Republic of Naoero

National Anti-Money Laundering, Combating Financing of Terrorism and Combating Proliferation Financing (AML/CFT/CPF) Strategy and Action Plan

2026-2030

Government of the Republic of Naoero
PUBLISHED ON 05 AUGUST 2026

Table of Contents

Foreword

On behalf of the Government of Naoero, I am pleased to present *'The Republic of Naoero National Strategy for Anti-Money Laundering and Combatting the Financial Terrorism* 2026-2030'. The aim of this national strategy is to provide general education, guidance, implementation and enforcement of the Republic of Naoero's international commitment as a global member in combatting and condemning money laundering, terrorist financing, proliferation financing and other financial crimes. The illicit manoeuvring and movement of funds obtained through illegitimate means and then circulated in our national and international financial system poses serious socio-economic and global security risks. The magnitude of the original crimes is severe in itself, but they also trigger other crimes that impact the rule of law, good governance with transparency and integrity and economic and financial instability.

The principal crimes have resulted in members of the United Nations implementing various multilateral instruments. To name a few are the Vienna Convention (1988) against Illicit Traffic in Narcotic Drugs and Psychotropic Substances; the Palermo Convention (2000) against Transnational Organised Crime; the Convention for the Suppression of Financing of Terrorism (1999). These have been further complemented by various United Nations Security Council Resolutions to criminalise money laundering, terrorist financing and proliferation financing. Naoero is a member of the Conventions and also bound by the Security Council Resolution.

In addition to these instruments, there are Financial Action Task Force (FATF) recommendations. Currently, there are 40 recommendations. The Republic finds FATF recommendations extremely important in establishing its national standards to address money laundering, terrorist financing, proliferation financing and associated financial crimes. Following the enactment of its first *Anti-Money Laundering Act 2004*, the Republic of

Naoero joined the Asia Pacific Group on Money Laundering ('APGML') in 2007. Naoero has now undergone 2 mutual evaluations by APGML with the latest in 2023. The mutual evaluation was undertaken to assess Naoero's regulatory legal framework and capability to address money laundering, terrorist financing and proliferation financing. The 2024 Naoero report has been published by the APGML.

In taking its obligations seriously, despite not having financial institutions for most part of its 18-year history, Naoero maintained the Office of the Financial Intelligence Unit (NFIU). In the past 13 years, the office has been further strengthened. Given that Naoero being a small country, maintaining independence of the FIU is very critical. The Strategy must not only incorporate but also undertake capacity building for the future to ensure smooth transitioning of expatriate roles to allow a Naoero citizen to take over the positions once an integrated and inter-sectoral implementation of the strategy is substantially entrenched.

The United Nations Resolutions, International and Regional agreements in combating money laundering, terrorist financing and proliferation financing and other financial crimes have been domesticated in the national laws. The *Anti-Money Laundering Act 2004* was repealed and replaced by the 2008 Act. Over the period, it has been amended a few times as well and Naoero has in place the *Anti-Money Laundering and Targeted Financial Sanctions Act 2023*. The new Act reflects the current international standards to combat money laundering, terrorist financing and proliferation financing and other financial crimes. Various laws supporting the enforcement of the AML/CFT have been enacted by the Government since the last mutual evaluation in 2023. This demonstrates a collective national commitment at the highest political level, irrespective of differences in ideologies in other matters. Such strong political commitment has been evidently seen through the opening of a financial institution in Naoero in 2015, namely the Bendigo Banking Agency, which ceased operations in 2025. However, that did not deter the Republic from seeking another

Bank to provide banking services to the Republic and its people. The opening of the Commonwealth Bank of Australia in the Republic of Naoero in August 2025 demonstrates an ongoing commitment to ensure Naoero has accessible financial services.

Introduction and enforcement through legislation of a taxation regime for personal income and profits since 2014, undoubtedly paves the way for greater accountability of the movement of money. Stricter border control on means, mode and amount of currency movement, through legislative reforms and Cabinet decisions, prohibits conveyance of money to and from the Republic. Electronic transactions and online shopping are becoming matters of concern given the technology era, which the National Strategy 2026- 2030 and the *Command Ridge Virtual Asset Authority Act 2025* must address. The legitimacy of cross-border transactions relating to the e-movement of currency is an ongoing global issue, which still requires serious national attention, and the Republic endeavours to improve its measures with respect to this worldwide issue via its international cooperation mechanisms, such as global memberships, shared understanding with other regional counterparts and related agreements already in place.

Cash control mechanisms are to be put in place by the Government. The Commonwealth Bank of Australia and AUSTRAC play a significant role now. The Automatic Teller Machines (ATM) and Electronic Fund Transfer (EFT) have all contributed to records being generated and collated of money movement. Also, this has restricted the movement of cash from the country.

The Strategy considers the National Risk Assessment 2025, the holistic government approach, the Mutual Evaluation in 2024, FURs and the recent consultations with all key stakeholders carried out by the ADB Consultant. A greater collaboration and co-operation have been established through the AML Governance Committee and AMLOC. In ensuring that legislative and administrative mechanisms are enforced, the FIU has been recognised to act independently. The Strategy must develop plans for the financial independence of FIU, through grant funding or the national budget. Focus must also be given to give FIU independence in carrying out its functions and powers in legislation. Given that the Republic's recent successful membership with the broader community (e.g. Egmont), which has a common goal of money laundering, terrorist financing and proliferation financing and other financial crimes, this will no doubt enhance our role in the global financial community.

An area which has recently become necessary for Naoero to consider is the targeted financial sanctions. This has been addressed by the enactment of the *Anti-Money Laundering and Targeted Financial Sanctions Regulations 2023.* This is a requirement under the United Nations Resolution no 1267 and the related resolutions from the United Nations Security Council Committee. The strategy must see to the domestication of this in the Republic's laws and administrative procedures with respect to all relevant stakeholders.

With this in mind, I approve this National Strategy, and it is to come into effect from 01 July 2026.

Loretta Teueli
Acting Chairperson
Anti-Money Laundering Governance Council

05/08/26

Introduction

Money laundering (ML), terrorist financing (TF) and proliferation financing (PF) undermine the integrity of financial institutions and markets, enable criminals to hide, store and benefit from the proceeds of their crime, and enable terrorist groups to function, recruit and commit terrorist acts.

The National Strategy 2026-2030 sets out the approach which Naoero will adopt to tackle ML, TF and PF over the next four years. In addition, it describes the priorities and objectives in addressing ML, TF and PF, and assists Naoero in meeting international obligations set by the Financial Action Task Force (FATF).

The Strategy is based on the findings of the updated 2025 National Risk Assessment (NRA) of Naoero, which was adopted by the Government of Naoero on 09 June 2026 and the gaps identified in the Mutual Evaluation Report (MER) of Naoero, which was adopted and published by the Asia Pacific Group on Money Laundering (APG) in November 2024. The NRA has identified high risk areas and measures the ability of Naoero's national institutional framework and operating model to mitigate those risks. The NRA report also briefly guides relevant authorities to prioritise actions to strengthen the national ML combating ability factors and anti-money laundering, combating financing of terrorism and countering proliferation financing (AML/CFT/CPF) controls in Naoero. The MER also sets out the key shortcomings in Naoero's AML/CFT/CPF framework and prioritised them. The Strategy, which takes account of the recommendations from both reports, has been developed to assist Naoero in strengthening its AML/CFT/CPF institutional and legal framework and systems.

The NRA has identified and assessed the threats, for example, the major crimes generating proceeds and vulnerabilities, that is, the sectors and products exposed to abuse or misuse, that Naoero is exposed to, as well as the national combatting abilities, that is, investigation, prosecution and asset forfeiture regime. The NRA also allows Naoero to determine how vulnerable the financial institutions (FIs), designated non- financial businesses and professions (DNFBPs), non-profit organisations, and legal entities and arrangements are to ML and TF, as well as the vulnerability of the emerging sectors, such as VASPs, shipping industry, and citizenship by investment (CBI) program.

The NRA of Naoero was conducted through a collaborative process involving all key stakeholders. Naoero's Financial Intelligence Unit (NFIU) was responsible for the coordination of the project with the technical support of the Asian Development Bank's consultant and the involvement of all key stakeholders, including the Department of Justice and Border Control (DJBC), Office of Director or Public Prosecutions (ODPP), Naoero Police Force (NPF), Naoero Customs Service Office (NCS), Naoero Revenue Office (NRO), Naoero Fisheries and Marine Resources Authority, Naoero Program Office for CBI, Command Ridge Virtual Assets Authority (CRVAA), Registrar of Courts, Naoero Maritime and Ports Authority, and representatives of the private sector.

Key findings of the NRA

In May 2026, the Government of Naoero adopted and published its third updated NRA. The main objective of the NRA is to devise an effective risk-based AML/CFT/CPF regime through an efficient allocation of resources and the adoption of measures which will prevent or mitigate ML, TF and PF on the basis of identified risks. For that purpose, the following factors were assessed under the risk assessment framework:

a) the scale and characteristics of the proceeds of criminal activities from both internal and external sources;
b) the scale and characteristics of terrorist financing in Naoero;
c) the scale and characteristics of proliferation financing in Naoero;
d) the weaknesses or gaps in Naoero's ability to combat ML, TF and PF;
e) the ML, TF and PF weaknesses or gaps arising from the financial services sector, virtual assets (VAs) and virtual asset service providers (VASPs) and designated non-financial businesses and professions (DNFBPs) in the country;
f) the ML, TF and PF threats and vulnerabilities associated with legal entities and legal arrangements operating in Naoero and the NPOs sector in the country;
g) the ML, TF and PF risks associated with the citizenship by investment (CBI) program and the shipping industry; and
h) the risk of financial exclusion.

The overall ML risk of the country is assessed as **LOW** by the NRA, comprising of **LOW** level of threat and **LOW** level of ML vulnerability.

The NRA findings show that domestic proceeds-generating crimes presents **LOW** ML threat to Naoero, and the threat coming from proceeds of crimes committed outside of the country's territory is also rated as **LOW**. The main relevant domestic crime types being drug-related cases (primarily possession and cultivation), sexual offences, and robbery and theft. Naoero is relatively free from the influence of organised crime, but there are elements undertaking profit-driven crime in Naoero, particularly in relation to tax evasion. Although investigations and prosecutions for bribery and corruption are rare, the ML threat posed by this crime is perceived to be **medium**, which is mainly in light of the findings of international reports. Cybercrime is also an emerging threat, as evidenced by a rising number of related investigations in recent years. Naoero's domestic financial system is very small, which significantly reduces the risk of large-scale money laundering from domestic sources.

On sectoral ML threat, money or value transfer services (MVTS), legal practitioners and casinos present a low risk of misuse for ML purposes, leasing to their **LOW** threat. Assessing the ML threat posed by Bendigo Bank Naoero Agency (BBNA) is more challenging, as it is not classified as a financial institution under the *Anti-Money Laundering and Targeted Financial Sanctions (AML-TFS) Act 2023*. Consequently, BBNA is neither obliged to comply with its requirements nor under the supervision of any competent authority in Naoero. Nonetheless, based on the limited available information, the threat posed by BBNA is also considered **LOW**. These ratings reflect the limited extent to which the products and institutions/businesses in these sectors have been exploited for laundering criminal proceeds, whether from internal and external sources, in the ML schemes of criminals detected through this risk assessment.

The overall national ML vulnerability of Naoero is assessed as **LOW**. This rating is influenced by an overall national combatting ability which is rated **MEDIUM-LOW**, characterised by its improving legal AML/CFT/PF framework, high-level political commitment, close partnerships among government agencies, fair and efficient prosecution and judicial process, and good external and international cooperation. There are however still gaps that need to be addressed in order to strengthen Naoero's overall AML/CFT/PF regime, including enhancing its AML/CFT/PF legal framework to ensure its effective compliance with the international AML/CFT/PF standards, building strong public-private sector partnerships, improving capacity (human and technical) and capability for ML investigations, prosecutions and convictions, and strengthening operational cooperation between national agencies.

The second factor influencing the overall national ML vulnerability rating was the overall sector vulnerability which was rated **LOW**. The table below summarises the final ML risk ratings for various sectors.

SECTORS	NRA 2025
Money or Value Transfers Services (MVTS)	**LOW**
Legal Practitioners	**LOW**
Casinos/Gaming Operator	**LOW**
Insurance Sector	N/A
Securities Sector	N/A
Money Lenders	N/A
Credit Unions	N/A
Accountants	N/A
Dealers in Precious Metals and Precious Stones	N/A
Trust and Company Service Providers (TCSPs)	N/A
Real Estate Agents	N/A
Legal Persons and Arrangements	**LOW**
NPOs	**LOW**

On TF risk, the NRA assessed that Naoero is exposed to LOW level of TF risk, with threat and vulnerability both rated as LOW. The LOW TF threat is due to various reasons. There has been no confirmed TF case in Naoero. High-risk patterns commonly associated with TF such as abuse of NPOs or physical movement of large quantities of cash or negotiable instruments across boundaries are not observed in Naoero. Nonetheless, TF threat to Naoero cannot be completely ruled out and must be constantly monitored with vigilance. Naoero has a sound framework in general to counter the financing of terrorism. Minor gaps have however, been identified in the fulfilment of the relevant UNSCR resolutions and in ensuring effective compliance with FATF recommendations on combating TF. Steps should be taken to address these gaps. Nonetheless, the shipping registry of Naoero has been assessed as posing HIGH risk for TF TFS.

Finally, on PF risk, Naoero is assessed as having a LOW level of PF threat and vulnerability. To date, there have been no confirmed PF cases in the country (including investigations, prosecutions, convictions, or SARs). Key high-risk factors typically associated with PF—such as a sophisticated financial services sector, complex legal persons and arrangements, or significant levels of international trade and financial transactions—are not present in Naoero. Nonetheless, the potential misuse of Naoero-flagged vessels for transporting goods to sanctioned countries or engaging in other illicit activities cannot be entirely ruled out and should be subject to ongoing vigilance and monitoring. Overall, Naoero has a generally sound PFT framework. However, gaps have been identified in the understanding and implementation of this framework by certain government agencies and reporting entities. Deficiencies also exist within the legal framework governing the shipping registry, its operations, and its monitoring. In addition, there is growing concern about the evolving VAs and VASPs sector, which may be exploited for PF purposes. These gaps should be addressed to strengthen the overall resilience of the system.

Despite the overall LOW ML/TF/PF risk of Naoero, the NRA has identified emerging risks arising from recent developments in the jurisdiction related to VAs, the CBI program, and the shipping registry, all of which have been assessed as presenting either HIGH or MEDIUM-HIGH RISK to the country.

SECTORS	NRA 2025
Shipping Industry	HIGH
VAs and VASPs	HIGH
CBI Program	MEDIUM-HIGH

The NRA has identified six areas in which action is needed to strengthen the AML/CFT/CPF regime of Naoero:

- Continue to enhance the AML/CFT/CPF legal and regulatory framework of Naoero to ensure its effective compliance with the evolving FATF standards.
- Enhance the resources, capabilities, and skills of law enforcement authorities (LEAs) and FIU to effectively detect, investigate and prosecute ML, TF and PF cases.
- Address the inconsistencies and gaps identified in applying the risk based AMLC/CFT supervisory regime.

- Improve information sharing between law enforcement agencies, the private sector and supervisors, building on the progress already made.
- Effectively supervise and monitor the risk associated with new and emerging technologies and sectors.
- Fill intelligence gaps, particularly those associated with the use of financial intelligence by competent authorities and availability of relevant AML/CFT/CPF-related statistics.
- Continue to work to improve individuals' and reporting entities' knowledge of ML, TF and PF risks to help them avoid being exploited by criminals.

The Strategy specifies a range of action measures and a comprehensive set of activities, which all relevant institutions are obliged to perform to address the identified gaps and deficiencies in improving the AML/CFT/CPF system and regime of Naoero. The final goal is to increase the efficiency level of the system for prevention of ML, TF and PF in the country.

The Anti-Money Laundering Governing Council (AMLGC) will monitor the implementation of this Strategy. An update to the National Risk Assessment will be conducted in 2030.

Overall High-level Objective

The National Strategy provides a framework and defines the priorities to enable the Government of Naoero to take a systematic approach towards achieving a high-level objective or vision.

OVERALL HIGH-LEVEL OBJECTIVE
Maintain an internationally compliant and effective AML/CFT/CPF regime that ensures the financial systems, and the broader economy of Naoero is protected from the threats of money laundering, terrorist financing and proliferation financial, thereby strengthening financial sector integrity and contributing to safety and security.

The integrity of the country's financial system is essential for economic and social development. However, crimes and the laundering of criminal proceeds undermine not only financial integrity but also good governance, financial sector stability and economic development. As such, Naoero is committed to implement a unified and cohesive strategy that would support a robust AML/CFT/CPF system. At the core of this strategy is compliance with international AML/CFT/CPF standards as this promotes financial integrity and supports the fight against crimes.

To attain this over-all high-level objective, the Government of Naoero is undertaking a clearly defined mission.

THE MISSION STATEMENT
Combating money laundering, its predicate offenses, terrorism, terrorist financing and proliferation financing by strengthening the AML/CFT/CPF legal framework, establishing a strong coordination and cooperation mechanism, intelligence sharing and enforcement efforts among relevant competent authorities and carrying out effective supervision and preventive measures in line with international standards, and increasing society's AML/CFT/CPF awareness and support.

The strategy provides a multi-faceted approach in combating ML, its predicate offences, terrorism, TF, and PF. A strong legal framework is key to a robust AML/CFT/CPF system. Collaboration of key government agencies, particularly the Naoero's financial intelligence unit (NFIU), law enforcement authorities (LEAs) and prosecutors, is also an essential component of the strategy. The quality of financial intelligence is also hinged on the effective supervision over, and proper implementation of preventive measures, by supervised entities. Finally, due to the impact of ML, TF and PF on the economy and public order, it is crucial that key government agencies and the public are made aware of the threats of ML, TF and PF, and the vulnerabilities of the country's AML/CFT/CPF system.

Strategic Themes

The overall high-level objective will be achieved through four main strategic themes, which are as follows:

- **Strategic Theme 1**: Mitigate money laundering, terrorist financing and proliferation financing risk through continuous improvement of the strategic, legislative and institutional framework, coordination and cooperation of all AML/CFT/CPF stakeholders and international cooperation.
- **Strategic Theme 2:** Prevent suspected proceeds of crime and funds intended for terrorism and proliferation from entering the financial and non-financial sectors or improve their detection and reporting by these sectors.
- **Strategic Theme 3:** Detect and disrupt money laundering threats while ensuring that criminals are sanctioned and deprived of illicit proceeds.
- **Strategic Theme 4:** Detect and disrupt terrorism financing and proliferation financing threats while ensuring that criminals are deprived of resources and they are adequately sanctioned.

Under each strategic theme, there are a set of defined strategic objectives (as detailed in the section below), the achievement of which will lead towards the achievement of the over-all high-level objective of this Strategy.

Strategic Objectives

Building on the insights from the NRA and the MER 2024, the National Strategy has identified 11 strategic objectives which are divided among four Strategic Themes. The over-all high-level objective of this National AML/CFT Strategy will be achieved by achieving these 11 strategic objectives, defined action measures and activities prescribed in the Action Plan, which is a part of this Strategy (Annex I).

Strategic Themes	Strategic Objectives
Mitigate money laundering, terrorist financing and proliferation financing risk through continuous improvement of the strategic, legislative and institutional framework, coordination and cooperation of all AML/CFT stakeholders and international cooperation.	1. Maintaining and improving a comprehensive understanding of money laundering, terrorist financing and proliferation financing risks in Naoero. 2. Strengthening the national AML/CFT/CPF legal and regulatory framework to ensure its compliance with the international AML/CFT/CPF standards and to effectively mitigating money laundering, terrorism financing and proliferation financing risks. 3. Strengthening national cooperation, coordination and information sharing mechanisms between the relevant competent authorities, as well as with the private sector.

	4. Enhancing international cooperation to ensure appropriate information, financial intelligence and evidence is timely delivered to facilitate action against criminals and their assets.
Prevent suspected proceeds of crime and funds intended for terrorism and proliferation from entering the financial and non-financial sectors or improve their detection and reporting by these sectors.	5. Strengthening the risk-based AML/CFT/CPF supervision and monitoring of the financial sector and DNFBPs to ensure their compliance with the AML/CFT/CPF obligations is commensurate with their risks. 6. Strengthening the framework for effective regulation, supervision and monitoring of new and emerging technologies and sectors in Naoero to prevent the abuse for money laundering, terrorist financing and proliferation financing. 7. Strengthening the implementation of AML/CFT/CPF measures by reporting entities. 8. Enhancing transparency of beneficial ownership of legal persons and legal arrangements.
Detect and disrupt money laundering threats while ensuring that criminals are sanctioned and deprived of illicit proceeds.	9. Strengthening the law enforcement efforts and intelligence capability to effectively detect, process and properly sanction the perpetrators of ML and ensuring that illegal proceeds are confiscated. 10. Developing and implementing the AML/CFT/CPF data collection processes and mechanisms.
Detect and disrupt terrorism financing and proliferation financing threats while ensure that criminals are deprived of resources and they are adequately sanctioned.	11. Improvement and efficient implementation of the legislative framework governing the prevention of terrorist financing and proliferation financing, and increased efficiency in detecting, processing and properly sanctioning the perpetrators of terrorist and proliferation financing.

Strategic Objective 1

Recommendation 1 of the 2012 FATF Recommendations and the FATF Methodology 2013 requires countries to not only identify and assess the ML/TF/PF risks facing the country but also to keep the risk assessments up-to-date and to adopt mechanisms to provide information on the results of the risk assessments to all relevant competent authorities and self-regulatory bodies (SRBs), FIs and DNFBPs.

One of the key findings in Naoero's 2024 MER was the need for major improvements to the 2023 NRA of Naoero. The report emphasized that significant efforts are required to better understand the threats or vulnerabilities facing Naoero. It also highlighted that it not evident that all competent authorities and reporting entities in Naoero have a clear understanding of ML/TF risks or threats and vulnerabilities.

The updated NRA of Naoero has recently been adopted by the Government of Naoero on 09 June 2026. The first objective of the Strategy is thus to promote a good understanding of ML/TF/PF risks facing Naoero, as identified in the NRA, and to continue its efforts to identify and properly assess any emerging ML/TF/PF threats and vulnerabilities. One of the priority areas identified in the NRA is for Naoero to closely monitor emerging ML/TF/PF risks, especially associated with evolving PSPs, VAs and VASPs, shipping registry, and citizenship by Investment (CBI) program.

STRATEGIC OBJECTIVE 1 **Maintaining and improving comprehensive understanding of money laundering, terrorist financing and proliferation financing risks in Naoero.**	
Expected Results	**Measures of Success**
FIs, DNFBPs, relevant competent authorities and all supervisory and regulatory bodies, including the public, are aware of and understand the ML, TF and PF risks identified in the NRA Continuity sustained in reviewing threats and vulnerabilities i.e., ongoing assessment of emerging ML/TF risks and vulnerabilities Update of the ML/FT NRA of Naoero in 2030	Published NRA report on the website of the NFIU Number of outreach activities relating to the findings of the NRA Publication of new trends and typology reports Published updated ML/TF/PF NRA report within the specified time period Use of the NRA by the private sector and supervisors to inform their own risk assessments and prioritize their activities
Action Measures	
1. Ensure that all reporting entities, relevant competent authorities, supervisory and regulatory bodies are aware of the findings of the NRA and understand the ML/TF/PF risks facing Naoero. 2. Continuously monitor the emerging ML/TF/PF risks and publish relevant typologies and trends reports. 3. Update the ML/TF/PF NRA and the National AML/CFT Strategy after four years' time period in 2030.	

Strategic Objective 2

Since the 2024 MER of Naoero, Naoero has further strengthened its AML/CFT/CPF legal framework in order to address several deficiencies identified in the 2024 MER of Naoero. Naoero has reviewed and amended a number of its AML/CFT/CPF-related legislations, including Anti-Money Laundering and Targeted Financial Sanctions (Amendment) Act 2025, Counter Terrorism and Transnational Organised Crime (Amendment) Act 2025, Crimes (Amendment) Act 2024, Customs (Amendment) Act 2024, Extradition (Amendment) Act 2024, and Vessel Registration Act 2024. Nonetheless, there are still some deficiencies identified in the NRA, as well as the 2024 MER of Naoero, that relate to procedural and policy requirements which are yet to be addressed by Naoero, including addressing minor gaps in beneficial ownership data collection and availability, assessing the need for additional action concerning sectors not subject to comprehensive AML/CFT/CPF obligations (such as foreign PSPs) and strengthening the legislative and regulatory framework applicable to VAs and VASPs . Naoero shall continue to work on strengthening its AML/CFT/CPF regime to comply with the international standards.

STRATEGIC OBJECTIVE 2 **Continue strengthening of the national AML/CFT/CPF legal and regulatory framework of Naoero to ensure its compliance with the international AML/CFT/CPF standards and to effectively mitigate money laundering, terrorism financing and proliferation financing risks.**	
Expected Results	**Measures of Success**
Legal and regulatory AML/CFT/CPF framework is in compliance with the international AML/CFT/CPF Framework	Successful amendments to the relevant laws and regulations Enactment of new legislation and regulations, where required. Updated guidance and, where required, issuance of new AML/CFT/CPF-related guidance to FIs, DNFBPs and the NPOs sector
Action Measures	
1. Continue strengthening the existing AML/CFT/CPF legal and regulatory framework and undertake necessary measures to ensure compliance with the international AML/CFT standards. 2. Review and update existing guidance and to issue new AML/CFT/CPF guidance and procedures, where required, to FIs, DNFBPs and NPOs.	

Strategic Objective 3

The NRA has identified that overall Naoero has a good institutional basis for national co-operation and co-ordination, but effectiveness needs to be improved at operational levels. The MER 2024 has also identified the lack of clear central coordination and cooperation mechanism across the agencies in AML/CFT at the operational level, including coordination to implement TFS in relation to the shipping registry. At the same time, it has also been identified that a proper mechanism and system should be established at national level to ensure the effective implementation and monitoring of this Strategy and its Action Plan to achieve the agreed objectives. This is also one of the requirements under FATF Recommendations 2 and also a recommendation made by 2024 MER for Naoero.

STRATEGIC OBJECTIVE 3 **Continue strengthening national cooperation, coordination and information sharing mechanisms between the relevant competent authorities, as well as with the private sector stakeholders**	
Expected Results	**Measures of Success**
Established system and mechanism to ensure the effective implementation and monitoring of this Strategy and its Action Plan	Annual progress reports published by the AML Governing Council (AMLGC) on the effective implementation of this Strategy and Action Plan Final report published by the AMLGC on the successful implementation of action measures and activities identified in this Strategy
Action measures and activities, as provided in this Strategy, to effectively mitigate the ML/TF/PF risks identified in the NRA are implemented	
Number and quality of AML/CFT/CPF-related information sharing requests between the competent authorities, including for intelligence exchange, and increase in dissemination reports	Statistics on number of requests by and between the competent authorities, as well as to the NFIU and dissemination cases Qualitative assessment of usefulness of information requested and shared (e.g., through feedback mechanism)
Shared information contributed to successful identification of criminal activity while being protected	Percentage of cases involving shared information Qualitative assessment of importance of shared information to cases (e.g., through reporting or sampling of cases)
Effective coordination and cooperation mechanism established among the stakeholders to ensure the effective implementation of TFS requirements to the shipping registry	Monthly reports sharing relevant and accurate information and data on TFS implementation and its results among the relevant shareholders.
Action Measures	

1. Ensure AMLGC has sufficient powers and resources for the effective implementation and monitoring of this Strategy
2. Strengthen the framework and mechanism for information sharing between the relevant competent authorities, even outside AMLOC, for improved cooperation and coordination at operational level
3. Continue strengthening arrangements and coordination mechanisms to enforce cross-border declarations and combat physical smuggling of cash.
4. Develop context-appropriate mechanisms within competent authorities to ensure information exchanged between agencies has confidentiality protections
5. Continue strengthening the work of AML Private Partners' Committee (AMLPPC) that serves as a forum for public/private sector dialogue on issues pertaining to ML, TF and PF

Strategic Objective 4

The NRA has assessed that overall Naoero has put in place and uses a wide range of mechanism to provide international cooperation, including mutual legal assistance (MLA), financial intelligence exchange, and cooperation of LEAs with their foreign counterparts. Nonetheless, it has been identified that international cooperation needs to be further strengthened in certain areas. Some of the gaps identified in the NRA and 2024 MER relates to the capacity of the relevant agencies, especially competent authorities other than NFIU, to identify and initiate requests for international cooperation, limited utilization by of regional and international forums by competent authorities other than NFIU for AML/CFT purposes at the operational level, lack of case management system and measures to record timeliness for processing requests, and lack of priority/simplified measures in place for extradition. Knowledge and skills may be acquired and/or enhanced with the assistance of international partners.

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 4

Enhancing regional and international cooperation to ensure appropriate information, financial intelligence and evidence is delivered to facilitate action against criminals and their assets.</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Timely and efficient provision of information on perpetrators of money laundering, terrorist financing and proliferation financing, as well as illegally acquired property within the international cooperation</td><td>Annual report (with detailed information, including information on time needed to prepare a response, quality of the prepared response etc.) on realized international cooperation i.e., exchanged information on perpetrators of money laundering, financing of terrorism and proliferation financing.</td></tr>
<tr><td>Enhanced use of international cooperation forums by the competent authorities, especially by LEAs, for AML/CFT purposes at the operational level</td><td>Annual report on the use of international forums by LEAs for AML/CFT purposes at operational level.</td></tr>
<tr><td colspan="2">Action Measures</td></tr>
<tr><td colspan="2">1. Continue to enhance existing legal framework and arrangements to handle international cooperation including mutual legal assistance, extradition, intelligence and asset recovery.
2. Develop and implement an international cooperation and coordination framework for competent authorities.
3. Strengthen the use of international cooperation by the LEAs, including through the INTERPOL platform and access to ‘FIU to FIU’ information exchange.
4. Strengthen and formalize case management system, procedures and coordination with regards to sending and responding to international information exchange requests (both formal and informal).</td></tr>
</table>

Strategic Objective 5

The 2024 MER of Naoero noted Naoero's AML/CFT supervision needs fundamental strengthening to ensure it is risk-based and covers the full population of reporting entities, including sectors such as law firms providing TCSP services. The NRA has also identified gaps in the AML/CFT/CPF supervision and monitoring; for example, with the payment service providers (PSPs) offering money remittance services in Naoero. As noted in the MER, the NFIU, as a supervisor, need to maintain vigilance to ensure all relevant entities are registered, supervised and included in risk-based supervisory and monitoring planning. The 2024 MER also noted major shortcomings in applying a risk-based approach to TF and PF risk, including limited monitoring of PF-TFS/CPF compliance. The MER also noted that NPO oversight is limited and not risk based. The effective implementation of the 'fit and proper' requirements by the reporting entities needs to be monitored.

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 5

Strengthening the risk-based AML/CFT/CPF supervision of the financial sector and DNFBPs to ensure their compliance with the AML/CFT/CPF obligations commensurate with their risks.</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Improved risk-based AML/CFT/CPF supervision of FIs and DNFBPs</td><td>Adoption and effective implementation of risk-based supervisory manual

Annual sublimated report (with thorough statistics) on AML/CFT/CPF supervision by supervisory authorities.</td></tr>
<tr><td>Implementation of risk-based supervision of the NPO sector</td><td>Annual sublimated report (with thorough statistics) on risk-based supervision of the NPO sector</td></tr>
<tr><th colspan="2">Action Measures</th></tr>
<tr><td colspan="2">• Continue to strengthen risk-based supervisory and monitoring framework for FIs and DNFBPs consistent with relevant international standards and effective for preventing and deterring ML/TF/PF.
• Promote cooperation and coordination among CRVAA and NFIU in supervising VASPs sector.
• Continue to strengthen AML/CFT supervisory capacities and skills.
• Establish and maintain a risk-based supervisory framework for non-profit organisations consistent with relevant international standards and effective for preventing and deterring TF activities.
• Promote financial inclusion by implementing a risk-based approach to combatting ML/TF/PF risks</td></tr>
</table>

Strategic Objective 6

The 2024 MER identified gaps in the understanding and implementation of the AML/CFT obligations by the reporting entities in Naoero, including the varied application of the CDD measures, record-keeping obligations, and low-level submission or non-submission of suspicious activity report (STRs) to the NFIU. The 2024 MER also identified that except the MVTS provider, other reporting entities have limited mechanisms to implement PF TFS related obligations or mitigations. Continuous outreach activities and awareness raising of the reporting entities about their AML/CFT obligations, ML/TF risks, typologies and red flags by the NFIU is one of the recommended actions by the MER 2024. The NRA also highlighted that the understanding of ML/TF risks and AML/CFT obligations varies among the reporting entities and also that there is a lack of comprehensive and quality data available from the reporting entities. Consequently, enhancing the implementation of the AML/CFT measures by the reporting entities, commensurate with their risk, and submission of quality STRs has been agreed as one of the objectives of this Strategy.

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 6

Strengthening the understanding and implementation of AML/CFT/CPF measures, and the quality of suspicious activity reports submitted by FIs and DNFBPs to the NFIU.</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Increased efficiency of measures to detect and prevent ML, TF and PF.</td><td>Published updated and/or new guidance on application of AML/CFT/CPF measures, including on suspicious indicators/red flags for FIs and DNFBPs</td></tr>
<tr><td>Availability of comprehensive and quality AML/CFT/CPF data from FIs and DNFBPs</td><td>Standardised reporting is implemented and validated through periodic data-quality reviews showing timely collection with high completeness and consistency, and a measurable reduction in errors and missing fields.</td></tr>
<tr><td>Increased quantity and enhanced quality of STRs.</td><td>Annual report and statistics on received and analysed STRs</td></tr>
<tr><th colspan="2">Action Measures</th></tr>
<tr><td colspan="2">• FIs and DNFBPs adopt and implement adequate measures and actions to detect ML/TF risks in accordance with their determined risks and risk profile.
• Increased supervisory outreach and awareness raising of the reporting entities on AML/CFT/CPF obligations, ML/TF typologies and red flags (e.g., typology and trend reports, conferences, training).
• Improved quantity and quality of STRs, including voluntary STRs by the CBA.
• Enhance outreach activities promoting NPOs awareness on ML/TF risks and to enhance their capacities to effectively detect and prevent their misuse for ML/TF.</td></tr>
</table>

Strategic Objective 7

The NRA has identified a few emerging risks of ML/TF/PF in Naoero, including CBI program, VAs and VASPs, and the emerging PSPs in the country currently providing limited money remittance services, which need to be closely monitored to ensure that they are not being misused by criminals. The MER 2024 also noted the need for Naoero to properly assess and mitigate the identified ML/TF/PF risks related to VAs/VASPs and CBI program.

STRATEGIC OBJECTIVE 7 **Strengthening the framework for effective regulation, supervision and monitoring of new and emerging technologies and sectors in Naoero to prevent the abuse for money laundering, terrorist financing and proliferation financing.**	
Expected Results	**Measures of Success**
Legal and regulatory framework is in compliance with the international AML/CFT/CPF standards	Successful amendments to the relevant laws and regulations Enactment of new legislation and regulations, where required. Updated guidance and, where required, issuance of new AML/CFT-related guidance to FIs, DNFBPs and the VASPs sector
Implementation of the risk-based AML/CFT/CPF supervision of the VASPs sector	Annual submitted report (with thorough statistics) on AML/CFT/CPF supervision by CRVAA and NFIU
Increased awareness and understanding of the competent authorities, FIs, DNFBPs and VASPs on ML/TF/PF risks associated with new technologies	Publication of a comprehensive ML/TF/PF risk assessment of VAs and VASPs Number of successful trainings by competent authorities and reporting entities in this area
Action Measures	
1. Ensure that the legal and regulatory framework to regulate, supervise and monitor new technologies are adequate and effective. 2. Conduct comprehensive ML/TF/PF risk assessment of VAs and VASPs. 3. Establish and maintain a risk-based supervisory framework for VASPs consistent with relevant international standards and effective for preventing and deterring ML/TF/PF activities. 4. Enhance outreach activities promoting public and private sector awareness on risks associated with VAs and to enhance their capacities to effectively detect and prevent their misuse for ML/TF/PF. 5. Continue to strengthen and closely monitor the CBI program to mitigate the risk of it being abused for criminal purposes.	

Strategic Objective 8

The NRA has noted that although a lot of effort has been made to enhance the transparency of beneficial ownership of legal persons and legal arrangements, there is still a need to further strengthen the legal, regulatory and technical framework to ensure that 'adequate, accurate and up-to-date' information on beneficial owners of legal persons and legal arrangements is available and accessible in a timely manner. This also extends to the beneficial ownership information collected by the shipping registry on Naoero-flagged vessels. Moreover, the 2024 MER also noted gaps in the understanding of the competent authorities about ML/TF risk associated with legal persons and legal arrangements, the use of available registries by key stakeholders, and their understanding of the BO-related requirements.

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 8

Enhancing transparency of legal persons and legal arrangements</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Information on basic and beneficial ownership of legal persons and legal arrangements is readily available and accessible to the competent authorities</td><td>Establishing electronic register containing basic and beneficial ownership information of legal persons and legal arrangements

Increased use of BO register by the competent authorities and reporting entities</td></tr>
<tr><td>BO register contains adequate, accurate and up-to-date information on beneficial owners of legal persons and legal arrangements</td><td>Statistics on entities that have updated their BO data on the register</td></tr>
<tr><td>Shipping registry contains adequate, accurate and up-to-date information on beneficial owners of Naoero-flagged vessels</td><td>Statistics on entities that have provided and updated their BO data on the register</td></tr>
<tr><td>Enhanced understanding of competent authorities on ML/TF/PF risks associated with legal persons and legal arrangements, including those with responsibilities for administering the shipping registry</td><td>Documented, adopted ML/TF/PF risk guidance on legal persons/legal arrangements (including shipping registry), with assessed staff learning and evidence of risk-based procedures and coordination in use.</td></tr>
<tr><th colspan="2">Action Measures</th></tr>
<tr><td colspan="2">• Continue to strengthen the legal and regulatory framework on the transparency of beneficial ownership (BO) for legal persons and legal arrangements ensuring compliance with the international AML/CFT standards.
• Strengthen the existing mechanisms to ensure that adequate, accurate and up-to-date BO information on legal persons and legal arrangements is available to competent authorities in a timely manner, including establishment of electronic BO register of legal persons and legal arrangements.
• Continue to strengthen the understanding of the competent authorities of the ML/TF/PF risks associated with legal persons and legal arrangements and how to identify and investigate ML/TF/PF through legal entities, in particular the use of basic and BO information to help inform intelligence and investigatory activities.</td></tr>
</table>

• Continue to build awareness and familiarity within key stakeholders, and the public in general, of the registry division documents and regulations to ensure understanding of their requirements.

Strategic Objective 9

The NRA identified lack of ML investigations, prosecutions and convictions in Naoero. A concern in this regard has also been highlighted by the 2024 MER of Naoero, which is commensurate with Naoero's risk and context. Nonetheless, lack of ML investigations and prosecutions in Naoero have been attributed to several factors, including limited understanding of financial crimes and limited technical capacity or experience to identify and investigate ML or the financial element of most proceeds generating cases. Additionally, there is limited and minimal use of financial intelligence shared by the NFIU by LEAs in developing evidence for predicate and ML investigations. The 2024 MER of Naoero has recommended, as a priority action, for Naoero to enhance capacities of LEAs and develop and implement operational strategies for more proactive use of the financial intelligence shared by NFIU with LEAs. Similarly, both the NRA and 2024 MER identified very few instances where illegal proceeds are either seized, frozen or confiscated or an action has been initiated to seize, freeze or confiscate the proceeds of crime, by the relevant Naoero authorities relating to predicate offences – the process which need to be improved. Lack of specific actions or measures in place to prioritize tracing of proceeds of crime, assets, instrumentalities and property of equivalent value, or to encourage their seizure and confiscation, has also been identified as a gap in the AML/CFT regime of Naoero by the 2024 MER.

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 9

Strengthening the law enforcement efforts and intelligence capability to effectively detect, process and properly sanction the perpetrators of ML and ensuring that illegal proceeds are confiscated</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Increased number of cases using financial investigations</td><td>Annual report and statistics on the number of parallel financial investigations initiated and their outcomes.</td></tr>
<tr><td>Increased use of financial intelligence by LEAs in developing evidence for predicate and ML investigations</td><td>Annual report and statistics on the number of cases using financial intelligence shared by NFIU by LEAs</td></tr>
<tr><td>The property subject to confiscation is timely identified and secured</td><td rowspan="2">Published annual report and statistics on frozen assets, seized and confiscated property in cases of both predicate offences and money laundering.</td></tr>
<tr><td>Effective management of seized and confiscated property</td></tr>
<tr><td>Enhanced capacities of LEAs, especially Customs, on proceeds of crime, cash and BNIs moving across Naoero's borders.</td><td>Regular training is completed and evidenced by improved operational results, including increased detections, cash/BNI seizures, cross-border referrals, and properly documented case outcomes reported annually.</td></tr>
<tr><th colspan="2">Action Measures</th></tr>
<tr><td colspan="2">1. Continue to strengthen the capacity and capabilities of the competent authorities to identify and investigate ML/TF/PF and predicate offences, including those committed through legal persons.
2. Continue to strengthen the capacities of the NFIU for making tactical, strategic and operational analysis</td></tr>
</table>

3. Strengthen the knowledge, skills and capabilities of LEAs in conducting financial investigations or tracing funds.
4. Continue to strengthen the knowledge and capacities of prosecutors and judges on prosecuting and adjudicating ML/TF cases.
5. Establish and ensure the effective implementation of systems and mechanisms for tracing, freezing, seizing and confiscating illegal assets, including developing skills and capacities of relevant LEAs in this regard.
6. Continue to strengthen the knowledge and capabilities of NCS and other LEAs on the risks of proceeds of crime, cash and BNIs moving across Naoero's borders

Strategic Objective 10

The NRA identified the lack of readily available, reliable and consistent data across key stakeholders, including gaps in statistics on value of illicit proceeds associated with predicate offences and uneven quality of data submitted by the reporting entities, as well as regulatory and competent authorities. The data provided by some stakeholders is either incomplete for the sample period, not up-to-date, or inconsistent, which limits Naoero's ability to effectively monitor risks, measure effectiveness, and support risk-based supervision and policy decisions. The 2024 MER of Naoero also highlighted this issue, noting that "in areas that have proven relevant to Naoero's context, such as international cooperation, statistics are not comprehensive across agencies."

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 10

Developing and implementing an effective AML/CFT/CPF data collection and management system</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Availability of comprehensive and complete statistics on predicate offences, including ML, TF and PF offences, and the proceeds of crime involved under each offence.</td><td>Annual report on predicate offences, including ML and TF, and the funds involved under each predicate offence.</td></tr>
<tr><td>Availability of comprehensive statistics on national and international cooperation and information exchange.</td><td>Comprehensive annual report and statistics on national and international cooperation and coordination in AML/CFT/CPF related matters, including on predicate offences</td></tr>
<tr><th colspan="2">Action Measures</th></tr>
<tr><td colspan="2">1. Establish an efficient system or mechanisms for the collection and maintenance of AML/CFT/CPF-related data.
2. Establish and/or strengthen case management system for cases under investigation, prosecution, convictions, and seized/confiscated properties, by maintaining sufficient and comprehensive statistics
3. Set up governance and infrastructure.
4. Agree on information sharing approach.
5. Enhance the capabilities and capacities of all the relevant agencies to meet the AML/CFT data collection and sharing requirements.</td></tr>
</table>

Strategic Objective 11

Since the 2024 MER, Naoero has introduced a number of amendments to enhance its legal and regulatory framework governing the prevention of terrorist financing and proliferation financing, as well as to address the deficiencies identified in the MER 2024, including by amending the Anti-Money Laundering and Targeted Financial Sanctions (Amendment) Act 2025, Counter Terrorism and Transnational Organised Crime (Amendment) Act 2025, and enacting the Vessel Registration Act 2024. Nonetheless, there are a number of deficiencies identified in the NRA, as well as the 2024 MER of Naoero, that are still remaining to be addressed by Naoero. These include, for instance, the gap around reporting, cooperation and coordination among stakeholders in implementation of TFS requirements by the shipping registry, limited capacities and capabilities of the LEAs to effectively detect, investigate and prosecute TF/PF cases, limited understanding of both competent authorities (other than the FIU and DPP) and reporting entities in relation to TFS and CPF requirements, as well as no operational procedures or mechanism for competent authorities to handle enquiries relating to freezing measures, false positives and potential evasions.

<table>
<tr><th colspan="2">STRATEGIC OBJECTIVE 11

Continue improvement and efficient implementation of the legislative and regulatory framework governing the prevention of terrorist financing and proliferation financing and increased efficiency in detecting, investigating and properly sanctioning the perpetrators of TF and PF</th></tr>
<tr><th>Expected Results</th><th>Measures of Success</th></tr>
<tr><td>Effective implementation of TFS sanctions in relation to the vessels registered under Naoero’s shipping registry</td><td>Documented TFS screening and escalation procedures in place, with 100% screening of new/renewed registrations and audit logs showing timely action on matches</td></tr>
<tr><td>Effective reporting, cooperation and coordination among the stakeholders to ensure implementation of TFS for Naoero-flagged vessels</td><td>An inter-agency SOP/MOU, with regular coordination and documented referrals/feedback between the administrator of the shipping registry, NFIU and NMPA</td></tr>
<tr><td>Strengthened the framework and implementation of TFS requirements in compliance with the international AML/CFT/CPF standards</td><td>Published updated guidance and, where required, issuance of new TF/TFS/CPF related guidance to FIs and DNFBPs

Approved operational procedures or mechanisms exist for handling enquiries relating to freezing measures, false positives, and potential evasions</td></tr>
<tr><td>Increased understanding of TFS and CPF requirements among the relevant competent authorities and reporting entities</td><td rowspan="2">Number of trainings completed and validated by improved assessment results

Consistent application of SOPs in case exercised or operational files</td></tr>
<tr><td>Enhanced capacity and capability of LEAs to effectively detect, investigate and prosecute TF/PF cases</td></tr>
<tr><td colspan="2">Action Measures</td></tr>
<tr><td colspan="2">1. Strengthen the understanding and implementation of TFS requirements by both competent authorities and reporting entities.</td></tr>
</table>

2. Strengthen the capacity and capabilities of LEAs in detecting, investigating and prosecuting TF and PF cases.

Implementation and Review of the National AML/CFT Strategy

The AMLOC shall be responsible to ensure the effective implementation and monitoring of the National AML/CFT Strategy 2026-2030. Key government agencies who are the members of the AMLOC shall have the responsibility of implementing the action measures and activities within their areas of focus.

Within each action item, lead agency(ies) are identified with the primary responsibility of implementing and reporting on the required actions. Agencies which are likewise concerned with the outcome of the action item are identified to support its implementation. Timelines for implementation, as committed by the relevant agencies, are also provided. There remains, however, a broad responsibility for all AML/CFT/CPF public and private stakeholders to support and cooperate with the primary authorities in the implementation of the National Strategy.

The AMLGC shall be responsible, among others, for the coordination, logistics and operations of the meetings, and coordination with and monitoring of duties and responsibilities of the AMLOC.

The National AML/CFT Strategy is a dynamic document as ML/TF/PF risks are constantly evolving and may change from time-to-time. The National Strategy shall be subject to review and updated by the AMLGC after every four (4) years, or when circumstances so warrant, to keep it relevant.

Annex I: Action Plan of the National AML/CFT Strategy

Strategic Objective 1: Maintaining and improving a comprehensive understanding of money laundering, terrorist financing and proliferation risks in Naoero

Action Measures:

1. Ensure that all reporting entities, relevant competent authorities, supervisory and regulatory bodies are aware of the findings of the NRA and understand the ML/TF/PF risks facing Naoero,
2. Continuously monitor the emerging ML/TF risks and publish relevant typologies and trends reports.
3. Update the ML/TF/PF NRA and the National AML/CFT Strategy after three years' time period in 2025.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Ensure that all reporting entities, relevant competent authorities, supervisory and regulatory bodies are aware of the findings of the NRA and understand the ML/TF risks facing Naoero	1.1. Publication of the NRA report on the website of the NFIU	NFIU	AMLGC	August 2026	No fiscal implications
	1.2. Conduct outreach activities to inform all FIs, DNFBPs, NPOs, competent authorities, supervisory and regulatory bodies of the results and findings of the NRA	NFIU	All supervisory authorities	September 2026 Ongoing based on annual supervisory plan	NFIU Budget for entertainment
2. Continuously monitor emerging ML/TF risks and publish relevant typologies and trends reports.	2.1. Annual assessment and report on the emerging payments sector, VASPs sector and CBI program to better understand ML/TF/PF risks and take necessary mitigating measures	AMLGC & NFIU	All supervisory and competent authorities	March 2027	No fiscal implications
	2.2. Publication of ML/TF/PF trends and typologies, if any, in annual report	AMLGC/NFIU	All supervisory and competent authorities	30 December	No fiscal implications

3. Update the ML/TF/PF NRA and national AML/CFT/CPF Strategy in four years' time in 2030	3.1. Undertake analysis of the 2026 NRA process, especially challenges faced during the process and the issues identified as requiring further in-depth analysis	AMLGC/NFIU	All supervisory and competent authorities	Ongoing till next NRA	No fiscal implications
	3.2. Agree on the overall oversight and governance of the process, including establishing the NRA WG and execution plan	AMLGC	All supervisory and competent authorities	May 2029	No fiscal implications
	3.3. Gather relevant data and stakeholder perspectives	NFIU	All supervisory and competent authorities	May 2029	No fiscal implications
	3.4. Draft the NRA report, hold workshops with key stakeholders, incorporate feedback, finalise and publish the NRA report	AMLGC	All supervisory and competent authorities	March/April 2030	No fiscal implications

Strategic Objective 2: Strengthening the national AML/CFT/CPF legal and regulatory framework of Naoero to ensure its compliance with the international AML/CFT/CPF standards and to effectively mitigate money laundering, terrorism financing and proliferation financing risks.

Action Measures:

1. Conduct strengthening the existing AML/CFT/CPF legal and regulatory framework and undertake necessary measures to ensure compliance with the international AML/CFT/CPF standards.
2. Review and update existing guidance and to issue new AML/CFT/CPF guidance and procedures, where required, to FIs, DNFBPs and NPOs.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Conduct a legal gap analysis of existing AML/CFT/CPF legal and regulatory framework and to undertake necessary measures to ensure compliance with the international AML/CFT standards.	1.1. Conduct a legal review of the existing AML/CFT/CPF legal and regulatory framework to identify any remaining gaps and shortcomings *vis-à-vis* the existing and updated FATF Standards	AMLGC/Legal Drafting/NFIU	All supervisory and competent authorities	October 2028	No fiscal implications
	1.2. Amend or enact new legislation, bylaws and/or regulations, as per the gap analysis report under 1.1. above	AMLGC/Legal Drafting/NFIU	All supervisory and competent authorities	October 2028	
2. Review and update existing guidance and issue new AML/CFT/CPF guidance and procedures, where required, to FIs, DNFBPs and NPOs.	2.1. Conduct a review of the existing AML/CFT/CPF guidance and procedures to identify the need for any amendments or to propose the issuance of new guidance and procedures, based on the findings of the NRA and updated international standards	AMLGC/Legal Drafting/NFIU	All supervisory and competent authorities	October 2028	No fiscal implications
	2.2. Based on the findings of the NRA, identify areas of low ML/TF/PF risk and justify exemptions (if any) or support the application of simplified measures.	AMLGC/NFIU	NFIU	August – December 2026	No fiscal implications
	2.3. Issue updated or new AML/CFT guidance and procedures, as identified under 2.1 above	AMLGC/NFIU	All supervisory and competent authorities	October 2028 Ongoing till 2030	No fiscal implications

Strategic Objective 3: Continue strengthening national cooperation, coordination and information sharing mechanisms between the relevant competent authorities, as well as with the private sector stakeholders

Action Measures:

1. Ensure AMLGC has sufficient powers and resources for the effective implementation and monitoring of this Strategy
2. Strengthen the framework and mechanism for information sharing between the relevant competent authorities, even outside AMLOC, for improved cooperation and coordination at operational level
3. Continue strengthening arrangements and coordination mechanisms to enforce cross-border declarations and combat physical smuggling of cash.
4. Develop context-appropriate mechanisms within competent authorities to ensure information exchanged between agencies has confidentiality protections
5. Continue strengthening the work of AML Private Partners' Committee (AMLPPC) that serves as a forum for public/private sector dialogue on issues pertaining to ML, TF and PF

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Establish AMLGC has sufficient powers and resources for the effective implementation and monitoring of this Strategy	1.1. Review and/or amend, if required, the legal framework to ensure that AMLGC has sufficient powers and resources for the effective implementation of this Strategy	AMLGC	NFIU	August 2026	No fiscal implications
	1.2. Create a standard reporting process and format for all members of the AMLGC to report the implementation of action measures	NFIU	Chairperson AMLGC	31 December 2026 Annual Reporting to AMLGC and NFIU	No fiscal implications
2. Strengthen the framework and mechanism for information sharing	2.1. Conduct a legal review of the existing framework, coordination and information sharing mechanisms	AMLGC and NFIU	All supervisory and competent authorities	2030 Ongoing	No fiscal implications

between the relevant competent authorities, even outside the AMLOC, for improved cooperation and coordination at operational level	2.2. Ensure effective execution and, if required, amendment of legal framework (e.g., proactively sharing of intelligence by NRO with the NFIU and LEA) and updating of Memorandum of Understandings (MoUs) on AML/CFT between the relevant competent authorities	AMLGC	All supervisory and competent authorities	October 2026 Ongoing	No fiscal implications
	2.3. Enhance the procedure and mechanism established between the NMA, NMPA and the NFIU to ensure the effective implementation of TFS requirements to the shipping registry	NMPA	NFIU and NMA	January 2027 Ongoing	No fiscal implications
	2.2. Undertake the needs assessment and provide IT systems and allocate sufficient resources (including staff) for timely processing of information sharing requests between national competent authorities.	Department of Finance	All supervisory and competent authorities	June 2028	Budget needed
	2.3. Train personnel for effective implementation of the relevant laws and mechanisms on information sharing	NFIU	All supervisory and competent authorities	Ongoing	Budget needed for external training
	2.4. Carry out regular reviews on the effectiveness of working arrangements and take action on any deficiencies found	AMLOC/AMPLPPC	All supervisory and competent authorities	Ongoing	No fiscal implications

3. Continue strengthening arrangements and coordination mechanisms to enforce cross-border declarations and to combat physical smuggling of cash	3.1. Enhance and ensure effective implementation of MoU between the relevant competent authorities, especially between NCS and NPF, to detect and deter unlawful movement of goods and people across the border	NCS and TCU	NFIU and NPF	31 December 2026 Ongoing review	No fiscal implications
	3.2. Integrate Customs' and Immigration's databases on incoming passengers	NCS/Immigration	NFIU/Secretaries for Finance and DJBC	31 December 2027 Ongoing monitoring and review required	Major Budget Implication if we need to change the system Consider external technical assistance
	3.3. Ensure effective use of the mechanism for sharing of the relevant information by Customs with Transnational Crime Unit (TCU), NRO and NPF	NCS	NFIU, NRO and NPF	January 2027 Ongoing on Annual Basis	No fiscal implications
4. Develop context-appropriate mechanisms within competent authorities to ensure information exchanged	4.1. Conduct an internal assessment of the existing processes in place within the competent authorities to ensure the confidential use and maintenance of information exchanged between competent authorities	AMLOC	All supervisory and competent authorities	March 2027	No fiscal implications

between agencies has confidentiality protections	4.2. Based on the findings of the assessment under 4.1., develop procedures to ensure the confidential use and maintenance of information exchanged between competent authorities.	AMLOC	All supervisory and competent authorities	June 2027	No fiscal implications
5. Continue strengthening the work of AML Private Partners' Committee (AMLPPC) that serves as a forum for public/private sector dialogue on issues pertaining to ML, TF and PF.	5.1. Ensure quarterly meetings and active participation and information sharing in committee meetings	NFIU	All supervisory and competent authorities	Ongoing and set dates for quarterly meetings	No fiscal implications No fiscal implications
	5.2. Explore the possibility of establishing a mechanism (e.g., through MoU) to ensure timely access to relevant data and information sharing with CBA, beyond submission of voluntary SARs	NFIU	Department of Finance	December 2026	No fiscal implications

Strategic Objective 4: Enhancing international cooperation to ensure appropriate information, financial intelligence and evidence is delivers to facilitate action against criminals and their assets.

Action Measures:

1. Continue to enhance existing legal framework and arrangements to handle international cooperation including mutual legal assistance, extradition, intelligence and asset recovery.
2. Develop and implement an international cooperation and coordination framework for competent authorities.
3. Strengthen the use of international cooperation by the LEAs, including through the INTERPOL platform and access to 'FIU to FIU' information exchange.

4. Strengthen and formalize case management system, procedures and coordination with regards to sending and responding to international information exchange requests (both formal and informal).

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Continue to enhance the existing legal framework and arrangements to handle international cooperation, including mutual legal assistance, extradition, intelligence and asset recovery	1.1. Conduct a legal review of the existing legal and regulatory framework to handle international cooperation and introduce necessary amendments to ensure effective international cooperation.	Legal Drafting/DPP	NFIU	September 2026 Review using consultant	No fiscal implications Will have Budget constraints
	1.2. Ensure that adequate mechanisms and systems are put into place to record all the necessary information related to formal and informal international cooperation requests, both sent and received.	DJBC/DPP	All Competent Authorities	February 2027	No fiscal implications
2. Develop and implement an international coordination framework for competent authorities	2.1. Establish procedures for competent authorities to initiate and respond to international requests for information-gathering	DJBC	All competent authorities	February 2027	No fiscal implications

3. Strengthen the use of international cooperation by the LEAs, including through the INTERPOL platform and access to 'FIU to FIU' information exchange	3.1. Conduct trainings of competent authorities on initiating requests and utilisation of international forums by competent authorities for AML/CFT purposes at operational level	DJBC/DPP	All supervisory and competent authorities	March 2027	No fiscal implications Explore external technical assistance
	3.2. Provide training to the relevant agencies' staff to efficiently and effectively handle international cooperation requests	DJBC/DPP	All supervisory and competent authorities	March 2027	No fiscal implications Explore external technical assistance
4. Strengthen and formalise case management system, procedures and coordination with regards to sending and responding to international information exchange requests (both formal and informal)	4.1. Approve a single SOP and standard templates for receiving, assessing, assigning, responding to, and recording all international information exchange requests (formal and informal) by all competent authorities, including clear timelines, approval steps, and secure transmission rules.	AMLGC	All supervisory and competent authorities	March 2027	No fiscal implications
	4.2. Create a central request tracking register with agency focal points to log each formal request (date, channel, deadline, status, outcome), coordinate follow-up across agencies, and produce annual statistics on response time, backlog, and completion.	AMLGC	All supervisory and competent authorities	May 2029	

Strategic Objective 5: Strengthening the risk-based AML/CFT/CPF supervision of the financial sector and DNFBPs to ensure their compliance with the AML/CFT/CPF obligations commensurate with their risks.

Action Measures:

1. Continue to strengthen risk-based supervisory and monitoring framework for FIs and DNFBPs consistent with relevant international standards and effective for preventing and deterring ML/TF/PF.
2. Promote cooperation and coordination among CRVAA and NFIU in supervising the VASPs sector.
3. Continue to strengthen AML/CFT supervisory capacities and skills.
4. Establish and maintain a risk-based supervisory framework for non-profit organisations consistent with relevant international standards and effective for preventing and deterring TF activities.
5. Promote financial inclusion by implementing a risk-based approach to combatting ML/TF/PF risks.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Continue to strengthen risk-based supervision and monitoring of FIs and DNFBPs consistent with relevant international standards and effective for preventing and deterring ML/TF/PF.	1.1. Assess the existing AML/CFT/CPF supervisory and monitoring framework, including any gaps identified for improvement (such as foreign PSPs and monitoring of TF-PF-TFS/CPF compliance)	NFIU	DJBC	June 2027	No fiscal implications
	1.2. Agree and update the supervisory approach, procedures and implementation plan, including for effectively supervision and monitoring of PSPs to gather relevant information and statistics and mitigate ML/TF/PF risks.	NFIU	DJBC	June 2027	No fiscal implications
	1.3. Implement and enhance clear and adequate methodologies and procedures for conducting off-site and on-site	NFIU	DJBC	September 2026	No fiscal implications

	supervisions, commensurate with the risk.				
	1.4. Based on sectoral risk, develop and establish annual compliance reporting procedures and processes for reporting entities[1] to have a sound understanding of their activities and operations, including any changes in their risk profile, to inform the risk-based approach to supervision	NFIU	DJBC	December 2026	No fiscal implications
	1.5. Ensure the effective implementation of 'fit and proper' requirements by reporting entities, including extending it to beneficial owners.	NFIU	DJBC, Supervisory authorities	June 2027	No fiscal implications
2. Promote cooperation and coordination among CRVAA and NFIU in supervising VASPs sector.	2.1. Establish procedures and systems to conduct joint supervisions of VASPs sector	NFIU	CRVAA	August 2027	No fiscal implications
	2.2. Establish system and procedures to liaise with and update the NFIU on supervisory activities (off-site and on-site inspections) by CRVAA on a quarterly basis, including submitting reports on the findings of on-site inspections	NFIU	CRVAA	August 2027	No fiscal implications
	3.1. Conduct a needs assessment (technical and human) of NFIU and CRVAA on	AMLGC	NFIU and CRVAA	August 2027	No fiscal implications

[1] This means reporting entities under the AML-TFS Act 2023, which includes VASPs

3. Strengthening AML/CFT supervisory capacities and skills.	conducting risk-based AML/CFT supervision of their respective reporting entities				
	3.2. Based on the findings of the needs assessment report, ensure the availability of the adequate resources, both human and technical, to the supervisory authorities	AMLGC	NFIU and CRVAA	August 2027	May have some budget Implications – fill up NFIU Positions
	3.3. Conduct trainings of the staff of the supervisory authorities on conducting risk-based AML/CFT supervision	NFIU and CRVAA	AMLOC	September 2027	TA & T
4. Establish and maintain a risk-based supervisory framework for non-profit organisations consistent with relevant international standards and effective for preventing and deterring TF activities	4.1. Develop and establish a procedure and process to gather relevant information/data and conduct a targeted risk-based supervision of the NPO sector to ensure their compliance with the legislative requirements and prevent their misuse for TF purposes	DJBC	NFIU	October 2026	No fiscal implications
	4.2. Conduct supervision of the NPO sector in accordance with the procedure established under 4.1. above.	DJBC	NFIU	November 2026	No fiscal implications
5. Promote financial inclusion by implementing a risk-	5.1. Expand data collection on financial inclusion, including financial inclusion products	The Naoero Bureau of Statistics	NFIU	December 2026	No fiscal implications

based approach to combatting ML/TF/PF risks	5.2. Ensure effective supervision and monitoring of the financial inclusion products while ensuring that these safeguards continue to support, rather than restrict, access to financial services (including, as appropriate the application of SDD measures, e-KYC, among others)	NFIU	DJBC, Supervisory Authorities	January 2027	No fiscal implications

Strategic Objective 6: Strengthening the implementation of AML/CFT/CPF measures, and the quality of suspicious activity reports submitted by FIs and DNFBPs to the NFIU.

Action Measures:

1. FIs and DNFBPs adopt and implement adequate measures and actions to detect ML/TF/PF risks in accordance with their determined risks and risk profile.
2. Increased supervisory outreach to industry on AML/CFT obligations (e.g., guidance, conferences, training)
3. Improved quantity and quality of STRs, including voluntary STRs by CBA.
4. Enhance outreach activities promoting NPO awareness on TF risks and to enhance their capacities to effectively detect and prevent their misuse for TF.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. FIs and DNFBPs adopt and implement adequate measures and actions to detect ML/TF/PF risks in	1.1. Training of the reporting entities on conducting enterprise-wide risk assessments and adopt internal controls, procedures and policies accordingly to mitigate the identified risk	NFIU	DJBC	March 2028	No fiscal implications

accordance with their determined risks.	1.2. Issue guidelines, and as a part of off-site and on-site inspections, ensure that FIs and DNFBPs maintain the necessary statistics required for assessing ML/TF risk.	NFIU	DJBC Registrar of Courts	January 2028	No fiscal implications
2. Increase supervisory outreach to industry on AML/CFT/CPF obligations (e.g., guidance, workshops, training)	2.1. Conduct regular trainings of all sectors on their AML/CFT obligations and ensuring effective compliance	NFIU	DJBC	February 2028	No fiscal implications
	2.2. In consultation with the industry associations and reporting entities, identify specific AML/CFT/CPF topics to issue written guidance and/or conduct trainings/seminars to strengthen AML/CFT/CPF capabilities of the reporting entities.	NFIU	DJBC CRVAA	October 2026 Ongoing	No fiscal implications Consider external technical assistance
	2.3. Develop and publish a relevant typologies report of most often used sophisticated schemes involving legal entities	DJBC	NFIU	February 2028	No fiscal implications
3. Improved quantity and quality of STRs	3.1. Continue training of reporting entities on identifying and report STRs to the NFIU	NFIU	DJBC	2026 and ongoing At least 1 training per year MVTS	No fiscal implications

				DNFBP (Law Firms)	
	3.2. Regular training of reporting entities on the content and quality of STRs, including writing and presenting case studies (e.g., examples meriting/not meriting submissions)	NFIU	DJBC	As above	No fiscal implications
4. Enhance outreach activities promoting NPO awareness on TF risks and to enhance their capacities to effectively detect and prevent their misuse for TF.	4.1. Update the guidance, as necessary, to the NPO sector on ML/TF, including any suspicious indicators	NFIU	DJBC	Ongoing January 2027 Review	No fiscal implications
	4.2. Conduct outreach activities to raise awareness among the NPO sector on ML/TF risks, including emerging risks, trends and typologies, and their capacities to effectively detect and prevent their misuse for ML/TF.	NFIU	DJBC -Registrar	April 2028	No fiscal implications

Strategic Objective 7: Strengthening the framework for effective regulation, supervision and monitoring of new and emerging technologies and sectors in Naoero to prevent the abuse for money laundering, terrorist financing and proliferation financing.

Action Measures:

1. Ensure that the legal and regulatory framework to regulate, supervise and monitor new technologies are adequate and effective.
2. Conduct comprehensive ML/TF/PF risk assessment of VAs and VASPs.
3. Establish and maintain a risk-based supervisory framework for VASPs consistent with relevant international standards and effective for preventing and deterring ML/TF/PF activities.

4. Enhance outreach activities promoting public and private sector awareness on risks associated with VAs and to enhance their capacities to effectively detect and prevent their misuse for ML/TF/PF.
5. Continue to strengthen and closely monitor the CBI program to mitigate the risk of it being abused for criminal purposes.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Ensure that the legal and regulatory framework to regulate the VASPs sector in Naoero is adequate and effective	1.1. Conduct a review of the existing legal and regulatory framework governing VASPs in Naoero	CRVAA	NFIU and DJBC	August 2026	No fiscal implications
	1.2. Recommend and introduce necessary amendments to effectively regulate and supervise the VASP sector	CRVAA	NFIU and DJBC	July 2027	No fiscal implications
	1.3. Establish systems and procedures to ensure effective implementation and compliance by the VASPs with legislative requirements	CRVAA	NFIU and DJBC	August 2027	No fiscal implications
2. Conduct the national ML/TF/PF risk assessment of VAs and VASPs	2.1. Develop a methodology to conduct the ML/TF/PF risk assessment of VAs and VASPs	NFIU	CRVAA	October 2027	No fiscal implications
	2.2. Adopt and publish the national ML/TF/PF risk assessment of VAs and VASPs	NFIU	CRVAA	November 2027	No fiscal implications
3. Establish and maintain a risk-based supervisory	3.1. Issue and/or update relevant guidance to the VASPs sector on compliance with	NFIU	CRVAA	February 2028	No fiscal implications

framework for VASPs consistent with relevant international standards and effective for preventing and deterring ML/TF/PF activities.	their AML/CFT/CPF obligations, including any suspicious indicators				
	3.2. Establish effective monitoring and enforcement mechanisms to detect and prevent unlicensed activities	CRVAA	NFIU	July 2027	No fiscal implications
	3.3. Conduct outreach to inform registered VASPs of their obligations	CRVAA and NFIU	-	September 2027	No fiscal implications
	3.4. Develop and establish a procedure and process (including IT tools) to conduct a targeted risk-based supervision of the VASP sector, including any modifications later based on the findings of the risk assessment under 2.2. above to ensure that they implement appropriate AML/CFT/CPF obligations.	NFIU	CRVAA	September 2027	Sourcing of IT Tools by CRVAA and NFIU
	3.5. Regular training of CRVAA staff on risk-based supervision, ML/TF/PF risks associated with VASPs, typologies and trends and red flags	CRVAA and NFIU	-	November 2027	No fiscal implications
4. Conduct outreach activities promote public and private sector awareness on ML/TF/PF risks associated with VAs and VASPs and to	4.1. Conduct outreach activities to raise awareness among the competent authorities on ML/TF/PF risks and their capacities to effectively detect and prevent their misuse for ML/TF/PF.	CRVAA and NFIU	-	November 2027	Will have budget implications for NFIU

enhance their capacities to effectively detect and prevent their misuse for TF.	4.2. Conduct outreach activities to raise awareness among the reporting entities, including VASP sector, on ML/TF/PF risks and their capacities to effectively detect and prevent their misuse for ML/TF.	NFIU	CRVAA	November 2027	Will have budget implications for NFIU
	4.3. Conduct outreach to VASP sector of their AML/CFT/CPF obligations.	CRVAA and NFIU	-	November 2027	Will have budget implications for NFIU
	4.4. Conduct general public awareness on risks associated with VAs	NFIU	CRVAA	December 2027	Need to have a budget
5. Continue to strengthen and closely monitor the CBI program to mitigate the risk of it being abused for criminal purposes	5.1. Continue to assess the implementation of any additional measures to mitigate the abuse of CBI program by criminal actors (e.g., biometric verification, identification of the applicant as a beneficial owner of a legal entity, source of wealth verification)	DJBC - Registrar	NFIU, Naoero Program Office (DJBC)	March 2027	No fiscal implications
	5.2. To promote transparency, publish annual report on number of applications, approvals, rejections and withdrawals.	DJBC- Registrar	NFIU	December 2026	No fiscal implications

Strategic Objective 8: Enhancing transparency of legal persons and legal arrangements

Action Measures:

1. Continue to strengthen the legal and regulatory framework on the transparency of beneficial ownership (BO) for legal persons and legal arrangements ensuring compliance with the international AML/CFT standards.

2. Strengthen the existing mechanisms to ensure that adequate, accurate and up-to-date BO information on legal persons and legal arrangements is available to competent authorities in a timely manner, including establishment of electronic BO register of legal persons and legal arrangements.
3. Continue to strengthen the understanding of the competent authorities of the ML/TF/PF risks associated with legal persons and legal arrangements and how to identify and investigate ML/TF/PF through legal entities, in particular the use of basic and BO information to help inform intelligence and investigatory activities.
4. Continue to build awareness and familiarity within key stakeholders, and the public in general, of the registry division documents and regulations to ensure understanding of their requirements.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Continue to strengthen the legal and regulatory framework on the transparency of beneficial ownership (BO) of legal persons and arrangements ensuring compliance with the international AML/CFT standards	1.1. Conduct a legal gap analysis of the relevant law, regulations and procedures to determine areas for further strengthening BO transparency.	DJBC	NFIU	July 2029	No fiscal implications
	1.2. Amend the relevant law, regulations, and procedures as determined in 1.1 above, to address any gaps and deficiencies	DJBC	NFIU	August 2029	No fiscal implications
2. Strengthen the existing mechanisms to ensure that adequate, accurate and up-to-date BO information on legal persons and legal arrangements is available to competent authorities in a timely manner, including	2.1. Continue to conduct a regular review of the BO information collected and maintained by DJBC to determine any gaps or shortcomings	DJBC	NFIU	April 2026 Ongoing	No fiscal implications
	2.2. Take appropriate steps to ensure that the up-to-date BO information on all entities is properly collected and maintained	DJBC	NFIU	September 2026	No fiscal implications

establishment of electronic BO register of legal persons and legal arrangements.	(including issuing guidance, building capacity and skills)				
	2.3. Determine and apply appropriate measures and establish systems to ensure that the BO information is reported to DJBC at the time of establishment of entities and any change in information are updated in the system on a regular basis.	DJBC	NFIU	August 2029	No fiscal implications
	2.4. Assess options for establishing electronic BO register, benefits, risks and costs, and set out implementation plan	DJBC	NFIU	April 2027	TA & T - ADB
	2.5. Establish clear processes for effective BO data management and information sharing	DJBC	NFIU	April 2027	TA & T - ADB
3. Continue to strengthen the understanding of the competent authorities of the ML/TF/PF risks associated with legal persons and legal	3.1. Conduct trainings of competent authorities on ML/TF/PF risks associated with legal persons and legal arrangements and how to identify and investigate ML/TF/PF through legal entities	DJBC	NFIU	November 2027	No fiscal implications

arrangements and how to identify and investigate ML/TF/PF through legal entities, in particular the use of basic and BO information to help inform intelligence and investigatory activities.	3.2. Conduct outreach activities to promote awareness about the effective use of basic and BO information to help inform intelligence and investigatory activities.	DJBC	NFIU	November 2028	No fiscal implications
4. Continue to build awareness and familiarity within key stakeholders, and the public in general, of the registry division documents and regulations to ensure understanding of their requirements	4.1. Conduct regular outreach activities to raise awareness and familiarity of key stakeholders, and the public in general, about various registers available with DJBC, their usefulness, and how to access information.	DJBC	NFIU	November 2028	No fiscal implications
	4.2. Conduct regular outreach activities and communicate to legal persons and arrangement about any changes in BO disclosure requirements and its implications	DJBC	NFIU	November 2028	No fiscal implications

Strategic Objective 9: Strengthening the law enforcement efforts and intelligence capability to effectively detect, process and properly sanction the perpetrators of money laundering and ensuring that illegal proceeds are confiscated.

Action Measures:

1. Continue to strengthen the capacity and capabilities of the competent authorities to identify and investigate ML/TF and predicate offences, including those committed through legal persons.
2. Continue to strengthen the capacities of the NFIU for making tactical, strategic and operational analysis
3. Strengthen the knowledge, skills and capabilities of LEAs in conducting financial investigations or tracing funds.
4. Continue to strengthen the knowledge and capacities of prosecutors and judges on prosecuting and adjudicating ML/TF cases.
5. Establish and ensure the effective implementation of systems and mechanisms for tracing, freezing, seizing and confiscating illegal assets, including developing skills and capacities of relevant LEAs in this regard.
6. Continue to strengthen the knowledge and capabilities of NCS and other LEAs on the risks of proceeds of crime, cash and BNIs moving across Naoero's borders

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Continue to strengthen the capacity and capabilities of the competent authorities to identify and investigate ML/TF and predicate offences	1.1. Carry out a needs assessment exercise to determine the necessary resource requirements, both human and technical, of the NFIU and other LEAs to investigate and prosecute ML/TF/PF cases	AMLGC	All competent authorities	June 2027	No fiscal implications
	1.2. Based on the findings of the needs assessment report, agree on the target number of required AML/CFT/CPF dedicated staff and other resources for NPF and other LEAs	AMLGC	All competent authorities	May 2028	No fiscal implications
	1.3. Take necessary measures to ensure that the necessary resources (as determined in 1.2.) are made available to the NFIU and other LEAs	AMLGC	All competent authorities	June 2028	Budget Implications

	1.4. Implement staff development strategy to enhance their skills, knowledge and specialisation in the field of financial crime and AML/CFT/CPF	All supervisory and competent authorities	All competent authorities	July 2028	Major Budget Implications
	1.5. Continue to carry out targeted and topic-specific trainings of the NFIU and LEAs on financial crime and AML/CFT/CPF	AMLOC	All supervisory and competent authorities	July 2028	Budget implications if no TA is available
2. Continue to strengthen the capacities of the NFIU for making tactical, strategic and operational analysis	2.1. Enhance IT infrastructure and processes within the NFIU for effective and efficient data gathering, data management, and analysis	AMLGC	All supervisory and competent authorities	Ongoing	No fiscal implications
	2.2. Continue to train NFIU staff to effectively use new data sources	NFIU Supervisor	All supervisory and competent authorities	Ongoing	Budget Implications for non-sponsored trainings
3. Continue to strengthen the capacities of the NFIU for making tactical, strategic and operational analysis	3.1. Continue to conduct training of LEAs in conducting ML and financial investigations and tracing property acquired through illegal activities that can be confiscated.	NFIU and DPP	All competent authorities	Ongoing	No fiscal implications However, budge implications for non-sponsored trainings

4. Continue to strengthen the knowledge and capacities of prosecutors and judges on prosecuting and adjudicating ML/TF cases	4.1. Arrange and conduct trainings of prosecutors and judges on prosecuting and adjudicating ML/TF cases.	ODPP/AMLGC	NFIU	January 2029	Budget Implications for experts
5. Establish and ensure the implementation of effective systems and mechanisms for tracing, freezing, seizing and confiscating illegal assets.	5.1. Establish specific policies and procedures to prioritise tracing, freezing, seizing and confiscating proceeds of crime, assets, instrumentalities and property of equivalent value.	DJBC	DPP/NFIU	Completed	No fiscal implications
	5.2. Provide training to the relevant authorities on tracing, freezing, seizing and confiscating illegal assets	DPP	NFIU	November 2026	No fiscal implications
	5.3. Establish and/or enhance the asset management system on seizures and confiscations, including virtual assets	AMLGC	DPP, Registrar of courts, CRVAA, NPF and NCS	March 2028	
	5.4. Strengthening the capacities of the designated authority in efficient management of the confiscated property.	AMLGC	DPP, Registrar of Courts, Administrator	March 2028 Ongoing	No fiscal implications
6. Continue to strengthen the knowledge and capabilities of NCS and other LEAs on the risks of proceeds of crime, cash and BNIs	6.1. Review and updates, as necessary, the guidance on identifying and deterring proceeds of crime, cash and BNIs moving across Naoero's borders, including suspicious indicators, next actions, and coordination between LEAs	NCS	NFIU and all LEAs	March 2029	No fiscal implications

moving across Naoero's borders	6.2. Continue to arrange and conduct trainings of LEAs on identifying and deterring proceeds of crime, cash and BNIs moving across Naoero's borders.	NCS	NFIU and all LEAs	Ongoing	No fiscal implications

Strategic Objective 10: Developing and implementing an effective AML/CFT data collection and management system

Action Measures:

1. Establish an efficient system or mechanisms for the collection and maintenance of AML/CFT/CPF-related data.
2. Establish (and/or strengthen) a case management system for cases under investigation, prosecution, convictions, and seized/confiscated properties, by maintaining sufficient and comprehensive statistics
3. Set up governance and infrastructure.
4. Agree on information sharing approach.
5. Enhance the capabilities and capacities of all the relevant agencies to meet the AML/CFT data collection and sharing requirements.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Establish an efficient system or mechanism for the collection and maintenance of	1.1. Identify relevant authorities/agencies that should be made responsible for collection of AML/CFT/CPF-related statistical data	AMLGC	ALL competent authorities	August 2026	No fiscal implications

AML/CFT/CPF-related data.	1.2. Carry out an in-depth review of the AML/CFT/CPF data collection processes of all the relevant agencies to determine the most effective manner in which such data should be collected and compiled to be made readily available	AMLGC	All competent authorities (AMLOC Reps)	October 2026	No fiscal implications
	1.3. Agree on statistics/data points to be included in the system	AMLGC	All competent authorities	October 2026	No fiscal implications
	1.4. Develop template(s) with guidelines, in consultation with the relevant competent authorities, on the collection of statistical data on AML/CFT/CPF	AMLGC	NFIU and all competent authorities	November 2026	No fiscal implications
	1.5. Explore the possibility of establishing a central database for the collection and maintenance of AML/CFT/CPF-related data	AMLGC	All competent authorities	January 2027	Financial Impact
2. Establish a case management system for cases under investigation, prosecution, convictions, and seized/confiscated properties, by maintaining	2.1. Define and standardise the minimum dataset for predicate offences, ML/TF/PF cases and asset tracking, end-to-end workflow, ownership of case records and updates, common templates and data entry rules, and secure access controls and audit trails	DPP	NPF and all competent authorities	March 2027	No fiscal implications

sufficient and comprehensive statistics.	2.2. Implement a secure case management system with asset tracking functionality (starting with an interim spreadsheet/database, with a roadmap to an IT system) and consolidation reporting and dashboards.	AMLGC	DPP, NPF and all competent authorities	January 2029	No Financial Implications
	2.3. Operationalise the system through rollout and quality control, piloting with key agencies and training users/administrators/contact points, and submit the datasheets to NFIU to ensure completeness and consistency	AMLGC	DPP, NPF and all competent authorities	February 2029	No fiscal implications
3. Enhance the capabilities and capacities of the competent authorities to meet the AML/CFT data collection and sharing requirements	3.1. Conduct a needs assessment of all the competent authorities to determine the required resources, both human and technical, to comply with the data collection, maintenance and sharing requirements	AMLGC	NFIU and all competent authorities	October 2027	No fiscal implications
	3.2. Ensure that the competent authorities have the identified resources, as determined under 4.1. to carry out their data collection, maintenance and sharing obligations	AMLGC	All competent authorities	October 2027	No fiscal implications
	3.3. Conducting staff training of all competent authorities on data collection, maintenance and sharing.	AMLGC	NFIU	December 2026	No fiscal implications

	3.4. Enhance and update contact points within all competent authorities for collecting and maintaining the relevant data	AMLGC	NFIU and all competent authorities	December 2026 Ongoing	No fiscal implications

Strategic Objective 11: Improvement and efficient implementation of the legislative framework governing the prevention of terrorist financing and proliferation financing and increased efficiency in detecting, processing and properly sanctioning the perpetrators of terrorist financing and proliferation financing.

Action Measures:

1. Strengthen the understanding and implementation of TFS requirements by both competent authorities and reporting entities.
2. Strengthen the capacity and capabilities of LEAs in detecting, investigating and prosecuting TF and PF cases.

Action Measures	Activity	Lead Responsible Authority	Other Supporting Authorities	Deadline	Resources & Fiscal Implications
1. Strengthen the understanding and implementation of TFS requirements by both competent authorities and reporting entities.	1.1. Review and update, as required, guidance, policies and procedures to FIs and DNFBPs in relation to TFS and CPF requirements and ensuring compliance	NFIU	All supervisory and competent authorities	December 2027	No fiscal implications
	1.2. Organise training, seminars or workshops for reporting entities focusing on TF and PF risks, TF and PF trends and typologies, as well as on the identification and reporting of TF and PF risks	NFIU	All supervisory and competent authorities	December 2026	Financial Impact

	1.3. Conduct training, seminars or workshops for reporting entities on the TFS and CPF requirements and how to ensure compliance	NFIU	All supervisory and competent authorities	December 2027	Financial Impact if resources are required
	1.4. Review the procedure of the NMA related to the implementation of TFS requirements, record keeping of related documents and outcomes, and audit logs showing timely action on matches	NMA	All supervisory and competent authorities	January 2027	No fiscal implications
	1.5. Enhance the procedure and mechanism between the NMA, NMPA and the NFIU to ensure the effective implementation of TFS requirements to the shipping registry	NMPA	NFIU and NMA	January 2027	No fiscal implications
	1.6. Ensure the timely and effective implementation of the Vessel Registration Act 2023, including the establishment and administration of the shipping registry locally in Naoero within a 12-month moratorium period.	NMPA	NMA	October 2026	May have Budget implications
	1.7. Issuance of standard operational procedures on handling enquiries relating to freezing measures, false positives, and potential evasions	NFIU	All supervisory and competent authorities	December 2026	May have Financial impact

2. Strengthen the capacity and capabilities of LEAs in identifying, investigating and prosecuting TF/PF cases	2.1. Provide trainings to investigators and prosecutors to detect, investigate and prosecute TF and PF cases	NPF and ODPP	NFIU	December 2026	Financial implications, if outsourced.

Annex II– Supporting Agencies

Financial Intelligence Unit	
Naoero Financial Intelligence Unit (NFIU)	
Supervisory Authorities	
Command Ridge Virtual Asset Authority (CRVAA)	Naoero Financial Intelligence Unit (NFIU)
Department of Justice and Border Control (DJBC)	
Competent Authorities	
Department of Justice and Border Control (DJBC)	Naoero Revenue Office (NRO)
Office of Director of Public Prosecutions (ODPP)	Naoero Maritime and Ports Authority (NMPA)
Naoero Police Force (NPF)	Naoero Fisheries and Marine Resources Authority (NFMRA)
Naoero Customs Service (NCS) Office	Department of Finance
Others	
National Bureau of Statistics	Registrar of Courts
Naoero Maritime Administration (NMA)	

Table of Acronyms

ADB	Asian Development Bank
AMLOC	Anti-Money Laundering Official Committee
AMLGC	Anti-Money Laundering Governance Council
AMLPPC	Anti-Money Laundering Private Partnership Committee
AML/CFT/CPF	Anti-Money Laundering / Countering the Financing of Terrorism/Countering Proliferation Financing
AML-TFS Act 2023	Anti-Money Laundering and Targeted Financial Sanctions Act 2023
BO	Beneficial Ownership
CBI	Citizenship by Investment
CRVAA	Command Ridge Virtual Assets Authority
CDD	Customer Due Diligence
CTTOC	Counter Terrorism and Transnational Organised Crime 2004
DNFBPs	Designated Non-Financial Businesses and Professions
EDD	Enhanced Due Diligence
FATF	Financial Action Task Force
FI	Financial Institution
FIU	Financial Intelligence Unit
LEAs	Law Enforcement Agencies
MER	Mutual Evaluation Report
MVTS	Money or Value Transfer Services
ML	Money Laundering
NCS	National Customs Service
NFIU	Naoero Financial Intelligence Unit
NPO	Non-Profit Organisation
NMA	Naoero Maritime Administration
NMPA	Naoero Maritime and Ports Authority
NPF	Naoero Police Force
NRA	National Risk Assessment
NRO	National Revenue Officer
PF	Proliferation Financing
PSPs	Payment Service Providers

SDD	Simplified Due Diligence
STRs/SARs	Suspicious Transaction Reports/Suspicious Activity Reports
TCU	Naoero Transnational Crime Unit
TF/FT	Terrorist Financing/Financing of Terrorism
TFS	Targeted Financial Sanctions
VA	Virtual Asset
VASP	Virtual Asset Service Provider