- Draft -

Anti-Money Laundering and Counter-Terrorism Financing Strategy

B.E. 2560-2564 (2017-2021)

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CHAPTER 1

INTRODUCTION

1. Background and Principles

Money laundering, terrorism financing, and proliferation of weapons of mass destruction financing are new forms of security threats which are complicated and connected by the elements of transnational crimes. This results from the development of information technology and the economic liberalization that facilitate rapid movement of people and funds, hence making Thailand exposed to more of these threats.

The Anti-Money Laundering Office (AMLO) is a law enforcement authority under the law on anti-money laundering, and the law on counter-terrorism financing and proliferation of weapons of mass destruction financing. AMLO plays a pivotal role in solving crimes by implementing the anti-money laundering and combating the financing of terrorism (AML/CFT) measures in order to eliminate the commission of predicate offenses or block out utilization of assets connected with the commission of such offenses.

To ensure the efficient and effective prevention and suppression of anti-money laundering, counter-terrorist financing and proliferation of weapons of mass destruction financing in line with high-level plan or policy, AMLO developed the first AML/CFT strategy for the period 2010-2015, which had been applied by government entities as framework for coordination and implementation. However, the current situation and forms of money laundering, terrorism financing and proliferation of weapons of mass destruction financing have advanced and become more complicated. Thailand is also facing more international conflicts and there are amendments of several major laws such as amendment to the anti-money laundering law and enactment of the law on counter-terrorism financing in 2013. Therefore, AMLO has reviewed the situation and developed the Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021) to ensure appropriate and up-to-date strategy in accordance with the current circumstance, changing structure and mechanisms of the public sector, with more focus on solutions to high-risk problems.

2. Procedure for Preparation of Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021)

2.1 Data collection and analysis was conducted to support the review of the Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021). This included 1) results of the national money laundering and terrorism financing risk assessment in 2012 and 2016 to

analyze the situation and challenges concerning money laundering and terrorism financing as well as proliferation of weapons of mass destruction financing; 2) deficiencies from the assessment of Thailand's compliance with the international AML/CFT standards in 2017; 3) results of the implementation of the Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2553-2558 (2010-2015); and 4) related high-level plans or policies.

2.2   Two seminars were held in collaboration with relevant agencies with advisory teams from Thammasat University, the National Institute of Development Administration (NIDA) and Mahidol University as detailed below:

1) The first seminar held on 21-23 December 2016 featured group discussion and brainstorming for SWOT analysis (Strength, Weakness, Opportunity and Threat) of AML/CFT in Thailand in order to set out the vision, mission and strategic issues. AMLO collected the result of the brainstorming to support the development of the AML/CFT Strategy 2017-2021.

2) The second seminar held on 27 February 2017 included public hearings on the draft AML/CFT Strategy 2017-2021. AMLO adopted the brainstorming result from the first seminar to prepare the draft AML/CFT Strategy 2017-2021 and sought opinions of this seminar.

2.3   AMLO revised the draft AML/CFT Strategy based on the collected opinions and sent it to related agencies for their consideration and recommendation. The opinions were gathered, and the revision was made to produce the complete draft AML/CFT Strategy 2017-2021.

2.4   The complete draft AML/CFT Strategy was submitted to the Transaction Committee, the Screening Sub-committee for AMLO, and AMLO for approval.

2.5   The complete draft AML/CFT Strategy approved by the Transaction Committee and the Screening Sub-Committee for AML Board, and the Anti-Money Laundering Board, respectively, was further submitted to the Cabinet for approval. The Cabinet gave approval for the AML/CFT Strategy and for AMLO to collaborate with relevant agencies to prepare the action plan for implementation of the AML/CFT Strategy.

2.6   The AML/CFT Strategy 2017-2021 will be publicized and the action plan to drive the Strategy will be prepared.

2.7   Monitoring of the implementation of the action plan and the progress will be performed with summary of problems, difficulties, recommendations and solutions. The results will be reported to AMLO and the Cabinet.

3. Major Factors in the Preparation of the Anti-money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021)

In order to prepare the AML/CFT Strategy 2017-2021, AMLO had gathered and processed the information on relevant major factors to support its consideration. Details are as follows:

3.1 Situation of money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing, and challenges

3.1.1 Money laundering

According to the information from the Organization for Economic Co-operation and Development (OECD), the projection in 2009 showed that the money laundering or asset connected with the commission of the offense represented up to 3.6% of the Global Gross Domestic Products (GGDP). Meanwhile, the report of Global Financial Integrity Research in 2011 stated that the proceeds related to offenses in developing countries amounted to over 9,460 billion US dollars. This indicates that money laundering remains an intensifying problem with even more complicated forms and methods. The advanced communication technology has also been misused by criminals to facilitate the commission of offenses such as online gambling, deception by telephone and internet fraud, thus making the tracking and supervision more difficult. Besides, the rapid and complex changes and development of products and services have also attracted criminals to use more of such products as virtual currency and investment-linked products.

In addition, the regional integration into the ASEAN Economics Community (AEC) promotes liberalization of trade, investment, free movement of people and funds. Since Thailand is located in the center of ASEAN, there has been an increasing number of foreign criminal groups traveling in and out of Thailand to launder money or crime-generated assets, or to take advantage of AEC by opening accounts in a country where the monitoring system is weak and then send the money into Thailand.

According to AMLO's analysis of financial transaction report, there are a large number of suspicious transactions related to drugs and telephone deception or internet fraud (call center). The report on the National Money Laundering and Terrorism Financing Risk Assessment in 2012 and 2016 showed that money laundering was committed on assets generated from serious crimes including corruption, smuggling of drugs, tax evasion, stock manipulation, customs evasion, gambling, fraud, human trafficking, copyright infringement, crimes related to illegal wildlife trade and environment, computer crimes and counterfeit of document .

3.1.2 Situation of predicate offenses

Considering that the level of severity of crimes is increasing and the offenders are trying to conceal the sources of crime-generated assets, effective and efficient prevention and suppression is required particularly for major crimes as follows:

Drugs

Drugs remain a major transnational crime. According to the 2015 report on drugs and money laundering of the U.S.A., Thailand is a transit point and destination of drugs from neighbor countries. This is in line with the information from the Drugs Prevention and Solution Strategy B.E. 2558-2562 (2015-2019) which summarizes the situation of drugs production and smuggling from border countries of Thailand especially Myanmar which is production source of opium, heroine, amphetamine pills and Ice, Lao PDR which is production source of marihuana, or Cambodia which is production source of Ice and Ecstasy chemical precursor. The smuggling of drugs usually takes place on land since the long porous borders with neighboring countries make the detection more difficult. There is also smuggling by sea and air particularly through Suvarnabhumi Airport, hence necessitating more stringent measures to control the transit and immigration.

Fraud and public fraud

Fraud taken place locally and those conducted as transnational crime are likely to expand and more foreigners are involved in frauds, e.g. telephone deception or internet fraud using international telephone system (call center), or fraud through establishment of company in Thailand to persuade Thais and foreigners to invest in various businesses such as derivatives (securities, gold and crude oil), direct selling business and e-commerce businesses, etc. by offering high returns. These offenders then ran away after gaining a lot of funds.

According to the Suspicious Transaction Report (STR) of AMLO, transactions connected to crime of money transfer scams contributed to nearly 40% and involved substantial amount of funds. A number of Thais were paid to open bank accounts to these fraudulent groups. There were also transactions involving foreigners such as Chinese money chain scams or Nigerian and Ghanaian scammer gangs.

Moreover, virtual currency or digital money is used via internet system as central currency for trade in online games. Expansion of its usage into product trade makes it increasingly risky of misuse by criminals for public fraud.

Human trafficking

Human trafficking remains a serious crime and its forms and methods have been altered to avoid disclosure. In Thailand, there are criminal groups related to human trafficking from Myanmar, Lao PDR, Cambodia, North Korea and Rohingya. With the implementation of anti-money laundering prevention and suppression measures in Thailand, it was found that the persons committed human trafficking crimes are also linked to corruption of government officials.

Corruption

Corruption is a major problem that keeps crime and money laundering cycle continue. The number of prosecutions against government officials in corruption cases has increased. However, according to the 2016 Corruption Perception Index, Thailand scored 35 from 100, which indicates that the problem remains highly severe. Laundering of the proceeds from corruption is committed as a process through nominee company involving legal advisor, accountants, bank officers, etc. In case of high-level government officials, a business operation is used as a means to conceal the corruption and stock purchase transaction is paid in cash through nominees, thus making it difficult to detect links to the corrupted officials.

Furthermore, corruption in the private sector tends to come into various forms such as embezzlement of assets or accounting financial fraud. The number of cases related to offenses of high-level executives has moved up, for example, embezzlement by cooperative executives which resulted from lack of audit, monitoring and internal audit in accordance with the good corporate governance principles. The embezzlement does not limit only to money but also others such as stealing of important information, use of organization's assets for wrongful purposes, etc.

Crime related to copyright infringement

Copyright infringement in Thailand has been intensified, e.g. infringement of trade mark, rights and patents, etc. This has caused negative impacts on the image of the country and impaired the economy. Foreign investors lack confidence in making investment or having production base in Thailand as they are afraid that their copyright may not be well protected.

Computer crime

Computer crime remains a severe money laundering threat. With advanced technologies, internet and social networks have increasingly been used in a more complicated manner as tools to commit online crimes. Criminals have developed advanced techniques to take advantage of the

internet structure and created tools to steal money from the victims, both directly and indirectly. There have been a larger number of cyber mercenary or hackers who are paid by order to hack systems and database. These hackers have been playing a major role in supporting other crime networks that cause serious adverse economic impacts. Moreover, AMLO found that suspicious transactions related to corruption tend to rise. New financial products of financial institutions have facilitated internet transactions, making the internet a tool for criminals to commit offenses without face-to-face contact, or to use their nominees to make transactions which are easy and convenient at any time.

<u>Crime related to wildlife trafficking and illegal exploitation of natural resources</u>

Cross-border trade of wildlife and wild plant species and illegal exploitation of natural resources have been a criminal process with widespread impacts for a long time. In the past, Thailand was identified as origin, transit point and destination for trade of reserved animals and endangered plant species. According to the UNEP environmental project report, it is projected that cross-border trade of wildlife and wild plant species may be connected to other crimes. For instance, illicit ivory trade in Africa may be related to weapon trade to support terrorism in the region. Encroachment of reserved forests and illegal deforestation are prevailing particularly Siamese rosewood and other protected woods which have been processed for trade. The statistics of the Royal Forest Department showed that there were a total number of 6,905 cases of encroachment and exploitation of forest, wildlife and plant species during the fiscal year 2014 with total damage of more than 1,860 million baht, a decrease from 3,444 million baht in 2013, thanks to favourable progress of law enforcement and prosecution of wildlife trafficking and environmental offenses. However, the development of communication and telecommunication technologies enable criminals to find fast and convenient channels for trafficking and transportation and to get away from examination of the officials.

<u>Counterfeit of document</u>

Counterfeit passport or other documents such as financial status document or educational certificate are found in Thailand consistently. Thailand is also considered a source of procurement and distribution for transnational criminals who are connected with other crimes such as drugs trafficking, smuggling of illegal migrants, human trafficking, fraud or even terrorism. For example, in 2012, it was found that counterfeit passports were used in the offense related to 3 bomb blasts in Soi Sukhumvit 71 in which Iranian terrorist group was involved. According to the information of the Interpol regarding the missing Malaysian Airlines flight MH370 on 8 March 2014, it was also found that some passengers of such flight used Australian and Italian passports which had been stolen in Thailand. According to the STR received by AMLO, counterfeit identification documents were used to open bank accounts involving both

Thais and foreigners who attempted to use false ID in opening accounts with financial institutions. There is a concern that Thailand will become a target of criminals who try to launder more crime-generated funds through financial institutions. Apart from counterfeit of document to commit crime and to be concealed from detection of government officials, some illegal migrants use counterfeit documents to extend their stay in Thailand. More new technologies and processes have made these counterfeit documents look genuine, making it very difficult to examine. Expert and knowledgeable officials and advanced technologies are accordingly required to prevent and suppress such offenses.

Gambling

Gambling-related crime either illegal casino, online football betting or online baccarat is still a key problem. According to the STR of AMLO, it was found that accounts were opened in large amounts and linked to casinos in the neighboring countries. AMLO has taken measures to seize and confiscate more of the assets generated from these offenses.

Tax evasion

Tax evasion, both direct and indirect, including customs tax, excise tax is an offense that has significant impact on the national and economic development as it brings down the national income. In the past, tax evasion was found in forms of intentional tax evasion or submission of underpaid tax or forged tax invoice to refund VAT or deduct expenses. Such crime tends to increase due to gap of laws. Some cases may be related to the corruption of government officials in charge of tax collection. There are also different laws on trade and investment promotion and tax collection in each country, which provide channels for tax evasion.

Stock manipulation

According to the STR of AMLO, there were securities transactions with unusual characteristics. In these cases, the transferred asset had higher value than the approved amount of transaction without significant relation to the amount used for account opening or consistency with the financial and professional information given to the financial institution, or there was request for increase of stock trading amount which was not in line with the financial position and income. There was also attempts to push up stock price by intentionally causing misunderstanding among the public, or by providing false information to investors especially via online social media.

Forms of money laundering

Money laundering mostly is carried out through financial institutions such as banks, securities companies and financial service providers. The proceeds are then converted into other forms such as land, properties, luxurious cars, antiques, amulets, gold, jewelry and foreign currency. In addition, there

are evidences of transactions concerning suspicious activities in which religious organizations are used as channel for money laundering or donation corruption. Although these transactions may not be very complicated such as check payment but there is high frequency of unreasonable transactions or many parties are involved in the transactions of religious organizations. The research of NIDA (2012) on "Fund Management of Temples in Thailand" showed that Thai temples earn most of their income from donations, averaging at up to 3.2 million baht per year. Some temples have over 30 million baht of funds per year. However, these religious organizations have no standard accounting systems or accounting reports to the regulatory authority, and no payment-receipt system to ensure compliance with the good governance principles.

Furthermore, in 2013, the Financial Action Task Force issued the study conducted in collaboration with Egmont Group of Financial Intelligence Units on risks of the diamonds pipeline for money laundering. It was found that money laundering through trade in diamonds has expanded due to the uniquely small size of diamond which makes it portable and convenient for movement. Its high popularity is also attributed to its immense international value that could freely increase since there is no actual market price while the detection of transfer between the seller and the buyer is difficult. All these factors support the movement of illegal funds by transnational criminals through mixing with legal funds for trade in diamonds.

Risk of money laundering

AMLO performed risk assessment on money laundering and terrorism financing for the first time in 2012 and again in 2016. For the risk assessment in 2016, NIDA Consulting Center was assigned to conduct the research which included assessment of money laundering threat and vulnerability. It was found that Thailand criminal proceeds are over 400 billion baht per year. The highest percentage is corruption (34.46%) followed by drugs (23.15%), tax evasion (12.84%), stock market manipulation (8.71%) and customs evasion (8.02%) respectively, which account for 86.18% of total proceeds from all 22 predicate offenses in this research.

For vulnerability of the reporting entities and parties, the risk assessment was conducted on their ability to manage and take preventive actions. The assessment was also conducted on risk of the products/services of each business and risk of the business sector resulting from actions taken by the government on money laundering prevention and suppression. Top 5 risk channels/methods, from highest to lowest, are as follows:

1) Commercial Banks: Although commercial banks have good management and control measures in place, the sector has various and complicated products and channels. They also have a

large number of branches, both local and abroad. Thus, it is a popular channel for criminals as seen from the highest crime-generated income.

2) Real Estate: The reason why criminals use the sector to launder money is its high value, ability to convert illegal money into legal assets and ability to conceal source of funds by distributing ownership to relatives or associates.

3) Antiques and Amulets: Value is negotiated between the seller and buyer on the satisfaction basis. The major reason is insufficient monitoring and prevention.

4) Non-Profit Organization (NPO): A large number of foundations or associations are not properly registered and lack adequate standard of management and monitoring, which allows criminals to use this channel for money laundering.

5) Customs Check Points: 31 provinces of Thailand share border with neighboring countries while there is insufficient customs check points to effectively detect or prevent money laundering via courier of cash, financial instruments, gold, diamonds, jewelry, smuggled goods, drugs, smuggled oil and illegal migrants.

However, the highly vulnerable channels which still require sufficient prevention and suppression measures and immediate monitoring action are 1) broker or real estate agent, 2) antique and amulet traders, 3) operators of car rent or hire-purchase business, 4) diamond, jewelry, gold trader, and 5) co-operative.

Money laundering tends to increasingly occur through group or criminal organization. It is estimated that income of criminal organizations amounts to 376,000 million baht per year or 84.12% of total crime-generated income, consisting of 56.51% from domestic criminal organizations and 27.61% from transnational crime organizations. The methods of money laundering are more complicated such as through agents, front business and stock market. Statistics also show that Thailand at present is exposed to higher risk of transnational crime with Western Europe, Eastern Europe, Russia, China and countries in Western Africa, South Korea, Japan and the neighboring countries such as Myanmar and Cambodia. Most of these crimes including drugs, fraud, human trafficking, cybercrime, document forgery, and trafficking of migrants take place abroad, and are linked to Thailand as a transit point or meeting point for preparation and money laundering.

Assets which are connected to the commission of offenses abroad and laundered in Thailand mostly come from drugs trafficking and funds from corruption in the U.S.A., European countries, Myanmar and China. The laundering is made through banks and front businesses particularly those in tourist areas. Meanwhile, assets from the offenses committed in Thailand for laundering abroad come from

corruption and gambling. The proceeds are sent to the U.S.A., the European Union, and to tax havens like Singapore, Hong Kong and Macao. A large amount of income from these offenses is transferred for cross-border laundering via real estate business.

In addition, the integration into ASEAN community may intensify risks of money laundering by criminal groups from ASEAN countries, i.e. drugs trafficking in Myanmar, Lao PDR, and Cambodia, illegal trafficking of alien labor from neighboring countries, counterfeit of documents and documents of rights such as electronic cards and credit cards by criminals in Malaysia and Singapore who are expert of new methods and technologies. Meanwhile, criminals in the Philippines and Indonesia are likely to commit fraud through deceptive investment or gambling. Preparation is thus required to cope with these issues.

3.1.3 Situation of terrorism financing

Terrorism financing has been a severe threat to security of the global community and the vigorous suppression needs international cooperation. It not only destroys the credibility and stability of financial institutions but also threatens the unity and sovereignty of a nation and impairs the economic development. Meanwhile, the development of counter-terrorism financing measures in Thailand has been gradually improved since the Counter-Terrorism Financing Act B.E. 2556 (2013) took effect from 2 February 2013. However, Thailand is still exposed to risk of being a meeting place, residence and transit point of transnational criminals and violent groups. These foreign violent groups use Thailand as a transit point to fight in Iraq and Syria without intention to cause trouble in Thailand. This is in accordance with the Terrorism Report 2014 of the United States Department of State which states that there is no indicator that the insurgent groups in the South of Thailand is connected to the IS or other transnational terrorists. Nonetheless, this report also indicates the problem of law enforcement caused by lack of policy continuity and under-standard justice process, ineffective legal prosecution, and lack of information sharing among the agencies.

The Terrorism Report 2014 also evaluates threat of proliferation of weapon of mass destruction including chemical, biological, nuclear and radiological weapons. Actions need to be taken to prevent terrorists from obtaining methods to develop or transfer these weapons, i.e. implementation of measures to prevent, reduce or eliminate proliferation of weapons of mass destruction.

Forms of terrorism financing

Terrorists have increasingly used internet and social networks as channels to communicate, plan, promote violent ideas, recruit members, disseminate information and propaganda. Informal money transfer (underground banking) and cross-border cash courier are still popular among

terrorists. Most of their transactions are made in cash. The source of funds is from donations and money collected from group members or senior members through cross-border courier. In this connection, it is recommended that the measures on counter-terrorism financing focus on terrorists' funds generated from other crimes such as drugs trafficking, crude oil trafficking and human trafficking, or that more measures are required to stop cross-border transportation of cash including requirement of lower minimum cash declaration since terrorists do not carry large sum of money. However, some terrorist groups are found in Thailand from their travel record such as Hezbollah Assad group whose real target is to attack benefits of Israel across the globe including Thailand, and Muslim and Rohingya groups who take refuge in Thailand to build troops against Myanmar government. Therefore, surveillance and coordination are recommended to enable exchange of information among related agencies both in local and international level.

The global terrorism situation has been escalated particularly when Isil fighters seize and kill hostages frequently. This terrorist group publicizes their ideology and concepts of violence, persuades new members or fighters to join their fight in Syria and Iraq using online social networks as major communication channel along with websites and online magazines. They also have hackers attack websites of government agencies.

The expansion of Isil group in the region tends to rise as evidenced from a larger number of population from South East Asia joining the fight, and the long ongoing battle in the Middle East. Although Thailand is not a target of Isil attack, it is exposed to higher risk of being used as transit point of these fighters travelling from the source to the destination country.

Furthermore, there is risk of non-profit organizations (NPOs) as a channel of terrorism financing particularly NPOs that operate transnationally or have large funding. According to the report of the Center on Global Counterterrorism Cooperation (CGCC) in 2013, the operating funds of NPOs are estimated at a minimum of 2.2 trillion US dollars per year, equivalent to revenues of the 7th biggest economies. In addition, the report of Financial Action Task Force (FATF) in 2014 on "Risk of Terrorist Abuse in Non-Profit Organizations" which used its member countries as study cases shows that NPOs are used as funding channel to support terrorist acts and to seek or recruit new members, publicize ideas, and brainwash through various operations. Plans or projects of NPOs are abused to perfectly conceal their operations such as transportation of substance or parts of weapons, or even to disguise as NPO officers in order to travel internationally or access restricted premises. The report of FATF also indicates that NPOs with highest risks are those with the objectives or operations related to service activities such as NPOs for social service, education, housing and health care, etc. especially those in the areas where terrorists are having movement, or which are used as hiding place or to conceal their other operations . However, NPOs

with low risks of terrorism offenses are NPOs that engage in expressive activities such as programs focused on sports and recreation, arts and culture. It was also found that some NPOs involve in money transfer to support the unrest in the southernmost provinces of Thailand or share some interests with these violent groups.

<u>Risk of terrorism financing</u>

The national anti-money laundering risk assessment report of AMLO in 2016 included the terrorism financing risk assessment in terms of its threat and vulnerability, taking into consideration funding, movement of funds and use of such funds in the terrorist operations or to support terrorist acts. Terrorism financing threat relies on nature of act and amount of funds used by local and foreign terrorists. The amount of fund supporting these activities was approximately 50 million baht per year which came from various sources with NPOs as the largest source of funds, followed by illegal activities, fund raising and self-funding, respectively. However, when considering frequency and consequence of the situations, it was found that the highest risks are self-funding and funds raising through NPOs.

The highest-risk channels for moving terrorist-financing funds are through customs check points and transactions through commercial banks, specialized financial institutions, and jewelry, diamond and gold trade. Considering the control measures, the overall risk is in moderate to high degree. Most of these are movement of funds from the source to perpetrators domestically.

Nevertheless, terrorism financing channels that need immediate monitoring are NPOs, cooperatives and cross-border smuggling of foreign currency funds or gold, and financing from abroad through commercial banks, respectively.

NPOs still lack efficient monitoring while cooperatives are exposed to higher risks of terrorism financing. Members of cooperatives who are supporters of violent acts are ready to expand their network while some agitators disguise themselves in cooperatives. The management of cooperatives to prevent and suppress money laundering and terrorism financing is considerably poor. The geographical area with hills and small rivers at the borders between Thailand and neighboring countries enable easy border crossing. This is another factor that facilitates smuggling of foreign currency fund, gold, drugs, illegal goods, weapons, bomb equipment as well as smuggling of migrants. Commercial banks also incur risk of being used for terrorism financing despite best practice of management, prevention and suppression. Still there are vulnerability associated with variety of products and services, convenient and easy access to branches across the country, coupled with the government policy to reduce use of cash and promote electronic transactions by decreasing complex process and transfer fees, which enhances prompt and convenient movement of funds and allows non-face-to-face services.

There are 2 purposes of funds using i.e. operational and organizational. Operational purposes are buying or provision of equipment, arms or explosives and training. Organizational purposes are for propaganda, networking, extremist ideology implanting, meeting and network maintenance.

3.1.4 Challenges of money laundering and terrorism financing

(1) Money laundering and terrorism financing threats are ongoing and rapidly changing as a result of advanced technologies. Financial products are quickly developed to facilitate transaction and access to financial services and the control over financial transactions through virtual currency and investment-linked products are also difficult. Without adequate monitoring measures, it will be more convenient for terrorists to access, move, transfer funds which is in line with the rising trend of electronic transactions. Money laundering and terrorism financing threat may impact national security, safety of life and properties of the people, distorted economic performance, crime-related economic activities, the national image and the finance sector which may face difficulties in international transactions, as well as increase the influence of criminal groups.

(2) Another important challenge is the continuity of government policy to seriously support the fight against money laundering. Policy formulation and systematic implementation in a holistic and consistent manner will enhance the effectiveness of the actions.

(3) Relevant agencies lack sense of ownership in implementing AML/CTF prevention measures related to their authorities.

(4) The coordination and integration in the law enforcement is not effective due to lack of clarity in the roles of each agency, and the confidence to share information among agencies.

(5) There is a lack of good AML/CTF statistical collection system. These information must be obtained from relevant agencies, especially law enforcement agencies, and then compiled into a central database useful for identifying appropriate crime prevention measures.

(6) There is an inadequacy of knowledge, understanding, expertise and skills of relevant personnel in supervision, law enforcement and financial intelligence.

3.2 Deficiencies from assessment of Thailand's compliance with international standards on AML/CFT in 2017

3.2.1 Major deficiencies of legal framework are summarized as follows:

The current laws still have some deficiencies or do not accord with international standards, e.g.:

(1) The Ministerial Regulation on Customer Due Diligence requires that all originator information shall be sent together with the transfer order.

(2) The laws prescribing criminal penalty of confiscation lack provisions on application of equivalent value confiscation and seizure (except for corruption offense).

(3) The predicate offense of human trafficking does not cover illegal smuggling of migrants.

(4) Thai laws do not require financial institutions and some types of businesses to implement money laundering and counter-terrorism financing measures such as lawyers, accountants, legal consultation and accounting office.

(5) Money laundering law provides exemption for suspicious transactions of government agencies and state enterprises as well as some types of transactions, which is not in line with the risk management principles.

(6) Customs officials have no authority to seize/confiscate money suspicious of money laundering and terrorism financing, or to seize/confiscate money if the traveler has correctly made declaration on money, currency and instruments although realizing or suspecting that such money, currency and instrument are related to offense.

(7) Legal penalties imposed on offenders are not proportionate and dissuasive, hence less impact on the suppression of offenses.

3.2.2 Deficiencies of operational effectiveness

(1) Some relevant agencies in the public and private sectors lack understanding of the existing risks and there are no comprehensive measures on risk reduction, causing ineffectiveness of prevention and suppression of high-risk crimes such as bribery, tax evasion and customs evasion.

(2) Law enforcement entities are unable to charge criminal offense of money laundering to support the prosecution of predicate case, and to investigate financial crimes.

(3) Law enforcement entities are unable to charge criminal offense of terrorism financing despite the ongoing turmoil in the three southernmost provinces.

(4) Examination of NPOs, both registered and non-registered, is inadequate, hence risk of terrorism financing.

(5) There is no complete national statistics to support concrete performance. For instance, the value of criminal confiscation is not available.

3.3 Performance under Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2553-2558 (2010-2015)

Laws, regulations, guidelines, policies, measures and mechanisms have been improved or aligned with international standards. However, there are still some deficiencies, e.g. lack of legislation on prevention and suppression of proliferation of weapons of mass destruction financing, prescription of tax offense as predicate offense of money laundering, and declaration requirement for incoming baht and cross-border exchange of instrument.

Meanwhile, the effectiveness of the operation needs further improvement particularly policy coordination among relevant agencies, financial intelligence operations, risk-based monitoring, risk-based preventive measures, monitoring of NPOs and juristic persons, investigation, prosecution and punishment of money laundering and terrorism financing offenders, and confiscation.

3.4 Relevant high-level plans or policies

3.4.1 Constitution of the Kingdom of Thailand B.E. 2560 (2017), Chapter 6 Directive Principles of State Policies, Section 65 states that the State should set out a national strategy as a goal for sustainable development of the country under the principle of good governance to be used as a framework for formulating consistent and integrated plans in a congruous force to achieve such goal, and Section 68 states that the State should organize a management system of the justice process in every aspect to ensure efficiency, fairness and non-discrimination and shall ensure that the people have access to the justice process in a convenient and swift manner without delay and do not have to bear excessive expenses.

3.4.2 National Reform Plan (11 Areas)

(1) Area 2: Administration of State Affairs

1) Improve the role and mission and perform restructuring of public agencies in response to future changes by outsourcing to the private sector.

2) Develop public information system to boost efficiency by fully integrating government data to link together the information system of each sector for use in the participatory management and decision making.

(2) Area 3: Law and Justice Process

1) Determine measures to support law enforcement for effectiveness and equality such as adoption of information technology to inspect violation, and accelerate improvement of complaint management process.

2) Promote the right protection process and access to justice process

(3) Area 11: Other Areas (Security) – Improve guidelines of system-wide solutions to security threat to ensure effective operation (Forms of threat has been changed, e.g. from terrorism and

military attack to new forms such as illegal entry of migrants, human trafficking, cross-national terrorism and crime and encroachment of natural resources and environment).

3.4.3 The 20-year National Strategic Framework (2017-2036)

(1) Strategy 1: Security

1) Framework 2 - Reform of national administration mechanism and development of political security, elimination of corruption and building of confidence in the justice process

2) Framework 5 - Enhancement of national defense capacity, maintenance of peace and stability in the country, and building of cooperation with neighboring countries and alliances

(2) Strategy 2: Enhancement of Competitiveness

1) Framework 1 - Development of economic capability including maintenance of economic stability and building of confidence, trade and investment promotion based on fair competition and social responsibility, and national development towards trade nation to benefit from the regional value chain and level up in the value chain

2) Framework 5 – Investment in infrastructure development in the areas of transportation, energy, information technology system, communication, and research and development.

(3) Strategy 6: Improvement of balance and development of administrative system of the public sector

1) Framework 1 – Improvement of structure, role and mission of public agencies to ensure appropriate size

2) Framework 5 – Improvement of laws and regulations to ensure that they are up-to-date, fair and universal

3) Framework 6 – Development of public service system of public agencies

3.4.4 The Twelfth National Economic and Social Development Plan (2017-2021)

(1) Strategy 5: Strategy for Reinforcing National Security for the Country's Progress towards Prosperity and Sustainability

Development guideline

1) Item 3.2 - Empower the national armed forces to respond to both traditional and non-traditional security threats

- Item 3.2.2 - Develop an efficient intelligence system, mechanisms to strengthen cooperation, and cognitive development to analyze the trends of threats, including a database for sharing news and information between both local and international agencies in a systematic manner, with

the availability of supporting data to help prepare the response to security threats, both locally and internationally.

    2) Item 3.3 ‐ Promote international collaboration on defense and security to integrate cooperative efforts with allied countries for social and economic benefits, and to protect against transnational threats

    ‐ Item 3.3.1. ‐ Develop cooperation with neighboring countries and ASEAN member states, and allied countries, in intelligence exchange and joint proactive action to prevent, troubleshoot and reduce the impact of threats, including transnational security issues and international security challenges.

    (2) Strategy 10: Strategy for International Cooperation for Development

    <u>Development guideline</u>

    1) Item 3.7 ‐ Entering into international cooperative partnerships with a creative role

    ‐ Item 3.7.3 ‐ Meet international norms and standards to comply with international obligations

3.4.5 Strategic Issues of the National Council for Peace and Order (New Edition) B.E. 2558-2564) (2013-2021)

    (1) Strategic Issue 1: Creation of fairness in the society

    (2) Strategic Issue 6: Sustainable management of natural resources and environment

    (3) Strategic Issue 9: Sustainable prevention and suppression of corruption

3.4.6 Policy Statement of the Council of Ministers delivered by Prime Minister General Prayut Chan-o-cha to the National Legislative Assembly

    (1) Policy 2.1 ‐ …designating the problems of narcotics, weapons trafficking, human trafficking, piracy, terrorism and transnational crimes as urgent problems that require strict law enforcement to prevent and resolve;…

    (2) Policy 11.6 ‐ Use financial and tax measures as well as preventive measures against money laundering to prevent and suppress influential people and government officials who are corrupt and commit wrongdoing, or commit offences related to human trafficking, forced labor, international terrorism, drugs and transnational crimes.

3.4.7 National Security Policy B.E. 2558-2564 (2015-2021)

(1) Policy 5.2: Take action to prevent and solve the problem of terrorism in all forms by giving importance to reduction of factors and conditions that support terrorism, and prevention of terrorist group, people or group of people who support terrorism in all forms from using the territory of Thailand as shelter, place to acquire supporting factors, or place to commit violent or terrorist act, with emphasis given on prevention and maintenance of security in the urban area.

3.4.8 Strategic Plan for Prevention and Solution to Drugs Problem B.E. 2558-2562 (2015-2019)

(1) Strategy 4: Strategy for drugs and drugs dealer control, Strategic Issue 3 – Destroy capacity of drugs trafficking network

3.4.9 National Strategy on Prevention and Suppression of Corruption – Phase 3 B.E. 2560-2564 (2017-2021)

(1) Strategy 4: Development of proactive corruption prevention system

1) Strategic Action 1 – Increase efficiency of corruption prevention system

2) Strategic Action 8 – Develop compliance system and promote implementation in accordance with the United Nations Convention against Corruption (UNCAC) 2003.

(2) Strategy 5: Reform of corruption suppression mechanism and process

1) Strategic Action 5: Integrate data and intelligence into the suppression of corruption

2) Strategic Action 9: Enhance efficiency of the prosecution of transnational corruption cases

3.4.10 Master Plan for National Justice Administration B.E. 2558-2561 (2015-2018)

(1) Strategy 2: Development and enforcement of laws on an equal and fair basis and in accordance with the Operation Guidelines as follows:

1) Operation Guideline 3 – Develop and improve the laws to ensure that they are up-to-date and in line with the circumstances

2) Operation Guideline 4 – Ensure active and equal enforcement of the laws

3) Operation Guideline 5 – Promote Thailand in the global arena for its role in promoting the rule of laws

3.4.11 AEAN Political-Security Community (APSC) Blueprint 2015 with the related points as follows:

(1) Item A2.3.vii - Enhance and encourage cooperation among financial intelligence/authorized units of ASEAN Member States in the areas of collection, analysis and dissemination of information regarding potential money laundering.

(2) Item B.3.1.iii. - Implement effectively the Work Programme of the ASEAN Plan of Action to Combat Transnational Crimes covering terrorism, illicit drug trafficking, trafficking in persons, arms smuggling, sea piracy, money laundering, international economic crimes and cybercrimes.

However, at the 10th ASEAN Ministerial Meeting on Transnational Crime (AMMTC) Consultation held on 29 September 2015 in Kuala Lumpur, Malaysia, 2 addition crimes, i.e. illicit trafficking of endangered wildlife and plant species (as proposed by Thailand) and people smuggling (as proposed by Malaysia) were endorsed as new areas, hence a total of 10 areas of transnational crime under the ASEAN framework at present.

(3) Item B.3.1.xi. – Monitor financial actions suspected of relating to terrorism financing and terrorism actions and supporting other crimes.

(4) Item B.3.2.vii - Continue to develop the capacity of financial intelligence units and other relevant agencies involved in anti-money laundering/counter-terrorism financing efforts, to better detect, analyze and investigate the laundering of proceeds of crime, in accordance with the Financial Action Task Force's Recommendations;

3.4.12 Digital Economy and Society Development Plan

(1) Strategy 3: Create quality society in a thorough and equal manner using digital technology and in connection with Action Plan 1 – Create opportunity and equality for the people to access and maximize the benefits of digital technology particularly the elder, the disabled and those in the remote areas

(2) Strategy 4: Transform the public sector into digital government in connection with Action Plan 2 – Transform the work of the public sector by using digital technology to ensure efficiency and good governance and focusing on the integration of investment in resources, data link and work of the public agencies.

(3) Strategy 5: Develop workforce for the digital economy and society era in connection with Action Plan 2 – Encourage development of specialized skills and expertise for personnel in the digital technology field who work in the public and private sector in order to accommodate future demand.

3.4.13 Thailand's 3-Year Digital Government Master Plan B.E. 2559-2561 (2516-2518)

Strategy 1: Capacity development to support the operations

(1) Strategy 1: Central system data integration by linking data between public agencies through the central system using 13 digits to enable all agencies to widely exchange information and put in place on data safety and privacy control measure.

(2) Strategy 2: Authentication and rights management by using smart card for physical transactions or single electronic user account for electronic transactions with one account for all services and all agencies.

(3) Strategy 3: User-centered provision of one-stop service which allows user to quickly access accurate, complete and up-to-date information of all agencies based on individual request and to sort information by order of experience or type of services.

(4) Strategy 4: Proactive solution to complaint and access to demand to ensure efficient complaint management through one-stop channel with integrated data of all agencies and to understand problems and public demand through all channels in a proactive manner and ensure prompt preventive or solution actions by responsible agencies.

(5) Strategy 5: Electronic services infrastructure through government shared ICT infrastructure to ensure coverage and efficiency for the digital government.

(6) Strategy 6: Government capacity building to create engagement and prepare public agencies' personnel for digital government transformation.

3.4.14 Strategic Plan for of Thailand's Government System Development B.E. 2556-2561 (2013-2018)

(1) Development of High Performance Organization in accordance with Strategic Issue 2 – Organization development to ensure high capacity and modernization with professional personnel.

(2) Sustainable development in accordance with Strategic Issue 5 – Promotion of participatory public administration system among the government, the private sector and the public, and Strategic Issue 6 – Enhancement of transparency and building of confidence in the public administration.

3.5 Results of SWOT Analysis

At the seminar held on 21-23 December 2016, the related agencies jointly conducted SWOT analysis (Strength, Weakness, Opportunity and Threat) of Thailand's money laundering and terrorism financing (ML/TF) prevention and suppression. The scores[1], from highest to lowest, are as follows:

Strengths

No.	Strengths	Score
1	AML/CFT laws feature implementation mechanisms that support their effective operation such as the authority to send/receive and analyze financial transactions, to investigate and prosecute criminal offense of money laundering, to confiscate, seize and forfeit asset, to monitor, and to implement financial measures against designated persons. The existing AML/CFT measures also help lower the level of risks.	23.947
2	Public and private agencies are more alert of ML/TF prevention and suppression.	20.351
3	Personnel of law enforcement authorities have knowledge and competence of predicate crime investigation.	18.491
4	The institutional structure efficiently accommodates the operation.	17.370
5	Key supervisory agencies have knowledge and competence to monitor and examine businesses under their supervision.	13.054
6	There is work integration between related agencies such as law enforcement authorities and supervisory agencies to ensure efficient ML/TF prevention and suppression.	11.640

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[1] Score of each factor = Average score given by the seminar participants x Average weight of each factor

No.	Strengths	Score
7	Coordination and cooperation mechanisms for ML/TF prevention and suppression are highly competent and forceful, both in the policy and operation level.	10.421
8	Financial institutions place importance on compliance with good governance principles.	10.032
9	Law enforcement agencies and intelligence agencies well understand risks and context of the situation in the three southernmost of Thailand.	8.381

Weaknesses

No.	Weaknesses	Score
1	The database for ML/TF prevention and suppression is incomplete for effective use and there is no central database for ML/TF prevention and suppression accessible by related agencies.	20.735
2	Proactive analysis of financial transactions and financial intelligence as well as strategic analysis are not sufficiently effective and fail to contribute to concrete prosecution.	18.825
3	The number of personnel is inadequate and there is no continuity of personnel responsible for ML/TF prevention and suppression.	16.632
4	There is a lack of sound cooperation and data integration, causing some duplications in the operation.	15.895
5	There is no complete and detailed risk assessment by business sector, juristic person, non-profit organization (NPO) and by type of crime.	15.263

No.	Weaknesses	Score
6	Personnel in charge of ML/TF prevention and suppression lack expertise in financial investigation, monitoring and prosecution.	14.444
7	Some of the relevant laws and subordinate legislations are outdated and not in line with the changing ML/TF situation and international standards. They also lack comprehensive characteristics such as predicate offense, type of reporting entities, preventive measures on value-based confiscation and adequate penalty provision.	14.194
8	Law enforcement agencies and some businesses such as cooperatives and authorized money transfer agent as well as other professions and real estate agent lack understanding of threat and risks. The results of risk assessment are not processed for appropriate action.	13.991
9	Importance given on the investigation and prosecution is inadequate, hence causing a small number of criminal cases of money laundering.	13.874
10	The juristic person and NPO registration database system still has restriction on data completeness such as beneficiary, and there is no data search for use in the investigation.	13.202
11	There is a lack of active policy implementation and no monitoring mechanism to ensure compliance with ML/TF prevention and suppression policy.	12.987
12	Effort to seek international cooperation in the areas of predicate offense and ML/TF remains small particularly for risk offenses, i.e. corruption, tax evasion, human trafficking and drugs.	12.342

No.	Weaknesses	Score
13	Some of the business sector fail to fully comply with the measures on ML/TF prevention and suppression such as to report suspicious transaction, and to actively examine the authenticity of high-risk customers.	11.083
14	There is no agency with direct responsibility for money laundering investigation.	10.948
15	Importance given on the investigation and prosecution of criminal case against terrorism financing is still inadequate, hence a small number of cases.	9.809
16	Knowledge of the laws governing ML/TF prevention and suppression is not provided and disseminated sufficiently to related agencies, reporting entities and the public.	8.816
17	There is a lack of adequate measures to prevent criminals from taking management role in financial institutions, other organizations or businesses entities with risk of being misused as ML/TF channel.	7.127

Opportunities

No	Opportunities	Score
1	The government gives importance, determines, and supports the suppression of transnational crimes including corruption, drugs, human trafficking, money laundering and terrorism.	71.44
2	There is a strong cooperation network of countries that enhances the effectiveness of the ML/TF prevention and suppression as well as the combat against transnational crimes.	36.01

No	Opportunities	Score
3	Advanced technologies have been increasingly adopted to benefit the investigation and support the prosecution of money laundering cases.	28.77
4	International standards on ML/TF prevention and suppression serve as best practice for strengthening the prevention and suppression system.	24.83
5	The changing scenario of global finance with a shift to electronic system makes the transactions more traceable.	19.09
6	The civil society is aware and gives cooperation in complying with the relevant rules and regulations concerning ML/TF prevention and suppression.	19.08
7	The driving force and international politics have urged Thailand to develop ML/TF prevention and suppression system.	19.05

Threats

No.	Threats	Score
1	The advancement of technologies and communication allows criminals to misuse them to commit offense easily and conveniently.	26.45
2	Integration of ASEAN with the relaxed policies to encourage liberalization of trade, finance and investment for the economic benefits of Thailand leads to movement of more people and funds, and allows easy camouflage of criminals.	23.49
3	Forms of money laundering have been increasingly complicated and transnational, e.g. through front business or complicated corporate	22.60

No.	Threats	Score
	structure to conceal the real beneficiary, thus making the tracking of offenders more difficult.	
4	Geographical features with borders to neighbor countries can be used as channel for offenders to easily commit crimes or get away.	18.36
5	Transnational terrorist groups and foreign terrorist fighters have increasingly extended their influences into South East Asia.	16.42
6	Most people lack knowledge and understanding of the impacts of money laundering and terrorism financing on the national and economic security.	15.94
7	The economic system in which cash is popular makes financial tracking more difficult.	15.23
8	International cooperation particularly in criminal matters involve time-consuming and complicated procedure that adversely affect the efficiency of the prosecution.	13.17
9	There is a lack of political stability and continuity of policies.	11.18
10	Risk of document counterfeit is rather high.	7.33
11	There is problem of policy corruption.	7.25
12	The turmoil in the three southernmost provinces heightens risk of terrorism financing.	2.67
13	Terrorist networks have substantial funding and very strong support.	2.33

No.	Threats	Score
14	Tourism promotion policy allows criminals to easier enter into the country.	0.83

The above SWOT analysis and other factors contributed to the formulation of vision, mission, strategic issues, goals and strategies as detailed in Chapter 2.

Chapter 2

Anti-Money Laundering and Counter-Terrorism Financing Strategy

B.E. 2560-2564 (2017-2021)

1. Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021)

1.1 Vision

Thailand's anti-money laundering and counter-terrorism financing regime is effective and in line with international standards.

1.2 Mission

(1) Develop Thailand's regime of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing to ensure effectiveness and compliance with international standards.

(2) Elevate the regime of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing as a national agenda with AMLO as the center of integration of the laws, policies, measures and practices.

(3) Monitor the business sector, non-profit organizations and juristic persons to be effective and in accordance with international standards and good governance principles.

(4) Take action on the anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing in line with good governance principles.

(5) Strengthen the strategic partnership in the regime of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing, both domestic and abroad.

1.3 Strategy

Strategy 1: Develop preventive mechanism for financial institutions and non-financial institutions against money laundering, terrorism financing and proliferation of weapons of mass destruction financing

Principle and rationale: According to the report on national money laundering and terrorism financing risk assessment in 2012 and 2016, financial institutions and non-financial institutions are exposed to moderate and high risk of misuse as wrongdoing channel. The draft report on Thailand's compliance with AML/CFT international standards in 2017 also indicates that monitoring in the business sector is incompatible with its risk.

Goal	Indicator	Strategy	Timeline	Agency
1. Supervisory agencies understand and have in place monitoring system in line with the risks.	1.1 Report on money laundering, terrorism financing and proliferation of weapons of mass destruction financing risk assessment	1.1 Perform money laundering, terrorism financing and proliferation of weapons of mass destruction financing risk assessment.	Perform sector risk assessment from July 2017 to March 2018. Apply the result of sector risk assessment to perform risk assessment by business during January-July 2018.	<u>National and sector risk assessment:</u> AMLO <u>Risk assessment by business:</u> All private sector agencies of each business type under Strategy 1
	1.2 Report on strategic analysis in line with the risks	1.2 Perform strategic analysis covering all sectors and regions for use in setting out the supervision plan, policy and measure.	Commence the analysis in October 2017. Take action according to the analysis by January 2019.	<u>Primary agency:</u> AMLO <u>Supporting agencies:</u> NIA, NSC
	1.3 Supervision regime that accords with the risks and covers all businesses and all types of professions that incur risks	1.3 Develop supervision regime that accords with the risks and covers all businesses and all types of professions that incur risks.	Take action according to the assessment result by January 2020.	AMLO in collaboration with FPO, SET, SEC, OIC, Department of Provincial Administration, Department of Foreign Trade, Department of

Goal	Indicator	Strategy	Timeline	Agency
				Business Development, Cooperative Promotion Department, Cooperative Auditing Department
2. The business sector understands and take action according to the risks as well as fully complies with all the requirements of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing.	2.1 Percentage of the business sector's knowledge and understanding of money laundering, terrorism financing and proliferation of weapons of mass destruction financing risks	2.1 Promote knowledge and understanding of risk and risk assessment concerning money laundering, terrorism financing and proliferation of weapons of mass destruction financing to the business sectors.	Commence in December 2017. Ensure achievements according to all indicators by January 2021.	AMLO
	2.2 Number of business sectors that comply with the requirements of anti-money laundering, counter-terrorism financing and	2.2 Develop potential of the business sectors in term of compliance with the requirements of anti-money laundering, counter-terrorism financing	Commence in December 2018 and increase during 2019-2021.	AMLO in collaboration with FPO, SET, SEC, OIC, Department of Provincial Administration, Department of Foreign

Goal	Indicator	Strategy	Timeline	Agency
	proliferation of weapons of mass destruction financing	and proliferation of weapons of mass destruction financing in accordance with the risks, and prepare and publicize clear guideline.	Commence preparation of guideline in December 2018. Publicize the guideline in August 2019.	Trade, Department of Business Development, Cooperative Promotion Department, Cooperative Auditing Department
3. Effective implementation of targeted financial measures against persons associated with terrorism	3. Increase of assets freezing under the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (2016)	3.1 Encourage the business sectors to develop system to identify, and follow up high-risk customers and designated persons.	Commence in June 2019.	AMLO in collaboration with FPO, BOT, SEC, OIC, Department of Provincial Administration, Department of Foreign Trade, Department of Business Development, Cooperative Promotion Department, Cooperative Auditing Department

Goal	Indicator	Strategy	Timeline	Agency
		3.2 Increase channels to distribute complete list of designated persons having an act of money laundering, terrorism financing, and proliferation of weapons of mass destruction financing.	Commence in October 2017.	AMLO

Strategy 2: Develop system to protect non-profit organizations/juristic persons from money laundering and terrorism financing and proliferation of weapons of mass destruction financing

Principle and rationale: According to the report on national money laundering and terrorism financing risk assessment 2016, non-profit organizations (NPOs) are identified as a fund-raising channel representing 50% of total supporting funds. The draft report on Thailand's compliance with AML/CFT international standards in 2017 also states that the monitoring of NPOs and juristic persons in Thailand remains inadequate.

Goal	Indicator	Strategy	Timeline	Agency
1. NPOs/juristic persons are aware and take actions according to the risks to avoid being misused as channel of money laundering, terrorism financing and proliferation of weapons of mass destruction financing.	1.1 Report on risk assessment for NPOs/juristic persons	1.1 Assess risks of NPOs/juristic persons in details.	Commence in October 2017.	AMLO in collaboration with Department of Provincial Administration, Department of Employment, Department of Business Development, and National Office of Buddhism
	1.2 Measures to prevent NPOs/juristic persons from being misused as channel of money laundering, terrorism financing and proliferation of	1.2 Promote target-based knowledge and education taking into account the results of the risk assessment	Take action according to the results of the assessment by May 2018.	AMLO in collaboration with Department of Provincial Administration, Department of Employment, Department of

Goal	Indicator	Strategy	Timeline	Agency
	weapons of mass destruction financing			Business Development, and National Office of Buddhism
2. Monitoring of NPOs/juristic persons is performed in accordance with international standards.	2. Supervision and penalty system for NPOs/juristic persons that fail to comply with the requirements of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing	2.1 Develop supervision system for NPOs/juristic persons in line with the risks.	Take action according to the results of the assessment by January 2020.	AMLO in collaboration with Department of Provincial Administration, Department of Employment, Department of Business Development, and National Office of Buddhism
		2.2 Enhance NPOs/juristic persons' knowledge and understanding of actions to be taken according to the requirements.	Commence in January 2018.	
		2.3 Promote transparency in the operation of NPOs/juristic persons.	Commence in January 2018.	AMLO in collaboration with Department of Provincial

Goal	Indicator	Strategy	Timeline	Agency
		2.4 Supervise NPOs/juristic persons according their risks and impose appropriate penalty on those which fail to comply with the requirements or have inappropriate behavior.	Commence in July 2018.	Administration, Department of Employment, Department of Business Development, and National Office of Buddhism

Strategy 3: Elevate financial intelligence functions

Principle and rationale: Financial intelligence plays a pivotal role in anti-money laundering and counter-terrorism financing. Apart from being used in the investigation, it is essential to ensure proactive operation as quality financial intelligence will help identify trend of crimes in terms of form, method and high-crime areas. Such information will be applied to support the planning and determination of policies, measures and strategies for efficient prevention and suppression of crimes. However, the draft report on Thailand's compliance with AML/CFT international standards in 2017 states that proactive intelligence and strategic intelligence of Thailand remains slight.

Goal	Indicator	Strategy	Timeline	Agency
1. There is proactive and strategic financial intelligence for use in the anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing.	1.1 Increase of percentage of strategic financial intelligence report used in setting out policy and measure on anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing.	1.1 Develop strategic and proactive intelligence in line with the demand of all related agencies in all sectors and regions, and with the situation such as transnational terrorist and foreign fighters.	Fully implement by December 2018.	Primary agency: AMLO Supporting Agencies: RTP, NSC, NIA, ISOC
		1.2 Set up special financial intelligence unit.	Implement by January 2018.	AMLO in collaboration with RTP, NSC, NIA, ISOC

Strategy 4: Encourage integrated law enforcement and risk-based action against assets connected with the commission of offense

Principle and rationale: The target of most crimes is asset, and such asset obtained from the commission of offense is misused to repeat the wrongdoing, thus continuing the crime cycle. To take action against assets obtained from the commission of offense is an efficient measure to fight crime. If the offender is unable to maintain assets from the commission of offense, the motive to commit offense will become lower and the crime cycle will then be cut off. This will contribute to a sustainable success of the fight against crime particularly high-risk crime.

Proceedings against assets obtained from the commission of offense requires integrated cooperation of law enforcement agencies to ensure consistent operation in the same case and successful proceedings. However, the operations of agencies at present are not adequately connected. The draft report on Thailand's compliance with AML/CFT international standards in 2017 states the proceedings against these assets are not relevant to the risks.

Goal	Indicator	Strategy	Timeline	Agency
1. The enforcement of the law on proceedings against asset connected with the commission of an offense is carried out in an integrated manner with focus on high-risk crimes and covering both public and non-public sectors.	1. Increase of the number of asset cases with action taken by a joint operation team from various agencies	1. Establish a joint operation team and take action against asset connected with the commission of an offense that takes place both locally and abroad, particularly high-risk crimes.	Commence in December 2017 and increase during 2018-2021.	AMLO in collaboration with RTP, Department of Special Investigation, NAAC, PACC, ONCB, Customs Department, Revenue Department

Goal	Indicator	Strategy	Timeline	Agency
2. A substantial number of assets are frozen, seized or confiscated particularly those obtained from high-risk crimes.	2. Increase of the value of assets that are frozen, seized or confiscated in the high-risk crime.	2.1 Take action against asset connected with the commission of offense in line with the risks.	Commence in October 2017 and increase during 2018-2021.	AMLO in collaboration with VDC, RTP, Department of Special Investigation, NAAC, PACC, ONCB, Customs Department, Revenue Department
		2.2 Implement measures against asset connected with the commission of an offense to support the prosecution of predicate offense/criminal case of terrorism financing.	Commence in October 2017 and increase during 2018-2021.	AMLO
		2.3 Conduct transaction analysis to identify and pinpoint criminal network and assets connected with the commission of an offense.	Commence in October 2017 and increase during 2018-2021.	

Goal	Indicator	Strategy	Timeline	Agency
		2.4 Emphasize the interception and detection of cross-border smuggling of funds.	Commence in January 2018.	AMLO in collaboration with Customs Department, NIA, NSC
		2.5 Adopt tax measure against the offender in the event that the prosecution of predicate offense is not possible.	Commence after the effective date of the law.	Customs Department

Strategy 5: Elevate the prosecution of criminal case of money laundering and terrorism financing

Principle and rationale: Prosecution of criminal case of money laundering and terrorism financing (ML/TF) together with predicate offense and terrorism offense will increase the success opportunity in the combat against crime. Use of financial investigation as an important tool will help illustrate the connection between the parties related to the predicate offense and terrorism offense and the result of which can be widely extended in the investigation. This will enable prosecution against the whole network instead of an individual who may be only a small member in the operation.

In addition, the prosecution of ML/TF criminal case together with the predicate offense and terrorism case will lead to more serious penalty of each offense charged to the offender and accordingly a deterrence consequence. Nevertheless, not many statistics of the prosecution of ML/TF criminal case of have been available up until present.

Goal	Indicator	Strategy	Timeline	Agency
1. The prosecution of ML/TF criminal case increases appropriately in line with the risks.	1. Increase of the number of ML/TF criminal case in line with the risks	1.1 Create awareness of the importance of the prosecution of ML/TF criminal case.	Commence in October 2017.\n\nDevelop the project by 31 October 2018.	AMLO
		1.2 Enhance coordination and cooperation the prosecution of ML/TF criminal case.	Commence in July 2019 and increase during 2019-2021.	RTP and Department of Special Investigation in collaboration with AMLO, COJ, VDC, NAAC, PACC, ONCB, Customs Department, Revenue

Goal	Indicator	Strategy	Timeline	Agency
				Department, MSDHS, NSC, NIA
		1.3 Increase investigation of ML criminal case together with predicate offense.	Commence in January 2018 and increase during 2019-2021.	RTP, Department of Special Investigation
		1.4 Increase investigation of TF criminal case together with terrorism case.		
		1.5 Apply financial investigation in the prosecution of ML/TF criminal case.		

Strategy 6: Reinforce cooperation and strategic partnership network of related local and international agencies as well as the civil society sector

Principle and rationale: Success of the AML/CFT operation in each country cannot be materialized by implementation of one single agency within that country territory. With the complicated and transnational nature of money laundering and terrorism financing which also relate to various authorities, the success of the implementation relies on the cooperation, both within and outside the country, as well as cooperation of the civil society sector in complying with preventive measures which may cause some inconveniences in their business operation, and in surveillance and reporting to the government officials when finding any unusual incident.

In order to guaranty the efficient cooperation from all sectors, both local and overseas, it is necessary to develop strategic partnership with mutual benefits agreed upon by all parties for active collaboration. Nevertheless, there has not been sufficient participation of agencies in driving the AML/CFT policy. The draft report on Thailand's compliance with AML/CFT international standards in 2017 also shows that the cooperation of Thailand with other countries remains low.

Goal	Indicator	Strategy	Timeline	Agency
1. Cooperation network is in place covering related agencies and the civil society sector.	1.1 Increase of the number of cooperation network	1.1 Seek new cooperation network.	Commence in January 2018 and increase during 2019-2021.	All agencies under this Strategy
	1.2 The network's transformation of strategy into annual action plan	1.2 Create strategic partnership.	Commence after the approval of the Cabinet.	
2. The network has efficient coordination and response.	2.1 Increase of the number of requests and response to cooperation with international countries through the	2. Promote proactive cooperation with regard to, e.g.: - Monitoring	Commence in December 2017 and increase during 2018-2021.	VDC in collaboration with RTP, AMLO, Department of Special

Goal	Indicator	Strategy	Timeline	Agency
	central contact point of Thailand	- Beneficiary - High risk crime - Proceedings against the asset - Sharing of asset		Investigation, NAAC, PACC, ONCB, Customs Department, Revenue Department, Department of Treaties and Legal Affairs
	2.2 Increase of the number of requests for cooperation to international countries via informal channels		Commence in December 2017 and increase during 2018-2021.	All agencies under Strategy 6
	2.3 Shorter period of request response		Commence in December 2017 and decrease during 2018-2021.	

Strategy 7: Develop management system (law/policy and measure/personnel/ database) in accordance with international standards

Principle and rationale: Management system is a major structure behind the driving of the national AML/CFT function. The management system that accords with international standards and all aspects of the risks in the country is a guarantee that the AML/CFT operations will achieve its goals. However, the draft report on Thailand's compliance with AML/CFT international standards in 2017 states that several elements in Thailand's AML/CFT management system still fail to meet international standards, particularly with regard to the database.

Goal	Indicator	Strategy	Timeline	Agency
1. The laws, guidelines, policies and measures are in accordance with international standards for anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing.	1. Laws, guidelines, policies and measures that are in accordance with international standards for anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing, with compliance of at least 33 items out of 40 items.	1. Improve the laws, guidelines, policies and measures on anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing to accord with the risks in Thailand and international standards, i.e.: - Supervision - Financial intelligence - Law enforcement - Proceedings against the offender and asset	Complete the draft, discussion, meeting by 31 July 2018. Issue the laws and guidelines by 31 October 2018. Set out the policies and measures by 31 December 2018.	AMLO in collaboration with the related agencies

Goal	Indicator	Strategy	Timeline	Agency
		connected with the commission of an offense, who escaped and which was moved, to overseas. - Monitoring of NPOs/juristic persons - Fight against money laundering, terrorism financing and proliferation of weapons of mass destruction financing		
2. The organization structure and manpower are appropriate. The personnel are sufficiently capable of performing duties of anti-money laundering, counter-terrorism financing and proliferation of	2.1 Structure and number of manpower that suit the mission	2.1 Improve the organization structure, manpower and authority to suit the mission.	Commence preparation of the handbook, policy and procedure in October 2017 and seek approval in October 2018. Commence increase of personnel in January 2019 and	AMLO with support from related agencies
	2.2 Increase of efficiency in the procedure such as less time and resources used in the operation			

Goal	Indicator	Strategy	Timeline	Agency
weapons of mass destruction financing.			further increase during 2020-2021.	
	2.3 Agencies directly responsible for the prosecution of criminal case of money laundering and terrorism financing	2.2 Determine the authority and duties for agencies directly responsible for the prosecution of criminal case of money laundering and terrorism financing.	Commence in January 2018.	VDC, RTP, Department of Special Investigation, AMLO
	2.4 Percentage of the personnel who take training of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing	2.3 Establish and operate knowledge development center for anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing as well as financial intelligence.	Commence by October 2017. Implement the project by 31 December 2018.	AMLO with support of RTP, Department of Special Investigation, COJ, VDC, NAAC, PACC, Customs Department, Revenue Department, BOT, SEC, OIC, Department of Provincial Administration, Department of Employment,

Goal	Indicator	Strategy	Timeline	Agency
				Department of Business Development
		2.4 Develop capacity of personnel in areas such as: - Intelligence to support listing of the real persons providing terrorism financing - Analysis of financial transactions - Prosecution of criminal case of money laundering and terrorism financing - Financial technology.	Commence in January 2018 and increase during 2019-2021. Increase the training from September 2018 to December 2020. Ensure efficient operation plan by 31 December 2020.	AMLO in collaboration with RTP, Department of Special Investigation, VDC, COJ
3. There is database system for anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing operation, covering	3. Database system for anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing operation that is	3.1 Develop system for statistical data collection that is accurate, up-to-date, connectible, accessible and usable for determination of policy/measure on anti-	Commence in January 2018.	AMLO and National Statistical Office in collaboration with the agencies under Strategy 7

Goal	Indicator	Strategy	Timeline	Agency
the operations of all relevant agencies for better data linkage and usability.	connectible and accessible by December 2021.	money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing.		
		3.2 Develop database systems necessary for the operation such as: - Beneficiary database - NPO/juristic person database.	Commence in January 2018.	AMLO in collaboration with Department of Provincial Administration, Department of Employment, Department of Business Development, Department of Foreign Trade
4. There is are monitoring system, and report on the results of anti-money laundering, counter-terrorism financing and proliferation of	4. Report on the operational results by related agencies to AMLO within the specified period	4. Develop system to monitor, follow up and report the results of the operations of the relevant agencies.	Commence in January 2018. Fully implement by January 2019.	AMLO with support of the relevant agencies

Goal	Indicator	Strategy	Timeline	Agency
weapons of mass destruction financing operations.				

Strategy 8: Promote the application of technological innovations to support the anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing operations

Principle and rationale: Technological development brings about rapid and constant creation of various innovations such as digital technology, financial technology, drone, big data, etc. While facilitating activities, these innovations also enable criminals to take advantage of them. Therefore, it is necessary for the public and private sector to cooperatively enhance technology literacy for the benefit of crime prevention and suppression and to improve efficiency of the work method.

Goal	Indicator	Strategy	Timeline	Agency
1. Public agencies and the business sector are financial technology literate, able to adapt themselves and well-prepared for applying technological innovations to boost efficiency in their operation without hindrance to the operation of the business sector.	1.1 Transformation of strategy into annual action plan of the agencies	1.1 Encourage research on technological innovation and development of new financial technologies	Commence in October 2017	All agencies
	1.2 Percentage of knowledge and understanding of innovation and financial technology	1.2 Promote transfer of innovation and financial technology knowledge between public agencies and the business sector to ensure equal literacy and preparedness such as by organizing seminar.	Commence by October 2018. Prepare the project by 31 December 2018.	AMLO with support from the monitoring authorities, law enforcement agencies and the business sector

Goal	Indicator	Strategy	Timeline	Agency
	1.3 Amendment to the law and regulation that hinder utilization of technological innovation	1.3 Eliminate obstacles to optimize the use of technological innovations such as amendment of laws and regulations in line with the economic and social context which is during its transition to the digital era.	Prepare the draft and organize meeting for discussion by 31 December 2018. Ensure the law amendment by 31 October 2018.	AMLO in collaboration with related agencies
2. Technological innovation is protected from misuse for money laundering, terrorism financing and proliferation of weapons of mass destruction financing.	2.1 Report on analysis of money laundering forms, methods and trend with the use of technological innovation	2.1 Conduct analysis of money laundering forms and methods by making use of technological innovation, and submit the analysis report to the relevant agencies.	Commence in January 2018. 6-month frequency	AMLO
	2.2 Supervisory measures in accordance with the risks connected to new technologies or financial products	2.2 The related agencies use the analysis report to set supervisory policy and measures.	Implement in July 2018.	AMLO in collaboration with FPO, BOT, SEC, OIC, Department of Provincial Administration, Department of Employment,

Goal	Indicator	Strategy	Timeline	Agency
				Department of Business Development, Department of Foreign Trade
3. The efficiency of anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing operations increases.	3. Percentage of successful proceedings of predicate offense/criminal case of money laundering/ terrorism financing with the use of technological innovation	3. Apply technological innovation to support the investigation, extension of results and prosecution of the offender and asset connected with the commission of the offense.	Commence in January 2019 and increase during 2020-2021.	AMLO in collaboration with the agencies under Strategy 4 and 5

2. Responsible agencies

Strategy 1: Develop preventive mechanism for financial institutions and non-financial institutions against money laundering, terrorism financing and proliferation of weapons of mass destruction financing

Primary agency

Anti-Money Laundering Office (AMLO)

Supporting agencies

Public agencies (Fiscal Policy Office, Bank of Thailand, Office of the Securities and Exchange Commission, Office of Insurance Commission, Department of Provincial Administration, Department of Foreign Trade, Department of Business Development, Cooperative Promotion Department, Cooperative Auditing Department, National Intelligence Agency, National Security Council)

Private agencies (Government Financial Institutions Council, Thai Bank Association, Association of International Banks, Thai Life Assurance Association, Thai General Insurance Association, Association of Thai Securities Companies, Association of Investment Management Companies, Thai Hire-Purchase Association, Gold Traders Association, Thai Association of Foreign Exchange, Thai Real Estate Broker Association, The Jeweller Association, Thai Gem & Jewelry Traders Association, Thai Automobile Dealers Association, Lawyers Council Under the Royal Patronage, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, federation of cooperatives and/or relevant cooperatives of all the seven types.

Strategy 2: Develop system to protect non-profit organizations/juristic persons from money laundering and terrorism financing and proliferation of weapons of mass destruction financing

Primary agencies

Anti-Money Laundering Office, Department of Provincial Administration, Department of Employment, Department of Business Development, National Office of Buddhism

Supporting agencies

Foundations, associations, juristic persons

Strategy 3: Elevate financial intelligence functions

Primary agency

Anti-Money Laundering Office

Supporting agencies

Royal Thai Police, Office of the National Security Council, National Intelligence Agency, Internal Security Operations Command

Strategy 4: Encourage integrated law enforcement and risk-based action against assets connected with the commission of offense

Primary agencies

Anti-Money Laundering Office, Office of the Court of Justice, Office of the Attorney General, Military Prosecutor Office, Military Judicial Office, Royal Thai Police, Department of Special Investigation, Office of the National Anti-Corruption Commission, Office of Public Sector Anti-Corruption Commission, Office of the Narcotics Control Board, Customs Department, Revenue Department

Supporting agencies

Office of the National Security Council, National Intelligence Agency

Strategy 5: Elevate the prosecution of criminal case of money laundering and terrorism financing

Primary agencies

Office of the Court of Justice, Office of the Attorney General, Military Prosecutor Office Military Judicial Office, Royal Thai Police, Department of Special Investigation, Anti-Money Laundering Office

Supporting agencies

Office of the National Anti-Corruption Commission, Office of Public Sector Anti-Corruption Commission, Office of the Narcotics Control Board, Customs Department, Revenue Department, Ministry of Social Development and Human Security, Office of the National Security Council, National Intelligence Agency

Strategy 6: Reinforce cooperation and strategic partnership network of related local and international agencies as well as the civil society sector

<u>Primary agencies</u>

Anti-Money Laundering Office, Office of the Attorney General

<u>Supporting agencies</u>

Public agencies (Military Prosecutor Office, Military Judicial Office, Royal Thai Police, Department of Special Investigation, Office of the National Anti-Corruption Commission, Office of Public Sector Anti-Corruption Commission, Office of the Narcotics Control Board, Customs Department, Revenue Department, Department of Provincial Administration, Department of Land, Ministry of Social Development and Human Security, Department of Treaties and Legal Affairs, Department of International Organizations, Office of the National Security Council, National Intelligence Agency, Bank of Thailand, Office of the Securities and Exchange Commission, Office of Insurance Commission, Department of Employment, Department of Business Development, Cooperative Promotion Department, Cooperative Auditing Department)

Private agencies (Thai Bank Association, Association of International Banks, Thai Life Assurance Association, Thai General Insurance Association, Association of Thai Securities Companies, Association of Investment Management Companies, Thai Hire-Purchase Association, Gold Traders Association, Thai Association of Foreign Exchange, Thai Real Estate Broker Association, The Jeweller Association, Thai Gem & Jewelry Traders Association, Thai Automobile Dealers Association, Lawyers Council Under the Royal Patronage, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, federation of cooperatives and/or relevant cooperatives of all the seven types)

Strategy 7: Develop management system (law/policy and measure/personnel/ database) in accordance with international standards

<u>Primary agency</u>

Anti-Money Laundering Office

<u>Supporting agencies</u>

Public agencies (Office of the Court of Justice, Office of the Attorney General, Office of the Council of State, Military Prosecutor Office, Military Judicial Office, Office of Justice Affair, Royal Thai Police, Department of Special Investigation, Office of the National Anti-Corruption Commission, Office of Public Sector Anti-Corruption Commission, Office of the Narcotics Control Board, Customs Department, Revenue Department, Department of Provincial Administration, Department of Land, Ministry of Social Development and Human Security, Department of Treaties and Legal Affairs, Department of International

Organizations, Office of the National Security Council, National Intelligence Agency, Internal Security Operations Command, Bank of Thailand, Office of the Securities and Exchange Commission, Office of Insurance Commission, Fiscal Policy Office, Department of Employment, Department of Business Development, Department of Foreign Trade, Cooperative Promotion Department, Cooperative Auditing Department, National Statistical Office, Office of the Civil Service Commission, Office of the Public Sector Development Commission, Bureau of the Budget)

Private agencies (Thai Bank Association, Association of International Banks, Thai Life Assurance Association, Thai General Insurance Association, Association of Thai Securities Companies, Association of Investment Management Companies, Thai Hire-Purchase Association, Gold Traders Association, Thai Association of Foreign Exchange, Thai Real Estate Broker Association, The Jeweller Association, Thai Gem & Jewelry Traders Association, Thai Automobile Dealers Association, Lawyers Council Under the Royal Patronage, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, federation of cooperatives and/or relevant cooperatives of all the seven types)

Strategy 8: Promote the application of technological innovations to support the anti-money laundering, counter-terrorism financing and proliferation of weapons of mass destruction financing operations

Primary agency

Anti-Money Laundering Office

Supporting agencies

Public agencies (Office of the Attorney General, Office of the Court of Justice, Military Prosecutor Office, Military Judicial Office, Office of Justice Affair, Royal Thai Police, Department of Special Investigation, Office of the National Anti-Corruption Commission, Office of Public Sector Anti-Corruption Commission, Office of the Narcotics Control Board, Customs Department, Revenue Department, Department of Provincial Administration, Department of Land, Ministry of Social Development and Human Security, Department of Treaties and Legal Affairs, Department of International Organizations, Office of the National Security Council, Internal Security Operations Command, National Intelligence Agency, Fiscal Policy Office, Bank of Thailand, Office of the Securities and Exchange Commission, Office of Insurance Commission, Department of Employment, Department of Business Development, Cooperative Promotion Department, Cooperative Auditing Department, National Statistical Office, Bureau of the Budget)

Private agencies (Thai Bank Association, Association of International Banks, Thai Life Assurance Association, Thai General Insurance Association, Association of Thai Securities Companies, Association of Investment Management Companies, Thai Hire-Purchase Association, Gold Traders

Association, Thai Association of Foreign Exchange, Thai Real Estate Broker Association, The Jeweller Association, Thai Gem & Jewelry Traders Association, Thai Automobile Dealers Association, Lawyers Council Under the Royal Patronage, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, federation of cooperatives and/or relevant cooperatives of all the seven types)

Chapter 3

Transformation of Strategy into Action and Success Factors

1. Development of preparedness to materialize the plan

1.1 Urgent Period

(1)   To provide knowledge and understanding to enable all sectors including public and private sectors, non-profit organizations (NPOs) and the people sector to understand the principles, concept, intention and recognize the importance of the Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021), and to present to the public for further determination of the plans, activity projects, allocation of resources and operation guidelines of various sectors in an efficient and effective manner.

(2)   To ensure active and continuous transformation of the Strategy into action by all related agencies.

(3)   To amend the laws and regulations that hinder the operations in order to allow efficient solution to the problem of money laundering, terrorism financing and financing of proliferation of weapons of mass destruction.

(4)   To set up mechanisms to drive, process, urge and assess the implementation of this Strategy.

1.2 Medium-term Period

(1)   To put in place timely reporting system in accordance with the goals and indicators of the strategies.

(2)   To follow up the progress of the operations on a consistent basis.

(3)   To conduct mid-term performance assessment to specify guidelines for further improvement, correction and development of the strategic plans for the following period.

1.3 Long-term Period

(1)   To follow up and assess the operations of all related agencies after completion of the Strategy to report to AMLO and the Cabinet.

(2)   To prepare in collaboration with all related agencies the strategies of anti-money laundering, counter-terrorism financing and financing of proliferation of weapons of mass destruction for the following periods.

2. Driving Mechanisms

AMLO will follow up the progress of the agencies' operations and summarize problems and obstacles and propose recommendations for further reporting to the Anti-Money Laundering Board (AMLB) and the Cabinet at the end of the second quarter and the fourth quarter.

3. Success Factors

3.1   The government places importance and supports the implementation of the Anti-Money Laundering and Counter-Terrorism Financing Strategy B.E. 2560-2564 (2017-2021).

3.2   All relevant sectors including the public and private sectors, NPOs and the people sector are aware that the anti-money laundering and counter-terrorism financing measures are a key tool to stop crimes.

3.3   Each agency assigns their officers to urge and follow up the operation continuously.

3.4   There is a long-term international obligation to enable sustainable development of anti-money laundering and counter-terrorism financing regime.

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