



People's Majlis

Committee Minutes

1st Meeting of Committee on National Security

12 February 2014

Co-chair of APG and Deputy Commissioner of Australian Federal Police Andrew Colvin speaking:

Thank you Neeza, Chair to you and to your committee members first on behalf of my delegation's thank you very much for making the time to see us this morning. We are very conscious that it was a short notice, that your parliament is in recess and that also you have an election in a little over a month. So you are further possibly elsewhere. We did however think that is very important that we had some time with you and your members. And I am sure, Neeza has just giving you a good run there on who we are and why we are here. But if for my just add few words and then I'll pass to my colleagues as well. But mean while my introduction; my name is Andrew colvin N.E.C from my... I'm a member of the strain federal police but I'm also the permanent co-chair of the Asia Pacific Group on money laundering. Which is a regional bayest body you may have heard previously for the financial actions. Taskforce, we are a regional body that performs of a function very similar to the financial actions taskforce works for there member countries on the money laundering and can daring financial terrorism laws and legislations and their complaints. A Moosa joined by golden hook. He is the executive secretary of the Asia pacific group of the money laundering. And to my left to here is Mr. Harry Nappo. Harry is the assistant director of the Middle East financial intelligence unit. And harry is a very typically important person in this particular delegation because and Po has great experience with work and happen with the international community, if a country is not able to pass the necessary laws and make the standards that the international community expect in terms of anything money laundering, legislation. We thought it was important to speak directly to you and your committee. Because we understand that at the movement the bill that was read in the parliament at the end of last year is currently with your committee. And while we know that there is an election on the 21st of March. We also understand that there will be a small window or perhaps 10 days where legislation can still pass when Parliament comes back from its recess. And from air prospective and from the I.P.G members prospective, we wanted to impress upon the committee if we could the importance of taking whatever steps necessary and possible to try and get there legislation through the parliament. The reason we say that is that we are concerned that should the legislation not pass then the I.P.J and the financial action task force will be left with little option but to tight certain matters that will be a negative for the meldoze. And the Harry will add exercise more about that. And I think it's fair to say that we understand the challenges and we have worked very closely with your agencies and the M.M.I have been very corporative with us and have worked very closely with us on the issue forms. So we understand that the will is that do this. But of cause passage of the legislation is the critical factor that will be required. Passage of legislation alone is only one step. Of

cause there is a requirement of agencies to be able to enact the legislation and take positive action under legislation and moreover here we are meeting a number of your agencies, the prosecutor general's office, the police as well as M.M.A and the financial intelligence unit to talk to them about their capacity to take action under this legislation once it is passed. But the major focus of our interest at the moment is to hear from yourselves and to talk to you about the consequences for the Maldive should this legislation not passed the parliament and the international bodies feel compel to take certain action. I might leave at that because I know Neeza has probably giving you a very good run down and you are very aware and I know that you have met with the M.M.I on a number of occasions and you and your committee have met with members of the Asia pacific group on money laundering before. I think if you could take this high level visit by I.P.G members as soon aware concern and as a soon aware desire to see the Maldive is not found itself in a position where international community is taking actions which we believe would be counter to the best interest of the Maldives. I might leave you at that, certainly happy to take some questions, but what I would like to do first for is pass carry to you who can give a real example from the is Nepalese prospective of a what referral to what we called I.C.I.G process is what that can mean from international prospective.

Financial Information Unit, Nepal Rastra Bank Hari Nepal speaking:

Thank you chair and the parliament members. It's our pleasure to meet you and this is a crucial issue and you may know that all the SAARC countries are member to Asia pacific group on money laundering. And there are 41 members right now. And the purpose of our visit here is to describe to discuss with you about the possible consequences if there are certain graphs in Maldivian legal systems. I am not going to other things. I would like to say what we did and what are the problems was Nepal faced. As a member of this delegation and as a neighboring country, the first thing is that if Maldives does not have a sound legal system to prevent money laundering and to risk financing, it as domestic as if just one thing. At the same time the international community might take it differently, the perception of international are global community might be different and it might have adverse impact in overall perception of the reputation of the country itself. That was our experience. And at the same time your reform agenda maybe economic, maybe financial, maybe other things might be hampered because that was our experience and because the international community may hesitate to negotiating in the reforms agenda as well as in the financial capacity willing agendas and particularly the financial sector that M.M.A is heading in might face some problems with foreign counter parts. Such kind of problems we may face if we are unable to in a pleasant time and this delegation is just to encourage you to see

those perspectives to which you may not be aware of. But at the same time, if these laws are pass I think we sometime telling Nepal that if a good financial system is like having a hen that gives us golden egg. So that is very very beneficial to a country economically and financially and for the transparency and for the revenue and for the other things and for the stable financial system. So that is our experiences and by chance our unpleasant, I don't think that happens here. But on personally if the bill is not enacted in time and if fallen under ICIC, then you have to allocate a lot of resources. For that more than you are doing right now to prior delegation to go abroad must many more times. And they will look after each and every word of your legislation. And try to conform for technically conform whether that in line with international standard or not. And it takes a long time and it's a resource and time saves. And not financially resource and sanitary, human resource also you required. And such kind of problem you will face. And finally, we countries become oblige to do things as for the international standard. So it is better we do voluntarily with our own initiative that gives benefit, domestically as well as internationally. So that's our, my experience. And if you have any questions later on we'll discuss about that. Right now I would like to pass.

Executive Secretary, APG Gordon Hook speaking:

Thank you very much. I'm Gordon Hook from the APG secretariat and we are based in Sydney, Australia. But I'm not an Australian as you can probably tell from my actions. I'm a Canadian. First of all I want to say thank you very much for agreeing to meet with us and it's an honor to meet you Mr. Chairman. And we know you have very busy schedule and we won't waste a time unduly. I just want to underscore a couple of points. One of them is that the obligation for Maldives to implement A.M.L.C.F.T legislation in particular to enact the bill that you are currently considering. There is not an obligation that we are imposing on you. It's an obligation that the Maldives undertook voluntarily when you join the APG in 2008. There was a condition of membership. There are 41 countries in the APG. They include every country in the Asia Pacific Region with the exception of North Korea and three tiny pacific states. Among those 41 countries which Maldives is a member. You are the only country without a comprehensive A.M.L.C.F.T frame work. Every other country including pacific countries, large Asian countries, the united states in Canada, both of whom are members of the APG, Pakistan, India, Sri Lanka, Nepal, Bhutan, Bangladesh and many others, all the others are all have comprehensive A.M.L.C.F.T laws. As I said Maldives is the only one after 5 years of membership in the APG and very active participation in the APG. And very active participation of the APG with Maldives this is the 5th visit that we made most recently in December where my SAARC member met with you Mr. Chairman. And that's a concern from many members of the APG. And the primary

concern for that is not the very fact that you don't have legislation. But the fact that with the absence of that legislation makes Maldives very vulnerable to money laundering and financing. We have discussions with other agencies so far. And we can see that there are some vulnerabilities. Many of which been identified the international monetary fund in a report that was prepared after a two week visit in the Maldives in 2011. And since that visit and the report of that visit which continues a number of recommendations. It's unfortunately that the Maldives has enacted implemented many those recommendations. However the Maldives has to be congratulated on the fact that there is a bill currently in parliament. Last year the APG at our annual meeting in July of last year and the entire membership took unanimous decision that the Maldives should be the subject of this high level visit to express concern priority the next annual meeting. That if the bill isn't passed that shouldn't consequences, which my colleague in the APG cultures of outlined might occurred. I can't underscored to you Mr. Chairman the importance of those consequences. Many countries in the A.P.G region 14 of them as of last year were subject to financial action task force review through which is called I.C.R.G as suppose Mr. Paul indicated. That's the international corporation review group. They have which is called the black list. An account measures list. There are a lot of countries in that list at the moment. And there are very in categories on that list. And it doesn't matter where you are on that list there is negative consequences too I think. I'll just have line a couple when Thailand and Vietnam are placed on the gray list. That's not even the black list of the F.I.T.A. There are consequences for citizens abroad being having a credit card transactions blocked. There were consequences for incoming wire transfers from European banks. Many of which were blocked. And there were consequences for international reputation. It would be our concern and the coaches express that the Maldives should not be to that negative consequences. At a very time were the Maldives working very hard to eliminate the public debt and to attract for the investment. Without the measures in place that are reflected in the current bill before the national security committee there may indeed be negative consequences to the attraction of foreign investment and to international reputation. As Mr. Colvin their coach I would like you have a small window of opportunity to enact that bill in March the F.A.T.Fs next meeting is in June in Russia and it may very well be they will look at the Maldives. I can indicate that the Maldives is already on a listed jurisdiction say are under consideration by the F.A.T.F and last year the two countries were up consideration by F.A.T.F the Maldives and papa new gini and the Maldives dogged the bullets so the speaker said the F.A.T.F look at P.N.G is an alternative. In June very well maybe that the financial action task force will take Maldives by self referral for a review as Mr.Nepal indicated if that review occurs that review can take up to three years. During which you in the Maldives will expense a

huge amount of resources as you said to try to deal with the issues of the F.A.T.F. you can dodge that ball if you enact the legislation we would encourage you to do that. Now we do understand that the Maldives has a sweet of legislation alternative before the parliament relate to criminal procedure mutual legal systems criminal evidence there financial sector builds pending many of those bills are maybe viewed in the Maldives having higher priority. But I doubt that most of those bills would have the same consequences for fairly to enact before June that the A.M.L bill has. So on behalf of the A.P.G membership we would encourage you to look at the opportunities of using the small window and merge to an act that legislation. I want to be honest with you that there are some deficiencies in that legislation and those deficiencies have been noted by the A.P.G but the importance is to get the legislation in place and to deal with the deficiencies at a later date. If the deficiency, if the bill is enacted and the financial action task force takes a review of the Maldives they will look at not only if the failure to enact the bill but pressure the Maldives defects the deficiencies before the bill is enacted which would consume further time in this committee the further time in the Maldives parliament operates the 3 years to get off of at F.A.T.F monitoring. You have a review coming up again you had yours in 2011 but there is another one in 2017. The last thing you would like to do is with the greatest respect is to consume the huge amount of resources to deal with the F.A.T.F when you should spend those resources if I can suggest that dealing with you next preview and the legislation you to do, you know to recommend to a club better complains with the new standards that have changed last year. So those are the comments I wanted to make. And we certainly prepared this coaches said to take any questions from you.

Chairman speaking:

Thank you very much and I want to say something about. We all know that this is a serious issue that we have already have met with the Monitory Authority. And I feel sorry to say this but I have to I think as a politician also either a Member of the Parliament I have to say the truth. You know the government is formed by a coalition. And in this coalition sometimes they may not like or they like. They are always looking for that. Recently we are in the recess they want to increase the finance and they want to increase the taxes and they want to make money for the government. For the recess time they call their members to come. Because we are, I am opposition. I am a leader of an opposition. And they have the clear majority. I think honorable Azee from them. I am ready to do that even. We need only 24 hours to make this bill finish because we are not the qualified I mean the people to make this. But that bill the Monitory Authority has made it very clearly. So we only have to discuss a little and we can pass and send. You please excuse me please do go and ask the government side to help to have an

another serious session in the parliament or we can give the report on I mean in this recess time and they can take seriously so we can be, we can table this bill on 1st of March or first week of March. It's a simple thing. But I am telling you but whenever we complete the bill we send that sometimes in this coalition they have a strong the Maldivian some of the business people there involving that. May be they use some purpose they need to have this I mean the open windows to have money laundering bill they don't requires. So this bill they will not go in to pass this bill. So it comes back. For an example I am telling you last two years we tried fourth times to have a criminal I mean sorry prison and parole bill. Four times we complete and send it. That our member of parliamentarian went to Australian prisons and Singapore, Malaysia and Thailand and Sri Lanka all this we get the information and we made a good bill, very good bill. We don't have any legislative power in this prison. We have lot of crimes and criminal things going on this small country. At fourth time the president send me back. Last year president Yamin came and we again we send back. And ok it's go through. But look penal code what happen. When the penal code comes there sometimes Adhaalath party don't like what they want may be something some issues they have. So Adhaalath party they don't want to pass this and again the president will not going to sign the bill. Not pass. Issue is like this. Today we are sitting here and we know that on the 22nd of March our election is going on. Today whole the commission of election is coming; they are taking to Supreme Court. I hope that you should understand this. Not only one and now I mean the out of I mean what we say that with the no point of say anything to this cause. They said ok any time we can bring the people we can give the sentence and we do whatever we want. Supreme Court is that strong. This Supreme Court made lot of things doing that. I mean we can finish the bill easy things. But you may take the guarantee from the government side. I mean, for as an opposition for us is no problem. This is a responsible of the government. This is a responsible of the government and the parliament. The majority of the parliament is the current government. If they want do this it is a simple thing. In this committee, I hope that you can get the guarantee from the government and ask the government party the member's to come and sit here. I'm ready. I don't want have my campaign and everything. I want to finish this bill and I can send it. I can give you that guarantee. Excellencies, I have taken very seriously what you are saying. Because, of our country what you are saying. All we take very serious issues. And I think we don't have any much discuss. We have to think about the seriousness of these bills and these kinds of bills. But I'm telling you this is a situation here. Anything the politically they have an advantage they will do this. If there is no advantage for them is; sometimes Qasim or somebody may not like. Because, they have some money laundering issues maybe I don't know. I'm not going say this. But, this is not a to political party e to talk this. But I'm telling you this is the

reality of the situation here in this parliament. We, M.D.P we have only thirty one out of seventy seven, we are minority. I'm the chair of this committee, and the M.D.P. If government wants to do this please I hope that you'll go and meet the finance minister or the president, give this serious issue that I'm ready to do this. I'm not going to hold this. I hope any of P.P.M members or this is our M.D.P member, any of I'm not looking as a party. I think you all give a; we can say a vote you that we are ready to do the bill. I hope Mr. Azee will say something.

Maavashu constituency member Abdul Azzez Jamaal Aboobakur speaking:

Thank you very much. I also must say something about this. I think my opinion is there is no any political view to delay this bill. As we have a long list of bills in the committees un-purposely it is delayed. So there is no political will because, this is a beneficial for the nation. So I'm assure that I will concentrate this from now and I will try my best to past the bill by the committee. And I advised Mr. Chairman to take a small sub-committee from our committee and with the discuss of M.M.A we can finalize this when the next session starts on 1st of March. As soon as the second session starts we can send to the floor and we can pass it. So, we are willing to do this. I think it is our obligation to pass this bill for the nation, for the sake of the nation. So, there is no any will to delay this purposely. I have guarantee of that.

Co-chair of APG and Deputy Commissioner of Australian Federal Police Andrew Colvin speaking:

Chair, for my and your committee member thank you very much. And firstly can I say chairman thank you for your honestly and we around are no illusions about the challenge and we understand fully that is not for the committee to pass legislation. I think in many ways what you have said gives us a lot of comfort that you're understanding importance of the bill and you understand the importance to the matters. What we are hoping to do is to raise that awareness to the extent that we can speak to members of the government. We will we may yesterday with minister of finance will meet this afternoon with attorney general. So, we would be able to raise awareness and impressive point that everybody that we speak to the importance of passage of this bill. We thought it was important as we knew the bill was with the committee to speak to you. And as you say if the committee is more in to get the bill to a state that can be re introduced when parliament comes back from the recess. Then I think we will be very pleased and of cause there is a matter for the parliament to dissolve whether it is passed. But we welcome your comments most differently it is a matter for the committee how you would like to do that but certainly if there is anything that I.P.J can do to assist certainly the M.M.I, a very well worst in this bill is you would expect and certainly

understand significant of the legislation but we would stand behind the M.M.I and support them as well if there is anything more that can be done.

Chairman speaking:

Thank you very much. I think in future we will discuss with our committee according one time to come with the committee and as far our honorable members said like we have to have a sub-committee to complete the works with incoming 15 two weeks time. And we are the committee that who has all this kind of criminal procedures and so many things we are doing and we also very seriously looking to this kind of with very thing related money. And the drug issues are very high here. Crime rate is very high and very of these things I hope that you here this is the second time we have take for our parliamentarians the first member our honorable member has already passed away. But the second one he tried to, I mean still he is I.C.U in Sri Lanka things like that. They are attacking to our parliamentarians not only that. And crime rate is very high and I think it related so many things. We actually don't know this is not only political things. I don't mean to say that this is a political thing. But I suspect that there may be some how do you call that; some of this serious issues are going on. I mean the drugs and kind of alghaidha difficult to say that. But I think it's very serious thing to hear that. There are, I mean some people who are doing lot of things. Every this kind of things related with the money. And up to now this government we have been requesting lot of time to, I mean the money I mean the dollars and other foreign currency's to control. There is no system even monetary authority is doing that there are very happy to stay talk with us. But anybody can buy any currency anybody can sell any currency and country like this; this will become dangerous place in the Maldives. And other people who are fighting with the politics, we all are with that very seriously looking who is going to win, who is going to lose and this political fighting going on. Some our U.Ts getting bad, they are getting drug addict lot of things has happen in this country. So we want have international support to do this. Not only pass the legislative, but strongly want to say this international community to look after what is going on this county. And what will happen for our economy. And nobody believes that in this country now it's a safe place to invest here. If we don't get the investment this will be a big problem again if you take serious action any of international forum this is going to be a big problem like disaster for our country. And as you know that we don't have investment bank here people are not getting a lot of high interest rate people to finance from the commercial banks and they are developing the resorts. Our average selling rate is higher than entire region. Maldives is very high destination. But we want have a middle market as tourism I mean. But this kind of lot of things has happened in this country. We also very much concern about this. I am giving you 100% my full time to complete this. I am very

happy Honorable Aziz said that he will support us. So no need only three of us we can pass this bill. And I believe that. How is your campaign going? Good. I believe this.

Maavashu constituency member Abdul Azzez Jamaal Aboobakur speaking:

Any time I am willing to participate in the committee. And I will give my best.

Chairperson speaking:

Thank you very much. We are political friends. Thank you very much once again.

Co-chair of APG and Deputy Commissioner of Australian Federal Police Andrew Colvin speaking:

Chair for my in closing you told me this is precious or no. Thank you again for your time and your honorable member's time. Of course we have talked you today about the constituencies of Maldives not being seen to have a frame work. But I think you have touched on a very important point. And that is around the real consequences for murders around crime. Nobody wishes for the murders to be seen as an attractive occasion for organized crime. Nobody wishes for the murderers to be a weak link in a chain where I was thinks they can exploit their weakness and they are the real consequences for the Maldivian's across this country. So we share that concern on very pleased and with the comments that you have made it's a very encouraging for asking the delegation, the main delegation. And we will make sure that in our report we reflect that. We will need to go back to the membership and advice them of the progress and we will look on with much interest in March that the bill can make through the parliament. That is wonderful.

APG Delegation speaking:

Thank you chair for your honesty responds that you are very much; you people are very much worried about the situation. And I would like to control them. And my experience, our experience that A.M.L city of bill might be a very very good and strong instrument to come back those kind of elements that you have facing as problem. May be the druggist, may be the terrorist, may be other corruptions like other things that it in a sense that it creates a kind of terror within those people. Not with those people who want have a success sound system in a place? That's our experience show if the bill is enacted as soon as possible not only international for the domestic purpose also it becomes very very useful. You can fight very easily will have a system in place to control those kind of things. And you are right. I would like to share one experience. She was also with in Nepal while Nepal was being evaluated for a safety system. And one of the very good bank, what is said that; I think she over the bank. He raises the

point that if Nepal is black listed what you are going to do. That was asked to that international bank. And the guy very readily said will return back to home country. So that kind of see consequences it might bring tomorrow if we did not think today. But I don't think that situation will come. Because you people are quite serious, and it hamper that as you say an investment packages that you are developing in banking systems as well as assistance foreign government. But at a same time, what we did in Nepal is that we all beat whether it is opposition or whether it is government we will beat for each and every sector of the society including the media, including the president. So finally you became successful to come out of that sure that experience might be some accident helpful to you.

MMA Assistant Governor, Financial Stability Neeza Imad speaking:

Thank you chair and thank you members. Thank you very much for your concern and your concentrations to the benefit of the country and A.P.G's here actually for our benefit. Not for their concern on the economy of Maldives. Actually they are; they wanted to help us for last four years. And it is time that I'm very sure that they will be assured that we have our wills and commitments from parliamentarians at least. So parliamentarians are the highest authority who can actually pass the legislations. So that assurance I'm very sure that the delegation would have got by now because we see the will and the concern of the parliamentarians. Thank you so much for that.

Maavashu constituency member Abdul Azzez Jamaal Aboobakur speaking:

Thank you very much. I think there is no issue to delay the will anymore. Because as we are not specialists in this economical affairs only attorney general and the M.M.A agree for the bill than we can very easily pass it because they are the stake holders to concern run this issue. So if both parties, I mean attorney generals and M.M.A agree to the draft bill and we can simply pass it within a few days. I guarantee it.
