPs)⁹.
- V. The capacity and collaboration of, and the effective implementation and execution by, supervisory authorities to ensure compliance with AML/CFT preventative measures.
- VI. The transparency of juristic persons and legal arrangements (such as trusts, charities and foundations) so that they cannot be abused by criminals and terrorists.
- VII. International and domestic co-operation on combating money laundering, its predicate offences, terrorism financing and the resulting terrorism.
And:
- VIII. Increase society's awareness and support relating to the combating of money laundering, its predicate offences, terrorism financing and the resulting terrorism.

⁸ Financial Action Task Force (FATF) is an inter-governmental policy-making body whose purpose is to establish international standards, and develop and promote policies, both at national and international levels, to combat ML and FT. For the purposes of this National Strategy, *Financial institutions (FIs)* are, as per the FATF Glossary definition, defined as 'any person or entity who conducts as a business one or more of the following activities or operations for or on behalf of a customer: 1. Acceptance of deposits and other repayable funds from the public. 2. Lending. 3. Financial leasing. 4. The transfer of money or value. 5. Issuing and managing means of payment (e.g. credit and debit cards, cheques, traveller's cheques, money orders and bankers' drafts, electronic money). 6. Financial guarantees and commitments. 7. Trading in:(a) money market instruments (cheques, bills, CDs, derivatives etc.);(b) foreign exchange; (c) exchange, interest rate and index instruments; (d) transferable securities; (e) commodity futures trading. 8. Participation in securities issues and the provision of financial services related to such issues. 9. Individual and collective portfolio management. 10. Safekeeping and administration of cash or liquid securities on behalf of other persons. 11. Otherwise investing, administering or managing funds or money on behalf of other persons. 12. Underwriting and placement of life insurance and other investment related insurance 13. Money and currency changing. Refer to the FATF Glossary for the full definition at <http://www.fatf-gafi.org/dataoecd/16/54/40339628.pdf>.

⁹FATF defines Designated Non-Financial Businesses and Professions (DNFBPs) as company and trust service providers undertaking certain activities, casinos (which also includes internet casinos); real estate agents; dealers in precious metals; dealers in precious stones; lawyers, notaries, other independent legal professionals and accountants. Refer to the FATF Glossary for the full definition at <http://www.fatf-gafi.org/dataoecd/16/54/40339628.pdf>.



5. Background

5.1 Each country faces certain threats and vulnerabilities relating to ML and FT. ML is the process of concealing the illicit origin of proceeds of crimes. FT is the collection or the provision of funds for terrorist purposes. In the case of ML, the funds are always of illicit origin, whereas in the case of FT, funds can stem from both legal and illicit sources. The primary goal of individuals or entities involved in FT is therefore not necessarily to conceal the sources of the money but to conceal both the funding activity and the nature of the funded activity.¹⁰

5.2 The techniques used to launder money and to finance terrorist activities are very similar and often identical. An effective AML/ CFT regime must combat both issues: it must prevent, detect, and punish illegal funds entering the financial system and the funding of terrorist individuals, organizations or activities. Also, AML and CFT strategies converge; they aim at attacking the criminal or terrorist organization through its financial activities, and use the financial trail to identify the various components of the criminal or terrorist network.¹¹

¹⁰International Monetary Fund "How are efforts to combat money laundering and terrorism financing linked?" Anti-Money Laundering/Combating the Financing of Terrorism – Topics <http://www.imf.org/external/np/leg/amlcft/eng/aml1.htm#amlcounter>

¹¹Ibid.



- 5.3 The Kingdom is threatened because illicit proceeds are generated from drug trafficking, illegal gambling, prostitution, human trafficking, corruption and from crime in bordering countries and because of a terrorist problem in its southern region.¹² It is also vulnerable because its AML/CFT regime is not fully in line with international standards.
- 5.4 The illegal economy in Thailand has been estimated up to 13 percent of gross domestic product (GDP)¹³ and ML predicate offences estimated to generate illicit proceeds of up to 5 percent of GDP. In addition, the widespread use of cash and a large informal sector (estimated between 54 to 70 percent of GDP¹⁴) provide many avenues for illicit proceeds to be laundered in Thailand.
- 5.5 Combating ML has been a focus of Thailand since the mid-1990s. Thailand is a founding member of the Asia/Pacific Group on Money Laundering (APG). The APG is an international organisation, founded in 1997 in Bangkok, consisting of 40 members and a number of international and regional observers including the United Nations, the International Monetary Fund (IMF) and the World Bank. The APG is an associate member of the Financial Action Task Force (FATF)¹⁵ and all APG members commit to effectively implement the FATF's

¹²Kingdom of Thailand Mutual Evaluation Detailed Assessment Report (DAR) 2007 available at <http://www.apgml.org/apg-members/default.aspx?JurisdictionID=27>

¹³Ibid

¹⁴In broad terms, the "informal", "underground" or "shadow" economy refers to unreported or unrecorded legal activities in addition to criminal activities. The estimate of 54% of the underground economy measured by size of GDP of Thailand is extracted from "Principles of Economics" By N. Gregory Mankiw, 2008, page 520 published by Cengage Learning. The estimate of 70% of the underground economy measured by size of GDP of Thailand is extracted from "Measuring and Integrating the Shadow Economy: A Sector-Specific Approach" by Brian K. Edwards, Ph.D. and Silvio J. Flaim, Ph.D., Los Alamos National Laboratory June 30, 2008 page 7, <http://www.defcon.org/images/defcon-16/dc16-presentations/defcon-16-edwards.pdf>

¹⁵The FATF is an inter-governmental policy-making body whose purpose is to establish international standards, and develop and promote policies, both at national and international levels, to combat money laundering (ML) and terrorist financing (TF). Financial Action Task Force, "About FATF" http://www.fatf-gafi.org/pages/0,3417,en_32250379_32236836_1_1_1_1_1,00.html



international standards for AML/CFT, referred to as the FATF 40+9 Recommendations. Part of this commitment includes implementing measures against terrorists listed by the United Nations in the “1267 Consolidated List”.

5.6 In 1999, Thailand enacted the Anti-Money Laundering Act (AMLA), which created the criminal offence of ML and the Anti-Money Laundering Office (AMLO). FT is criminalized under the Penal Code and is a predicate offence for ML under the AMLA but not fully in accordance with international or required domestic standards.

5.7 AMLO is not a typical FIU in that it is not only responsible for collecting, analysing and sharing financial intelligence to support LEA criminal ML and FT investigations but also has an expanded role to conduct independent investigations for the civil forfeiture of assets derived from ML predicate offences. AMLO is responsible for managing and disposal of assets seized pursuant to the AMLA civil forfeiture provisions, responding to foreign FIU requests for assistance and represent Thailand at international forums relating to ML and FT.

5.8 Thailand was assessed against the FATF 40+9 Recommendations by the IMF on behalf of the APG in February 2007 with the Detailed Assessment Report (DAR) adopted in July 2007. The result was a compliance score of 31%.¹⁶ Further, the DAR contained 147 recommended actions for improving Thailand's AML/CFT regime. Since then, the authorities have been working to address those recommended actions.

¹⁶Thailand's compliance ratings: compliant 2, largely compliant 4, partially compliant 29, non-compliant 13, & 1 non applicable. The score is calculated by scoring each compliant and non applicable as 1, each largely compliant as 0.66, each partially compliant as 0.33, and each non-compliant as 0 and expressing the total as a percentage of the 49 FATF recommendations.



5.9 In February 2010, Thailand was listed by FATF as a country with strategic deficiencies in its AML/CFT regime. The FATF called on its members and other jurisdictions to apply enhanced scrutiny of transactions involving the listed countries, including Thailand. The listing process also identified an action plan of priority improvements for the Kingdom's AML/CFT regime that need to be in place before Thailand can be considered for removal from the FATF list. The Minister of Justice of the Kingdom of Thailand gave FATF commitments that the Kingdom would address those priority improvements.

5.10 Hence, augmenting the country's desire to protect the Kingdom of Thailand, its people, its institutions, its economy, and the global community from criminals and terrorists is Thailand's commitment to the FATF to implement improvements to all key and core AML/CFT deficiencies. This National AML/CFT Strategy therefore encompasses those commitments while overall it aims to bring the country's entire AML/CFT regime into line with the international standards before the Kingdom is next assessed by the APG. The AML Board¹⁷ is the primary body for coordinating national AML/CFT actions.¹⁸

¹⁷The AML Board is composed of the Prime Minister (Chair), Minister of Finance and Minister of Justice (Vice Chairs), and representatives which are the heads from: Ministry of Justice, Attorney General Office, Revenue Department, Royal Thai Police, Office of Narcotics Control Board, Fiscal Policy Office of Ministry of Finance, Office of Insurance Commission, Land Department of Ministry of Interior, Customs Department, Treaties and Legal Affairs Department of Ministry of Foreign Affairs, Bank of Thailand, Thai Bankers Association, Securities Exchange Commission. It also includes the Secretary General of AMLO and nine (9) appointed members.

¹⁸Due to the current legislative progress to appoint the AML Board, the AML Board has not been functional since 1st quarter 2008 however this is being addressed in Strategic Objective I, item 5.



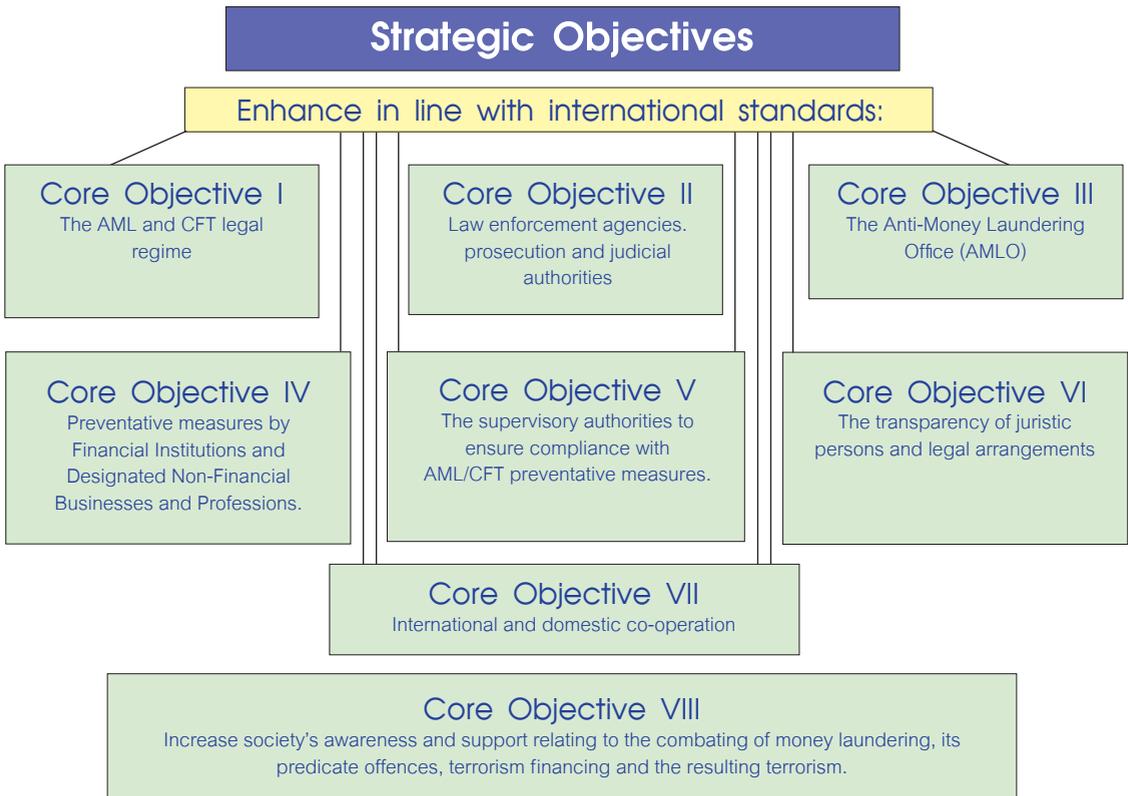
- 5.11 Thailand's primary efforts to combat ML and FT depend on the work of LEAs to combat criminals and terrorists. The LEA work is supported by the efforts of the AMLO (as the main analysis centre), all financial sector regulators, regulatory organisations, prosecutors and the judiciary. In turn, the efforts of the authorities encourage vigilance and co-operation from the financial sector and other relevant businesses to implement preventative AML/CFT measures including reporting suspicious transactions to the AMLO.
- 5.12 Combating ML and FT is thus a collaborative effort with many stakeholders. These stakeholders have all been involved in developing this first national AML/CFT strategy.
- 5.13 The national AML/CFT strategy is all encompassing. It addresses the need to undertake legislative reform, to revise regulations and notifications, to undertake an assessment of Thailand's ML and FT risks, as well as to increase the capacity of the Kingdom's private and public institutions to implement measures to combat ML and FT. This assessment is relevant for today. It will need to be revised periodically to deal with changed circumstances such as new risks as they emerge and any revisions made to the international AML/CFT standards.



6. National Strategy 2010 to 2015

6.1 In defining the AML/CFT National Strategy, Thailand has adopted a phased, prioritized and sequential approach for implementing meaningful enhancements.

6.2 The aim is that the action points set out herein will be accomplished within three to five years with a comprehensive ongoing review by key AML/CFT stakeholders to manage impediments and challenges, as detailed in Section 7, for meeting these objectives. The summary of the Strategic Objectives of this AML/CFT National Strategy, as detailed in section 4 are as follows:





Strategic Objective I

Enhance, in line with international standards, the AML/CFT legal regime by developing, amending and enacting laws, regulations and notifications.

Action	Timelines	Primary and supporting agencies
1.1 Amend AMLA, the Penal Code or other relevant laws to broaden scope of the ML provisions, in particular to expand the range of predicate offences. ¹⁹	Drafted and consultation completed by 31 January 2011 Enacted ²⁰ by 31 October 2011	Anti-Money Laundering Office (AMLO) in conjunction with Office of Attorney General (OAG) and other relevant key ministries and stakeholders
1.2 Amend Penal Code to define terrorism financing offence fully in line with the international standard.	Drafted and consultation completed by 31 January, 2011 Enacted by 31 October 2011	OAG in conjunction with AMLO and other relevant key ministries and stakeholders
1.3 Amend Penal Code, AMLA, Narcotics Act, Penal Procedure Code and other relevant laws to strengthen freezing, seizing, and confiscation provisions for proceeds and instrumentalities of ML, FT and predicate offences.	Drafted and consultation completed by 31 January, 2011 Enacted by 31 October 2011	OAG in conjunction with AMLO and other relevant key ministries and stakeholders

¹⁹Predicate offences to be covered are: illicit arms trafficking; illicit trafficking in stolen and other goods; counterfeiting currency; counterfeiting and piracy of products; environmental crime; murder, grievous bodily injury; kidnapping, illegal restraint and hostage-taking; robbery or theft; forgery; piracy; insider trading and market manipulation.

²⁰The word “enacted” means when the relevant piece of legislation is passed and approved by the parliament, Cabinet, relevant Minister, agency or authority according to the legislative process vis-à-vis the particular piece of legislation.



Action	Timelines	Primary and supporting agencies
1.4 Draft the legal framework and develop appropriate mechanism to implement United Nations Security Council resolutions and sanctions.	Drafted and consultation completed by 31 January 2011 Enacted by 31 October 2011	AMLO with the support from the AML Board
1.5 Amend AMLA for alternative means of appointment of the AML Board.	Drafted and consultation completed by 31 January 2011 Enacted by 31 October 2011	AMLO in conjunction with all key stakeholders
1.6 Amend Penal code and AMLA so that relevant LEAs, OAG and AMLO have the appropriate legal framework to provide protection for government officials to ensure that the government officials are not subject to personal civil, administrative, criminal actions in the execution of their lawful duties and protection for witnesses.	Drafted and consultation completed by 31 January 2011 Enacted by 31 October 2011	OAG in conjunction with AMLO, Ministry of Justice and other relevant LEAs and key ministries
1.7 Amend AMLA and Penal Code so that relevant LEAs can independently investigate ML & FT investigations, seizures and forfeitures of proceeds of crime.	Drafted and consultation completed by 31 July 2011 Enacted by 31 October 2011	OAG in conjunction with AMLO, and other relevant LEAs and key ministries



Action	Timelines	Primary and supporting agencies
1.8 Amend AMLA and other related laws to improve the disclosure system for detection of cross border transportation of currency and bearer negotiable instruments; and to expand competent authorities' powers to identify, detain and seize suspected proceeds and instrumentalities of ML or FT and to forfeit the proceeds of crime.	Drafted and consultation completed by 31 January 2011 Enacted by 31 October 2011	AMLO in conjunction with Royal Thai Customs (RTC); Ministry of Finance (MOF), OAG ²¹ , Bank of Thailand (BOT) and other relevant agencies
1.9 Develop Customer Due Diligence and related regulations for financial institutions. ²²	Drafted and consultation by 30 June 2010 Enacted by 31 December 2010	AMLO in conjunction with BOT, Security Exchange Commission (SEC), Office of Insurance Commission (OIC); MOF ²³ in collaboration with the Ministry of Agriculture and Co-Operatives (MOAC) ²⁴ and the Agricultural Futures Trading Commission (AFTC)

²¹OAG is included as they are responsible for the criminal or civil proceedings in relation to cross border ML and FT related offences.

²²An incremental date may be applied for financial institutions other than the banking, securities and insurance sectors and will take into consideration the results of the risk assessment in Objective strategic 4 and 5.

²³The Fiscal Policy Office of the Ministry of Finance which is charged with the supervision of the Special Financial Institutions, which are the government owned special banks.

²⁴Cooperative Promotion Department and Cooperative Auditing Department of the MOAC.



Action	Timelines	Primary and supporting agencies
1.10 Amend AMLA to include the legal power to supervise compliance with preventative measures by financial institutions (FIs) prudential supervisors pursuant to the AMLA and Ministerial Regulations.	Drafted and consultation by 30 June 2010 Enacted by 31 December 2010	AMLO in conjunction with BOT, SEC, OIC, MOF in collaboration with MOAC ²⁵ and AFTC
1.11 Cover all FIs as defined by the FATF standard under the AML/CFT framework.	Drafted and consultation by 30 June 2010 Enacted by 31 December 2010	AMLO in conjunction with BOT, SEC, OIC, MOF in collaboration with MOAC and AFTC
1.12 Include or amend any existing provisions as required under the international standard for preventive measures.	Drafted and consultation by 31 January 2014 Enacted by 31 October 2015	AMLO in conjunction with BOT, SEC, OIC, MOF in collaboration with MOAC ²⁶ and AFTC
1.13 Amend the relevant laws and regulations in relation to preventative measures for DNFBPs and implement scope of coverage for lawyers and accountants.	Drafted and consultation by 31 July 2011 Enacted by 31 October 2011	AMLO in conjunction with the relevant DNFBP industry associations

²⁵Ibid

²⁶Ibid



Action	Timelines	Primary and supporting agencies
1.14 Amend the AMLA for the designation of AMLO as the regulator for compliance with preventative measures by real estate and dealers in precious metals/stones.	Drafted and consultation by 31 July 2011 Enacted by 31 October 2011	AMLO
1.15 Amend AMLA to make all FIs carrying out financial activities in Thailand as defined by the FATF standards subject to AML/CFT preventative measures requirements. Draft and pass Ministerial Regulations to exempt certain financial activities or institutions fully or partially from AML/CFT preventative measures on the basis of low risk (subject to the completion of the risk assessment specified in Strategic Objective V).	Drafted and consultation by 31 July 2011 Enacted by 31 October 2011	AMLO in conjunction with the FI supervisory agencies
1.16 Amend the Non Profit Organisations (NPO) legal framework including but not limited to full registration or licensing requirements; disclosure of each NPO's purpose and objectives, its controllers and record keeping requirements.	Drafted and consultation by 31 July 2011 Enacted by 31 October 2011	Ministry of Interior (MOI) in conjunction with AMLO and other key NPO agencies



Strategic Objective II

Enhance, in line with international standards, the capacity and collaboration of, and the effective implementation and execution by, law enforcement agencies, prosecution and judicial authorities to investigate, prosecute, convict, and sanction money laundering, its predicate offences, terrorism financing and the resulting terrorism.

Action	Timelines	Primary and supporting agencies
<p>2.1 Participate in a robust jurisdiction-wide risk assessment to identify threats and vulnerabilities and to review risk mitigation strategies and design and implement appropriate and proportionate policy responses including by directing resources towards areas where there is the most to gain. Specifically, for this aspect of Thailand's AML/CFT regime the risk assessment will be used to help ascertain the main criminal and terrorist threats and the key vulnerabilities that allow them to manifest and be used to identify appropriate LEA responses to counter those threats.</p>	<p>Commence July 2010.²⁷</p> <p>Implement findings by 30 January 2012</p>	<p>AMLO to coordinate with participation from OAG Royal Thai Police (RTP); RTC ; Office of Narcotics Control Board (ONCB); Immigration Bureau of Thailand (IBT); Department of Special Investigation (DSI); National Anti-Corruption Commission (NACC) and support from MOF; Ministry of Justice (MOJ); and other key AML/CFT agencies</p>

²⁷A "Scoping Exercise" has already commenced to establish the parameters of the breadth and depth of the Risk Assessment.



Action	Timelines	Primary and supporting agencies
<p>2.2 Expand capacity of LEAs and AMLO²⁸ to undertake FT investigation.</p> <p>Establish effective structures for LEAs and AMLO's FT investigations and related training programs including by providing training, creating "train the trainer" programs, develop operations manuals and instituting policies and procedures for LEAs and AMLO nationally.</p>	<p>Commence in September 2010</p> <p>Establish effective programs by 31 December 2014</p>	<p>AMLO, DSI, RTP in conjunction with IBT and RTC</p>
<p>2.3 Increase presently committed resources.²⁹</p> <p>Establish designated integrated investigative units nationally for undertaking FT investigations.³⁰</p>	<p>Increase incrementally over the financial years 2011 to 2013</p> <p>Fully functioning units by 31 December 2014</p>	<p>RTP and DSI, ONCB, AMLO with the support of Ministry of Justice (MOJ)³¹</p>

²⁸AMLO is responsible for conducting civil forfeiture investigations relating to FT; and assisting LEAs in conducting criminal investigations relating to these offences.

²⁹May include, where required, modern tools and high quality equipment for conducting effective financial investigations.

³⁰Structure of these integrated units are later to be determined in cooperation with the participants of the Law Enforcement Working Group.

³¹ONCB, DSI, and AMLO fall under the scope of the Minister of Justice.



Action	Timelines	Primary and supporting agencies
<p>2.4 Expand capacity of LEAs and AMLO to undertake ML investigations.</p> <p>Establish effective structures for LEA and AMLO's investigations and training programs including by providing training, creating "train the trainer" programs, developing operations manuals and institute policies and procedures for LEAs nationally.³²</p>	<p>Commence in January 2011 and incremental over the financial years 2011 to 2013</p> <p>Manuals, policies and procedures commencing January 2011 and approved December 2012</p> <p>Training incremental commencing September 2011 to December 2014</p> <p>Fully implemented effective programs by 31 December 2014</p>	<p>Primarily for DSI, RTP, AMLO and NACC in conjunction with RTC and the ONCB</p>
<p>2.5 Increase presently committed resources.</p> <p>Establish designated integrated investigative units nationally for undertaking ML investigations.</p>	<p>Increase incrementally over the financial years 2011 to 2013</p> <p>Fully functioning units by 31 December 2014</p>	<p>RTP (Narcotics Suppression Bureau, Criminal Investigation Division – Economic Crime, Human Smuggling & Organized Crime Divisions) DSI, NACC, ONCB and AMLO</p>

³²AMLO is responsible for conducting civil forfeiture investigations relating to ML and its predicate offences and also assisting LEAs in conducting criminal investigations relating to these offences.



Action	Timelines	Primary and supporting agencies
<p>2.6 Expand capacity of Office of Attorney General (OAG) to undertake ML and FT prosecutions and to respond to international requests (Mutual Legal Assistance and Extradition requests relating to ML and FT).</p> <p>Establish effective structures for OAG programs including provide training, create “train the trainer” program, and create manuals and institute policies and procedures for prosecution authorities nationally responsible for responding to international requests and prosecutions of ML and FT domestic cases.</p>	<p>Commence in January 2011 and incremental over the financial years 2011 to 2013</p> <p>Manuals, policies and procedures commencing January 2011 and approved December 2012</p> <p>Training incremental commencing September 2011 to December 2014</p> <p>Fully implemented effective programs by 31 December 2014</p>	<p>OAG</p>



Action	Timelines	Primary and supporting agencies
2.7 Increase presently committed resources and establish specialized units nationally for responding to international requests and the prosecution of ML and FT cases.	Commence in January 2011 and incremental over the financial years 2011 to 2013 Fully implemented effective programs by 31 December 2014	OAG
2.8 Expand capacity including human resources of Royal Thai Customs (RTC) to undertake cross border investigations related to ML and FT.	Commence in January 2012 and incremental increases over the financial years 2013 and 2014	RTC
2.9 Establish effective structures for RTC programs including provide training, create “train the trainer” program, create manuals and institute policies and procedures for conducting trade base ML investigations and cash smuggling ML/FT cases.	Manuals, policies and procedures commencing December 2011 and approved December 2013 Training incremental commencing January 2012 to December 2014 Fully implemented effective programs by 31 December 2014	RTC in conjunction with AMLO and other related agencies
2.10 Increase presently committed resources and establish specialised units nationally for undertaking cash smuggling investigations relating to ML and FT.	Establish specialist unit(s) by 31 December 2011 Commence increasing resources in December 2011 and incremental over the financial years 2011 to 2013	RTC in conjunction with AMLO and other related agencies



Strategic Objective III

Enhance, in line with international standards, the capacity and collaboration of, and effective implementation and execution by the Anti-Money Laundering Office (AMLO)³³ to collect, analyse and disseminate financial intelligence to assist law enforcement agencies mandated to combat money laundering, its predicate offences, terrorism financing and the resulting terrorism.

Action	Timelines	Primary and supporting agencies
3.1 Participate in a robust jurisdiction-wide risk assessment to identify threats and vulnerabilities and to review risk mitigation strategies and design and implement appropriate and proportionate policy responses including by directing resources towards areas where there is the most to gain.	Commence July 2010 ³⁴ Implement findings by 30 January 2012	AMLO to coordinate with participation from other key stakeholders
3.2 Expand capacity of AMLO to effectively conduct analysis and share intelligence with LEAs to support investigations in ML and FT. Establish effective program structures; develop standard operating procedures; create manuals, institute policies and procedures for analysis.	Commence increase in human resources from September 2010 and incremental over financial years 2011 to 2014 Manuals, policies and procedures commencing July 2010 and fully implemented December 2011	AMLO, with the support of the MOJ, in conjunction with RTP, DSI, ONCB, NACC, RTC and other relevant agencies

³³Please refer to Section 5, "Background", paragraph 5.7, for a full description of AMLO's mandate.

³⁴A "Scoping Exercise" has already commenced to establish the parameters of the breadth and depth of the Risk Assessment.



Action	Timelines	Primary and supporting agencies
<p>Establish effective means for sharing intelligence to support LEA's investigations.</p> <p>Train analysts and create "train the trainer" programs for conducting ML/FT analysis.</p>	<p>Training incremental commencing December 2010 to December 2013</p> <p>Fully implemented effective programs by 31 December 2013</p>	
<p>3.3 Expand capacity of AMLO to effectively respond to international requests related to ML and FT.</p>	<p>Commence increase in human resources from September 2010 and incremental over financial year to 2011</p> <p>Manuals, policies and procedures amendments commencing July 2010 and fully implemented December 2011</p> <p>Training incremental commencing December 2010 to December 2011</p> <p>Fully implemented effective programs by 31 December 2011</p>	<p>AMLO with the support of MOJ</p>



Strategic Objective IV

Enhance, in line with international standards, the effective implementation of AML/CFT preventative measures by Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs).

Action	Timelines	Primary and supporting agencies
4.1 Participate in a robust jurisdiction-wide risk assessment to identify threats and vulnerabilities and to review risk mitigation strategies and design and implement appropriate and proportionate policy responses including by directing resources towards areas where there is the most to gain. Specifically, for this aspect of Thailand's AML/CFT regime the risk assessment will be used to help ascertain the risks within each sector to make decisions about excluding any FIs or their activities, fully or partially from the AML/CFT regime based on their ML/FT risks.	Commence July 2010 ³⁵ Implement findings by 30 January 2012 ³⁶	AMLO to coordinate with participation from BOT, SEC, OIC, MOF AFTC and MOAC ³⁷ and other related key AML/CFT agencies ³⁸

³⁵A "Scoping Exercise" has already commenced to establish the parameters of the breadth and depth of the Risk Assessment.

³⁶Implement findings by January 2012 for banking, securities and insurance sectors and December 2013 for agricultural futures brokers & cooperatives.

³⁷Cooperative Promotion Department and Cooperative Auditing Department of the MOAC.

³⁸With the support of relevant agencies, including but not limited to, the Ministry of Justice.



Action	Timelines	Primary and supporting agencies
4.2 The respective supervisory agencies to develop and issue effective regulations and guidelines, typologies and trends for the sectors.	Commence December 2010 Implement, for majority of financial institutions and DNFBPs ³⁹ , 6 months after passage of revised law and regulations	BOT, SEC, OIC, MOF and AMLO with support from AFTC and MOAC
4.3 The respective supervisory agencies to develop additional outreach programs including briefing sessions for the sectors and industry associations .	Commence February 2011 Implement, for majority of financial institutions ⁴⁰ , 31 December 2011 Implement for DNFBP sector by 31 December 2013	BOT, SEC, OIC, MOF and AMLO with support from AFTC and MOAC
4.4 Support the training of compliance officers and create “train the trainer” programs for compliance with preventative measures.	Commence by November 2011 and incremental over financial years 2012 and 2013 Establish effective programs by 31 December 2013	BOT, SEC, OIC, MOF and AMLO working with industry associations

³⁹Agricultural futures brokers, cooperatives & DNFBP sectors by 31 December 2013.

⁴⁰Agricultural futures brokers, cooperatives & DNFBP sectors by 31 December 2013.



Strategic Objective V

Enhance, in line with international standards, the capacity and collaboration of, and the effective implementation and execution by, supervisory authorities to ensure compliance with AML/CFT preventative measures.⁴¹

Action	Timelines	Primary and supporting agencies
5.1 Participate in a robust jurisdiction-wide risk assessment to identify threats and vulnerabilities and to review risk mitigation strategies and design and implement appropriate and proportionate policy responses including by directing resources towards areas where there is the most to gain. Specifically, for this aspect of Thailand's AML/CFT regime the risk assessment will be used to help ascertain the risks within each sector for use in designing an effective risk-based supervisory approach.	Commence July 2010 ⁴² Implement findings by 30 January 2012	AMLO to coordinate with participation from BOT, SEC, OIC, MOF, AFTC, and MOAC and other key related AML/CFT agencies

⁴¹ Please refer to Section 7.2.6 on a full description of supervision of compliance with preventative measures.

⁴² A "Scoping Exercise" has already commenced to establish the parameters of the breadth and depth of the Risk Assessment.



Action	Timelines	Primary and supporting agencies
5.2 Review presently committed resources for conducting supervision and increase within each agency where required.	Commence September 2010 ⁴³ Implement by 31 December 2012	BOT, SEC, OIC, MOF, AFTC, MOAC and AMLO
5.3 Review current supervisory frameworks for on-and offsite examination and integrate AML/CFT supervision into existing risk-based approach for supervision of each agency (including, where applicable, joint-agency supervision of some FIs).	Commence October 2010 ⁴⁴ Implement by 31 December 2012	BOT, SEC, OIC, MOF, AFTC, MOAC ⁴⁵ and AMLO
5.4 Review existing supervision program structures, enhance standard operating procedures and examination manuals, policies and procedures for effective integrated AML/CFT supervision of compliance with preventative measures.	Commence September 2010 ⁴⁶ Implement by 31 December 2012	BOT, SEC, OIC, MOF, AFTC, MOAC and AMLO

⁴³Commence September 2010 for banking, securities and insurance sectors and January 2012 for agricultural futures brokers and cooperatives with implementation December 2012 and December 2014 respectively.

⁴⁴Commence for banking, securities and insurance sectors and January 2012 for agricultural futures brokers and cooperatives and implement by 31 December 2012 (banking, securities and insurance sectors) and December, 2014 agricultural futures brokers and cooperatives respectively.

⁴⁵MOAC's 'Development Plan for Cooperatives' may need to be reviewed and expanded to cover AML/CFT supervision.

⁴⁶Commence for banking, securities and insurance sectors and January 2012 for agricultural futures brokers and cooperatives and implement by 31 December 2012 (banking, securities and insurance sectors) and December 2014 agricultural futures brokers and cooperatives respectively.



Action	Timelines	Primary and supporting agencies
<p>5.5 Enhance technical capacity of supervisors with targeted and relevant knowledge transfer.</p>	<p>Commence April 2011, prioritised by sector</p>	<p>BOT, SEC, OIC, MOF, AFTC, MOAC and AMLO</p>
<p>5.6 Expand capacity of AMLO to effectively undertake a supervisory role of the DNFBP sector (Real Estate and dealers in precious metals and stones).</p> <p>Establish effective program structures, develop standard operating procedures, create manuals, institute policies and procedures for supervision of the DNFBP sectors.</p> <p>Train compliance officers and create “train the trainer” programs for supervision.</p>	<p>Commence increase in human resources by March 2011 and incremental over the financial years 2012 and 2013</p> <p>Manuals, policies and procedures commencing March 2011 and fully implemented December 2011</p> <p>Training incremental commencing April 2011 to December 2013</p> <p>Fully implemented effective programs by 31 December 2013</p>	<p>AMLO in conjunction with the support of MOJ</p>



Strategic Objective VI

Enhance, in line with international standards, the transparency of juristic persons and legal arrangements (such as trusts, charities and foundations) so that they cannot be abused by criminals and terrorists.

Action	Timelines	Primary and supporting agencies
<p>6.1 Participate in a robust jurisdiction-wide risk assessment to identify threats and vulnerabilities and to review risk mitigation strategies and design and implement appropriate and proportionate policy responses including by directing resources towards areas where there is the most to gain. Specifically, for this aspect of Thailand's AML/CFT regime the risk assessment will be used to help ascertain the risks within each type of juristic person and legal arrangement.</p>	<p>Commence July 2010⁴⁷</p> <p>Implement findings by 30 January 2012</p>	<p>AMLO to coordinate with participation from SEC; MOI; Department of Business Development of Ministry of Commerce; Revenue Department; MOF; MOJ and all other key agencies</p>

⁴⁷A "Scoping Exercise" has already commenced to establish the parameters of the breadth and depth of the Risk Assessment.



Action	Timelines	Primary and supporting agencies
6.2 Review and amend, if required, regulations and disclosure requirements for trusts and other legal arrangements for transparency on beneficial ownership and control and to prevent unlawful use.	Commence 30 January 2012 Implement by 30 October 2012	SEC which has the regulatory mandate for licensing and supervision of trusts, supported by other key related agencies
6.3 Ensure that all NPOs are licensed or registered with appropriate licensing procedures, supervision, monitoring and oversight in place in line with requirements of international standards (including any fit and proper assessment criteria).	Implemented by 30 December 2014	MOI supported by other key agencies
6.4 Ensure that information is publicly available on each NPO's purpose and objectives and the identity of its controllers, directors and senior management, basic financial information (income, expenditure, assets held).	Implemented by 30 December 2014	MOI supported by other key agencies
6.5 Implement measures and policies to promote transparency, accountability, integrity and public confidence in the administration and management of all NPOs.	Commence 30 January 2013 Implementation by 30 December 2014	MOI supported by other key agencies



Strategic Objective VII

Enhance, in line with international standards, international and domestic co-operation on combating money laundering, its predicate offences, terrorism financing and the resulting terrorism.

Action	Timelines	Primary and supporting agencies
<p>7.1 Participate in a robust jurisdiction-wide risk assessment to identify threats and vulnerabilities and to review risk mitigation strategies and design and implement appropriate and proportionate policy responses including by directing resources towards areas where there is the most to gain. Specifically, for this aspect of Thailand's AML/CFT regime the risk assessment will be used to help ascertain the key impediments to national and international cooperation as well as identify the priority international cooperation partners.</p>	<p>Commence July 2010⁴⁸</p> <p>Implement findings by 30 January 2012</p>	<p>AMLO to coordinate with participation from all law enforcement agencies; prosecution and judiciary; financial institution supervisory agencies; Ministry of Interior; MOF; MOJ and other related agencies</p>
<p>7.2 Review the composition of the AML Board to ensure appropriate representation in relation to combating FT.</p>	<p>Commence December 2010</p> <p>Implement findings by 30 January 2012</p>	<p>AMLO with support from all relevant agencies</p>

⁴⁸A "Scoping Exercise" has already commenced to establish the parameters of the breadth and depth of the Risk Assessment.



Action	Timelines	Primary and supporting agencies
7.3 Review the composition of the AML Board to ensure appropriate representation in relation to combating ML, in particular, in relation to DNFBP sectors.	Commence December 2010 Implement findings by 30 January 2012	AMLO with support from all relevant agencies
7.4 Ensure effective participation in, and support of, the relevant inter-agency national AML/CFT working groups.	Ongoing between September 2010 to December 2014	AMLO with all agencies within the sphere of working group mandate
7.5 Implement and effectively execute Memorandum of Understandings (MoUs) between domestic LEAs, public sector and AMLO to improve national cooperation for FT investigations.	Commence in September 2010 Implemented by 31 December 2011	DSI, RTP, ONCB, IBT, RTC (LEAs) in conjunction with AMLO, BOT, Ministry of Interior (Charities) and other relevant agencies
7.6 Implement and effectively execute MoUs between domestic LEAs, public sector and AMLO to improve national cooperation for ML investigations.	Commence in September 2010 Implemented by 31 December 2011	DSI, RTP, ONCB, IBT, RTC, NACC (LEAs) in conjunction with AMLO, BOT, SEC and other relevant agencies



Action	Timelines	Primary and supporting agencies
7.7 Implement and effectively execute MoUs between OAG and domestic LEAs, and the public sector to improve national cooperation for prosecution of ML and FT cases.	Commence in January 2011 Implemented by 31 December 2011	OAG lead in conjunction with DSI, RTP, ONCB, IBT, RTC, NACC, AMLO, BOT, SEC and other relevant agencies
7.8 Implement and effectively execute MoUs between AMLO and domestic LEA's and international partners.	Commence in September 2010 Implement by 31 December 2011	AMLO with support from MOJ in conjunction with DSI, RTP, NACC, IBT, RTC, OAG and international FIUs & LEAs
7.9 Implement and effectively execute MoUs between AMLO and financial services regulators to improve national cooperation on preventative measures for AML/CFT.	Commence 30 September 2010 Implement 30 October 2011 ⁴⁹	AMLO and all financial services supervisory agencies
7.10 Develop effective processes for accurate statistical data collection, analysis, recording and dissemination.	Commence 30 September 2010 Implement by 31 December 2012	AMLO, all LEAs, OAG, all FI supervisors and other relevant ministries & agencies

⁴⁹The Financial Institutions Supervisors MOU may require revision in light of amendments to the AMLA after October 2011.



Strategic Objective VIII

Increase society's awareness and support relating to the combating of money laundering, its predicate offences, and terrorism financing and the resulting terrorism.

Action	Timelines	Primary and supporting agencies
<p>8.1 Develop feedback mechanisms for reporting entities.</p> <p>Develop outreach programs, guidance for FIs, DNFBPs, and NPOs.</p> <p>Develop typologies and trends for the FIs, DNFBPs and NPOs.</p> <p>Develop material for the public relating to AML and CFT.</p>	<p>Draft by January 2012</p> <p>Implemented by January 2014</p>	<p>(i) AMLO - typologies and trends</p> <p>(ii) LEAs - education programs and typologies and working with AMLO to publish specific trends and risks in their sectors</p> <p>(iii) FI, DNFBP, and NPO regulators and supervisors - education programs and working with AMLO to publish specific trends and risks in their sectors</p>



7. Implementation, Reporting and Challenges

7.1 The effective implementation of this Strategy is critical to prevent, deter and detect ML, its predicate offences as well as FT and the resulting terrorism.

Implementation:

7.2 The key Kingdom of Thailand AML/CFT agencies responsible for the implementation of this National Strategy and its strategic objectives are as follows:

7.2.1 Primary LEAs with the mandate for CFT:

- Royal Thai Police (RTP)⁵⁰
- Department of Special Investigation (DSI)
- Royal Thai Customs (RTC)
- AMLO⁵¹

7.2.2 Primary LEAs with the mandate for AML:

- Royal Thai Police (RTP)⁵²
- Department of Special Investigation (DSI)
- Royal Thai Customs (RTC)
- Office of Narcotic Control Board (ONCB)
- National Anti-Corruption Commission of Thailand (NACC)
- AMLO⁵³

⁵⁰Including the Immigration Bureau of Thailand (IBT) which is part of the RTP.

⁵¹AMLO is responsible for conducting civil forfeiture investigations relating to FT and also assisting LEAs in conducting criminal investigations relating to these offences.

⁵²Including Immigration Bureau of Thailand (IBT) which is part of the RTP.

⁵³AMLO is responsible for conducting civil forfeiture investigations relating to ML and its predicate offences and also assisting LEAs in conducting criminal investigations relating to these offences.



7.2.3 The Financial Intelligence Unit of Thailand:

The Anti-Money Laundering Office (AMLO), as the key AML/CFT competent central authority is the Financial Intelligence Unit (FIU), and has the primary core fundamental mandate⁵⁴ as the FIU to collect, receive, analyse and disclose financial intelligence to support criminal investigations into ML, its predicate offences, FT and the resulting terrorism.

7.2.4 Judiciary and prosecution:

The Office of Attorney General (OAG) acts as the prosecutorial body for AML/CFT law enforcement. It is also responsible for the judicial processes, related to a number of international conventions on ML and FT; as well as Mutual Legal Assistance Treaties, foreign governments' non-treaty requests for assistance on ML or FT matters and processes, amendments of laws and regulations.

7.2.5 Regulation and supervision of compliance with preventative measures by the financial institutions (FIs).⁵⁵

FIs should undertake customer identification and verification measures; record keeping; effective internal AML and CFT policies and procedures, training, and internal risk assessment processes including the internal compliance function.

⁵⁴For a full description of AMLO's mandate, please refer to Section 5, "Background", paragraph 5.7, for a full description of AMLO's mandate.

⁵⁵Please refer to the definition of a financial institution and DNFBP in footnotes 8 and 9 respectively.



Responsibility for the supervision⁵⁶ of compliance with preventative measures by FIs, in conjunction with AMLO⁵⁷ will also be undertaken with:

- Bank of Thailand (BOT) - banking sector including state financial institutions; money or value transfer services⁵⁸.
- Securities and Exchange Commission (SEC) & Agricultural Futures Trading Commission (AFTC)⁵⁹ - securities sector and agricultural futures brokers respectively.
- Office of Insurance Commission (OIC) - insurance sector.
- Ministry of Agriculture and Cooperatives⁶⁰ (MOAC)- cooperatives.

7.2.6 AMLO is the regulator and supervisor of compliance with preventative measures by the following types of DNFBPs:

- Real estate agents.
- Dealers in precious metals.

⁵⁶The supervision of compliance with such preventative measures by FIs can be undertaken through onsite and offsite supervision, examinations and integrated into other supervision and examination activities or separately, whichever procedural approach is appropriate for the regulator and the sector.

⁵⁷To be under the mandate specified in the proposed Memorandums of Understanding (MoU) between AMLO and the financial institution supervisory agencies. The MoU will also encompass the ability of the FI regulator, in detecting a breach of the AMLA whilst conducting supervision, to notify AMLO of such a breach.

⁵⁸FATF (special Recommendation VI) defines a money or value transfer service as *Money or Value transfer service* refers to a financial service that accepts cash, cheques, other monetary instruments or other stores of value in one location and pays a corresponding sum in cash or other form to a beneficiary in another location by means of a communication, message, transfer or through a clearing network to which the money/value transfer service belongs. Transactions performed by such services can involve one or more intermediaries and a third party final payment.

⁵⁹The AFTC will participate in the development of the regime for agricultural futures brokers however it is not envisaged that active supervision for ML/TF preventative measures will commence until 2014.

⁶⁰The MOAC will participate in the development of the regime for cooperatives which fall within the FATF definition of a financial institution however it is not envisaged that active supervision for ML/TF preventative measures will commence until 2014.



- Dealers in precious stones
- Dealers in antiques⁶¹
- Dealers in trading or hire-purchase of cars⁶²

A supervisory regime has yet to be determined for accountants and lawyers⁶³.

7.3 Coordination between the agencies is undertaken through a number of national multi-agency bodies, known as Working Groups, that play a critical role in collaborative improvement effects of the AML/CFT regime, such as but not limited to the scope and details of MoUs, consider policy decisions, coordinating common activities such as guidelines and training, and enhance the national cooperation amongst agencies. Additionally, the working groups will report progress to the AML Board. These bodies include:

7.3.1 **The Legal Amendment Review Working Group** comprising representatives of AMLO, OAG, MOJ, BOT, DSI, RTP, ONCB, RTC, Revenue Department, Office of National Security Council, Ministry of Foreign Affairs, Faculty of Law of Chulalongkorn University.

7.3.2 **The Financial Institutions Supervisors Working Group** comprising representatives of AMLO, BOT, SEC, OIC, AFTC, Fiscal Policy Office; MOAC and Faculty of Law of Chulalongkorn University.

⁶¹Dealers in antiques are a reporting entity under the AMLA with certain obligations for reporting, record keeping and customer identification. Please refer to the AMLA for full details.

⁶²Dealers in trading or hire-purchase of cars are reporting entities under the AMLA with certain obligations for reporting, record keeping and customer identification. Please refer to the AMLA for full details.

⁶³The FATF standards apply to lawyers, notaries, other independent legal professionals and accountants – sole practitioners, partners or employed professionals within professional firms. Further, that there should be a preventative measures regime in place for “Lawyers, notaries, other independent legal professionals and accountants when they prepare for or carry out transactions for their client concerning the following activities: (i) buying and selling of real estate; (ii) managing of client money, securities or other assets; (iii) management of bank, savings or securities accounts; (iv) organisation of contributions for the creation, operation or management of companies; (v) creation, operation or management of legal persons or arrangements, and buying and selling of business entities.”



7.3.3 **The Law Enforcement Working Group** comprising representatives of RTP, DSI, RTC, ONCB, AMLO, BOT, SEC, Revenue Department.⁶⁴

7.3.4 **The Non-Profit Organisation (NPO) Working Group** comprising representatives of the Department of Provincial Administration of the MOI, AMLO, RTP, Department of Employment, Religious Affairs Department, Office of the National Culture Commission, National Intelligence Agency, the Revenue Department, Bangkok Metropolitan Administration, Office of National Buddhism, Ministry of Social Development and Human Security, Office of the Basic Education Commission of the Ministry of Education and invited associations and representative bodies.

7.3.5 **The DNFBP Working Group** will comprise sub-groups for each sector to ensure the specific issues are addressed appropriately. The Subgroups will comprise: The Lawyers Council of Thailand, The Federation of Accounting Professions; Real Estate Association, Gold Traders Association, Thai Gem and Jewellery Traders Association in conjunction with relevant government agencies and ministries per respective sector.

7.4 Additionally, coordination and cooperation will be underpinned by separate memorandums of understanding between some of the participating agencies in the working groups.

⁶⁴Participants are key law enforcement agencies or other enforcement bodies that could be involved in ML or FT financial investigations. The IBT's involvement in ML is in relation to human smuggling cases. The Revenue Department, BOT and SEC play an active role in supporting LEAs in financial investigations, and thus is the rationale for inclusion in this working group.



Reporting:

7.5 The progress of implementing this National Strategy's objectives will be reported to the AML Board at least twice each year during 2011 and 2012 and at least yearly thereafter. This reporting will be coordinated by the Secretary-General of AMLO. As well as reporting on achievement of the specific actions in this National Strategy, the reporting will also report progress against the achievement of the high level outcomes set out in the next paragraph.

7.6 According to the international AML/CFT standards, an effective and efficient regime will see convictions and the seizing and forfeiture of proceeds of crime increase. Therefore, the success of this National Strategy, which is to increase the effectiveness of the AML/CFT regime, will also be measured by the following measurable outcomes, which relate back to the key issues discussed in section four, namely that the criminal process works effectively and efficiently to combat ML and FT:⁶⁵

- 7.6.1 Increases in the number of criminal convictions for ML;
- 7.6.2 Increases in the number of criminal convictions for FT;
- 7.6.3 Increases in the number of people sentenced to imprisonment for ML;
- 7.6.4 Increases in the number of persons sentenced to imprisonment for FT;
- 7.6.5 Increases in the amounts forfeited to the Kingdom as proceeds of crime relating to ML and its predicate offences;
- 7.6.6 Increases in the amounts frozen by the Kingdom relating to FT and terrorism;

⁶⁵Where comparable measures are available, the Kingdom will strive to be measured as "above average" against other countries for all of these outcomes.



7.6.7 Increases in the amounts forfeited to the Kingdom relating to FT and terrorism.

7.7 In addition, the high level measure of whether this National Strategy has been successful in ensuring that Thailand's AML/CFT regime is in line with international standards will be that Thailand receives a significantly better compliance score when it is next assessed against the FATF 40+9 recommendations, in particular:

7.7.1 The compliance score should be at least 60% compared to the current score of 31%;

7.7.2 Thailand should be largely compliant or compliant with at least 10 of FATF's core and key recommendations, which should help facilitate Thailand being removed from the FATF list of countries with significant deficiencies in the AML/CFT regime. The current situation, as seen by the FATF, is set out in the following table:

FATF Recommendation No.	1	3	4	5	10	13	23	26	35	36	40	I	II	III	IV	V
Rating ⁶⁶	PC	LC	C	NC	PC	PC	PC	PC	PC	PC	LC	PC	PC	PC	PC	PC

⁶⁶"C" equates to fully compliant with the FATF recommendations; "LC" Largely compliant; "PC" partially compliant; "NC" non-compliant.



Challenges

7.8 A number of challenges have been identified that may inhibit achievement of the targeted objectives and timelines for implementation of this AML/CFT National Strategy.

Challenge	Mitigating action
The national coordinating body for AML/CFT, (the AML Board), may not be able to operate effectively due to it not having its full complement of members.	Amend the AMLA to ensure that the appointment of, and operation of the AML Board, meets no delays.
Political unrest and instability may hinder or delay implementation of this National Strategy.	The AML Board to monitor the implementation processes and drive forward the required milestones.
Required legislation may be delayed if there is a loss of political will to implement the national AML/CFT strategy.	Close coordination with the AML Board will continue to foster such political commitment.
Resources may not be available to supply needed increases in dedicated human resources in some agencies, enhancement of technical skills and enhancement of the underlying systems and tools required in some key agencies.	Ensure adequate budget planning, allowance and approval for increased technical capacity.



Challenge	Mitigating action
<p>Thailand might lose some of the sound support that it has enjoyed and continues to have for the improvement of its AML/CFT regime from international technical assistance partners. The continuous support from many governments, super-national bodies and other countries' regulators and agencies is heavily dependent on positive and real improvements in Thailand's AML/CFT regime.</p>	<p>The National Strategy is implemented effectively and efficiently and tangible outcomes are evident.</p>
<p>Timely and positive decisions may not always be able to be made by key decision makers.</p>	<p>Ensure at all times engagement and commitment of decision makers throughout the 5 year program.</p>
<p>That there may be further changes to the international AML/CFT standards that require additional or conflicting changes to Thailand's AML/CFT regime.</p>	<p>The AML Board monitors changes and in a timely manner addresses any changes in line with Thailand's AML/CFT regime.</p>



Appendix 1: Supporting Agencies

Agricultural Futures Trading Commission

Anti-Money Laundering Office

Bank of Thailand

Bangkok Metropolitan Administration

Chulalongkorn University, Faculty of Law

Cooperative Promotion Department and Cooperative Auditing Department;

Ministry of Agriculture and Cooperatives

Department of Employment

Department of Provincial Administration, Ministry of Interior (Registration Section)

Department of Special Investigation, Ministry of Justice

Department of Business Development, Ministry of Commerce

Fiscal Policy Office, Ministry of Finance

Ministry of Foreign Affairs

Ministry of Justice

Ministry of Social Development and Human Security

National Anti-Corruption Commission of Thailand

National Intelligence Agency

National Security Council

Office of Attorney General

Office of the Basic Education Commission of the Ministry of Education

Office of Insurance Commission

Office of National Buddhism

Office of Narcotics Control Board

Office of the National Culture Commission

Religious Affairs Department

Revenue Department

Royal Thai Customs

Royal Thai Police

Office of Securities and Exchange Commission