



NIGERIAN FINANCIAL INTELLIGENCE UNIT (NFIU)

ADVISORY BASED ON THE FINANCIAL ACTION
TASK FORCE IDENTIFIED JURISDICTIONS
UNDER INCREASED MONITORING (JUNE 2021)

The Nigerian Financial Intelligence Unit (NFIU) In fulfilment of its obligations on the timely provision of guidance to Reporting Entities and Competent Authorities (CA) publishes Indicators and advisory on crimes of money laundering and terrorist financing in an effort to guide Reporting Entities and CA on observable trends and patterns to mitigate AML/CFT threats.

JULY 2021

Introduction

In June, 2021, the financial action task force (FATF) updated its list of jurisdictions under increased monitoring and are actively working with these countries to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve quickly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. The changes may affect Nigerian financial institutions' obligations and risk-based approaches with respect to relevant jurisdictions.

The FATF identifies additional jurisdictions, on an on-going basis, that have strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. A number of jurisdictions have not yet been reviewed by the FATF or their FSRBs (FATF style regional bodies), but will be in due course.

Nigerian Financial Intelligence Unit (NFIU) is issuing this advisory as a medium to inform all Financial Institutions, Designated Non-Financial Institutions, Regulatory Authorities, Security Agencies and all relevant Stakeholders in the AML/CFT regime in Nigeria on updates to the FATF list of jurisdictions with strategic Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) and Counter-Proliferation Financing deficiencies, to be cautious in establishing business relationships with entities or individuals and or conducting financial transactions, including inward or outward transfers, with the following jurisdictions that have been identified to have strategic deficiencies in their AML/CFT regime and pose a risk to the international financial system.

Financial institutions should consider the FATF's statements when reviewing their obligations and risk-based policies, procedures, and practices with respect to the jurisdictions noted below.

In October 2020, the FATF decided to recommence work, paused due to the COVID-19 pandemic, and to identify new countries with strategic AML/CFT deficiencies and prioritise the review of listed countries with expired or expiring deadlines of action plan items. The following countries had their progress reviewed by the FATF since February 2021: Albania, Barbados, Botswana, Cambodia, Cayman Islands, Ghana, Jamaica, Mauritius, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Uganda, and Zimbabwe. For these countries, updated statements are provided below. Burkina Faso and Senegal were given the opportunity and chose to defer reporting due to the pandemic; thus, the statements issued in February 2021 for these jurisdictions are included below, but they may not necessarily reflect the most recent status of the jurisdiction's AML/CFT regime. Following review, the FATF now also identifies Haiti, Malta, Philippines, and South Sudan.

Tabular representation: Jurisdictions in and out of the increased monitoring list thus far in 2021 January – June:

S/N	Jurisdictions with strategic deficiencies (February 2021)	Jurisdictions with strategic deficiencies (June 2021)	Jurisdictions no longer subject to increased monitoring (June 2021)	New Jurisdictions added in the June list for increased monitoring
1	Albania	Albania	Ghana	Haiti
2	Barbados	Barbados		Malta
3	Botswana	Botswana		Philippines
4	Burkina Faso	Burkina Faso		South Sudan
5	Cambodia	Cayman Islands		
6	Cayman Islands	Haiti		
7	Ghana	Jamaica		
8	Jamaica	Malta		
9	Mauritius	Mauritius		
10	Morocco	Morocco		
11	Myanmar	Myanmar		
12	Nicaragua	Nicaragua		
13	Pakistan	Pakistan		
14	Panama	Panama		
15	Senegal	Senegal		
16	Syria	Syria		
17	Uganda	Uganda		
18	Yemen	Yemen		
19	Zimbabwe	Zimbabwe		

JURISDICTIONS WITH STRATEGIC DEFICIENCIES IDENTIFIED BY THE FATF FOR INCREASED MONITORING (JUNE 2021)

Albania

Since February 2020, when Albania made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime, Albania has taken steps towards improving its AML/CFT regime, including by improving the implementation of targeted financial sanctions

through supervisory actions that identify and rectify compliance deficiencies among financial institutions and DNFBPs. Albania should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) finalising a project to reduce the informal, cash-based economy and to register ownership of all real estate; (2) improving the timely handling of mutual legal assistance requests; (3) establishing more effective mechanisms to detect and prevent criminals from owning or controlling DNFBPs, including by strengthening competent authorities' powers to apply sanctions; (4) ensuring that accurate and up-to-date legal and beneficial ownership information is available about companies on a timely basis; (5) increasing the number of prosecutions for ML, especially in cases involving foreign predicate offences; and (6) demonstrating the continued use of asset seizures and securing final confiscations for the proceeds of crime, especially assets linked to third-party and professional money launderers, as well as indirect proceeds and equivalent value.

Barbados

In February 2020, Barbados made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Barbados should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating an effective application of risk-based supervision for FIs and DNFBPs; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis; (3) increasing the capacity of the FIU to improve the quality of its financial information to further assist law enforcement authorities in investigating ML or TF; (4) demonstrating that ML investigations and prosecutions are in line with the country's risk profile and result in sanctions, when appropriate, and reducing

the backlog in completing cases; (5) further pursuing confiscation in ML cases, including by seeking assistance from foreign counterparts.

Botswana

In October 2018, Botswana made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. At its June 2021 plenary, the FATF has made the initial determination that Botswana has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Botswana's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Botswana has made the following key reforms, including by: (1) developing a comprehensive national AML/CFT strategy and policy informed by national risk assessment results; (2) developing risk-based supervision and monitoring programmes; and (3) improving the dissemination and use of financial intelligence by the FIU and others to identify and investigate ML cases. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Burkina Faso

(Statement from February 2021)

In February 2021, Burkina Faso made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2019, Burkina Faso has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by adopting a national AML/CFT strategy in December 2020. Burkina Faso will work to implement its action plan, including by: (1) adopting and implementing follow-up mechanisms for monitoring actions in the national strategy; (2) seeking MLA and other forms of international cooperation in line with its risk profile; (3) strengthening of

resource capacities of all AML/CFT supervisory authorities and implementing risk based supervision of FIs and DNFBPs; (4) maintaining comprehensive and updated basic and beneficial ownership information and strengthening the system of sanctions for violations of transparency obligations; (5) increasing the diversity of STR reporting; (6) enhancing FIU's human resources through additional hiring, training and budget; (7) conduct training for LEAs, prosecutors and other relevant authorities; (8) demonstrating that authorities are pursuing confiscation as a policy objective; (9) enhancing capacity and support for LEAs and prosecutorial authorities involved in combatting TF, in line with the TF National Strategy; and (10) implementing an effective targeted financial sanctions regime related to terrorist financing and proliferation financing as well as risk-based monitoring and supervision of NPOs.

Cambodia

In February 2019, Cambodia made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. Cambodia should take urgent action to fully address remaining measures in its action plan as all timelines have already expired. Cambodia should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) ensuring prompt, proportionate and dissuasive enforcement actions are applied to banks, as appropriate for AML/CFT breaches; (2) enhancing disseminations of financial intelligence to law enforcement authorities in connection with high-risk crimes; (3) demonstrating an increase in ML investigations and prosecutions in line with risk; (4) demonstrating an increase in the freezing and confiscation of criminal proceeds, instrumentalities, and property of equivalent value; (5) raising awareness amongst the private sector of new obligations concerning targeted financial

sanctions related to proliferation financing and enhancing the understanding of sanctions evasion.

The FATF notes Cambodia's continued progress across its action plan; however, all deadlines have now expired and significant work remains. The FATF strongly urges Cambodia to swiftly complete its full action plan and address the above-mentioned strategic deficiencies.

The Cayman Islands

Since February 2021, when the Cayman Islands made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, the Cayman Islands has taken steps towards improving its AML/CFT regime, including by applying sanctions that are effective, proportionate and dissuasive, and taking administrative penalties and enforcement actions against obliged entities to ensure that AML/CFT breaches are remediated. The Cayman Islands should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) imposing adequate and effective sanctions in cases where relevant parties (including legal persons) do not file accurate, adequate and up-to-date beneficial ownership information in line with those requirements; and (2) demonstrating that they are prosecuting all types of money laundering in line with the jurisdiction's risk profile and that such prosecutions are resulting in the application of dissuasive, effective, and proportionate sanctions.

Haiti

In June 2021, Haiti made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime. Haiti will work to implement its action plan, including by: (1) developing its ML/TF risk assessment process and disseminating the findings; (2) facilitating information sharing with relevant foreign counterparts; (3) addressing the technical deficiencies in its legal and regulatory

framework that impede the implementation of AML/CFT preventive measures and implementing risk-based AML/CFT supervision for all financial institutions and DNFBPs deemed to constitute a higher ML/TF risk; (4) ensuring basic and beneficial ownership information are maintained and accessible in a timely manner; (5) ensuring a better use of financial intelligence and other relevant information by competent authorities for combatting ML and TF; (6) addressing the technical deficiencies in its ML offence and demonstrating authorities are identifying, investigating and prosecuting ML cases in a manner consistent with Haiti's risk profile; (7) demonstrating an increase of identification, tracing and recovery of proceeds of crimes; (8) addressing the technical deficiencies in its TF offence and targeted financial sanctions regime; (9) conducting appropriate risk-based monitoring of NPOs vulnerable to TF abuse without disrupting or discouraging legitimate NPO activities.

Jamaica

Since February 2020, when Jamaica made a high-level political commitment to work with the FATF and CFATF to strengthen the effectiveness of its AML/CFT regime, Jamaica has taken steps towards improving its AML/CFT regime, including by implementing targeted financial sanctions for TF without delay. Jamaica should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) developing a more comprehensive understanding of its ML/TF risks; (2) including all FIs and DNFBPs in the AML/CFT regime and ensuring adequate, risk-based supervision in all sectors; (3) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes, and ensuring that accurate and up-to-date basic and beneficial ownership information is available on a timely basis; (4) taking proper measures to increase the use of financial intelligence and to increase ML investigations and prosecutions, in line with the country's risk profile; and (5) implementing a risk-based

approach for supervision of the NPO sector to prevent abuse for TF purposes.

Malta

In June 2021, Malta made a high-level political commitment to work with the FATF and MONEYVAL to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in July 2019, Malta has made progress on a number of the MER's recommended actions to improve its system, such as: strengthening the risk-based approach to FI and DNFBP supervision; improving the analytical process for financial intelligence; resourcing the police and empowering prosecutors to investigate and charge complex money laundering in line with Malta's risk profile; introducing a national confiscation policy as well as passing a non-conviction based confiscation law; raising sanctions available for the crime of TF and capability to investigate cross-border cash movements for potential TF activity; and increasing outreach and immediate communication to reporting entities on targeted financial sanctions and improving the TF risk understanding of the NPO sector. Malta will work to implement its FATF action plan by (1) continuing to demonstrate that beneficial ownership information is accurate and that, where appropriate, effective, proportionate, and dissuasive sanctions, commensurate with the ML/TF risks, are applied to legal persons if information provided is found to be inaccurate; and ensuring that effective, proportionate, and dissuasive sanctions are applied to gatekeepers when they do not comply with their obligations to obtain accurate and up-to-date beneficial ownership information; (2) enhancing the use of the FIU's financial intelligence to support authorities pursuing criminal tax and related money laundering cases, including by clarifying the roles and responsibilities of the Commissioner for Revenue and the FIU; and (3) increasing the focus of the FIU's analysis on these types of offences, to produce intelligence that

helps Maltese law enforcement detect and investigate cases in line with Malta's identified ML risks related to tax evasion.

Mauritius

In February 2020, Mauritius made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. At its June 2021 Plenary, the FATF has made the initial determination that Mauritius has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Mauritius's AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future. Mauritius has made the following key reforms, including by: (1) conducting outreach to promote understanding of ML and TF risks and obligations; (2) developing risk-based supervision plans effectively for the Financial Services Commission; (3) ensuring access to accurate basic and beneficial ownership information by competent authorities in a timely manner; and (4) providing training for law enforcement authorities to ensure that they have the capability to conduct money laundering investigations. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Morocco

In February 2021, Morocco made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Morocco should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) demonstrating effective implementation of the case management system to provide timely responses and prioritisation of MLA requests in line with the country's risk profile; (2) improving risk-based supervision and taking remedial actions and applying effective, proportionate and dissuasive sanctions for non-compliance; (3) ensuring that

beneficial ownership information is adequate, accurate and verified, including information of legal persons and foreign legal arrangements; (4) increasing the diversity of STR reporting; (5) providing FIU with adequate financial and human resources to enhance analytical capabilities in order to fulfil its core mandate of operational and strategic analysis; (6) prioritising the identification, investigation and prosecution of all types of ML in accordance with the country's risks; (7) building capacity of LEAs, prosecutors, and other relevant authorities to conduct parallel financial investigations, use financial intelligence, seize assets, and seek/provide MLA; and (8) monitoring and effectively supervising the compliance of FIs and DNFBPs with targeted financial sanctions obligations.

Myanmar

In February 2020, Myanmar made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies. Myanmar should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) demonstrating an improved understanding of ML risks in key areas; (2) demonstrating that onsite/offsite inspections are risk-based, and hundi operators are registered and supervised; (3) demonstrating enhanced use of financial intelligence in LEA investigations, and increasing operational analysis and disseminations by the FIU; (4) ensuring that ML is investigated/prosecuted in line with risks; (5) demonstrating investigation of transnational ML cases with international cooperation; (6) demonstrating an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value; (7) managing seized assets to preserve the value of seized goods until confiscation; and (8) demonstrating implementation of targeted financial sanctions related to PF, including training on sanctions evasion.

Nicaragua

Since February 2020, when Nicaragua made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime, Nicaragua has taken steps towards improving its AML/CFT regime, including by updating its national risk assessment on ML/TF. Nicaragua should continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) disseminating the outcomes of its ML/TF risk understanding to competent authorities and relevant private sector entities; (2) conducting effective, risk-based supervision; (2) taking appropriate measures to prevent legal persons and arrangements from being misused for criminal purposes.

Pakistan

Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter terrorist financing-related deficiencies, Pakistan's continued political commitment has led to significant progress across a comprehensive CFT action plan. The FATF recognizes Pakistan's progress and efforts to address these CFT action plan items and notes that since February 2021, Pakistan has made progress to complete two of the three remaining action items on demonstrating that effective, proportionate and dissuasive sanctions are imposed for TF convictions and that Pakistan's targeted financial sanctions regime was being used effectively to targeted terrorist assets. Pakistan has now completed 26 of the 27 action items in its 2018 action plan. The FATF encourages Pakistan to continue to make progress to address as soon as possible the one remaining CFT-related item by demonstrating that TF investigations and prosecutions target senior leaders and commanders of UN designated terrorist groups.

In response to additional deficiencies later identified in Pakistan's 2019 APG Mutual Evaluation Report (MER), Pakistan has made progress to address a number of the recommended actions in the MER and provided further high-level commitment in June 2021 to address these strategic deficiencies pursuant to a new action plan that primarily focuses on combating money laundering. Pakistan should continue to work to address its strategically important AML/CFT deficiencies, namely by: (1) enhancing international cooperation by amending the MLA law; (2) demonstrating that assistance is being sought from foreign countries in implementing UNSCR 1373 designations; (3) demonstrating that supervisors are conducting both on-site and off-site supervision commensurate with specific risks associated with DNFBPs, including applying appropriate sanctions where necessary; (4) demonstrating that proportionate and dissuasive sanctions are applied consistently to all legal persons and legal arrangements for non-compliance with beneficial ownership requirements; (5) demonstrating an increase in ML investigations and prosecutions and that proceeds of crime continue to be restrained and confiscated in line with Pakistan's risk profile, including working with foreign counterparts to trace, freeze, and confiscate assets; and (6) demonstrating that DNFBPs are being monitored for compliance with proliferation financing requirements and that sanctions are being imposed for non-compliance.

Panama

Since June 2019, when Panama made a high-level political commitment to work with the FATF and GAFILAT to strengthen the effectiveness of its AML/CFT regime, Panama has taken steps towards improving its AML/CFT regime, including by taking actions to identify unlicensed money remitters and increasing the use of FIU products to initiate or further ML investigations. However, Panama should take urgent action to fully address remaining measures in its action plan as all

timelines have already expired. Panama should therefore continue to work on implementing its action plan to address its strategic deficiencies, including by: (1) strengthening its understanding of the ML/TF risk of legal persons, as part of the corporate sector and informing findings to its national policies to mitigate the identified risks; (2) applying a risk-based approach to supervision of the DNFBP sector and ensuring effective, proportionate, and dissuasive sanctions against AML/CFT violations; (3) ensuring adequate verification, of up-to-date beneficial ownership information by obliged entities and timely access by competent authorities, establishing an effective mechanisms to monitor the activities of offshore entities, assessing the existing risks of misuse of legal persons and arrangements to define and implement specific measures to prevent the misuse of nominee shareholders and directors; and (4) demonstrating its ability to investigate and prosecute ML involving foreign tax crimes and continuing to provide constructive and timely international cooperation for such offences, and continuing to focus on ML investigations in relation to high-risk areas. The FATF notes Panama's continued progress across its action plan; however, all deadlines have now expired and significant work remains. The FATF therefore strongly urges Panama to swiftly complete its full action plan and address the above-mentioned strategic deficiencies.

Philippines

In June 2021, the Philippines made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2019, the Philippines has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by addressing technical deficiencies on targeted financial sanctions. The Philippines will work to implement its action plan, including by: (1) demonstrating that

effective risk-based supervision of DNFBPs is occurring; (2) demonstrating that supervisors are using AML/CFT controls to mitigate risks associated with casino junkets; (3) implementing the new registration requirements for MVTS and applying sanctions to unregistered and illegal remittance operators; (4) enhancing and streamlining LEA access to BO information and taking steps to ensure that BO information is accurate and up-to-date; (5) demonstrating an increase in the use of financial intelligence and an increase in ML investigations and prosecutions in line with risk; (6) demonstrating an increase in the identification, investigation and prosecution of TF cases; (7) demonstrating that appropriate measures are taken with respect to the NPO sector (including unregistered NPOs) without disrupting legitimate NPO activity; and (8) enhancing the effectiveness of the targeted financial sanctions framework for both TF and PF.

Senegal

(Statement from February 2021)

In February 2021, Senegal made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Since the completion of its MER in 2018, Senegal has made progress on a number of its MER recommended actions to improve technical compliance and effectiveness, including by adopting a National Strategy for AML/CFT and an Operational Plan to implement the Strategy. Senegal will work to implement its action plan, including by: (1) ensuring consistent understanding of ML/TF risks (in particular related to the DNFBP sector) across relevant authorities through training and outreach; (2) seeking MLA and other forms of international cooperation in line with its risk profile; (3) ensure that Financial Institutions and DNFBPs are subject to adequate and effective supervision; (4) updating and maintaining comprehensive beneficial ownership information and strengthening the system of sanctions for violations of transparency obligations; (5) continuing to enhance the FIU's

human resources to ensure that it maintains effective operational analysis capacities; (6) demonstrate that efforts aimed at strengthening detection mechanisms and reinforcing the capability to conduct ML/predicate offences investigations and prosecutions activities are sustained consistently in line with the Senegal's risk profile; (7) establishing comprehensive and standardised policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime in line with its risk profile; (8) strengthening the authorities understanding of TF risks and enhancing capacity and support for LEAs and prosecutorial authorities involved in TF in line with the 2019 TF National Strategy; and (9) implementing an effective targeted financial sanctions regime related to terrorist financing and proliferation financing as well as risk-based monitoring and supervision of NPOs.

South Sudan

In June 2021, South Sudan made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. South Sudan will work to implement its action plan, including by: (1) applying and engaging with ESAAMLG for membership and committing to undergo a mutual evaluation by ESAAMLG or other assessment body; (2) conducting a comprehensive review of the AML/CFT Act (2012), with the support of international partners, including technical assistance, to comply with the FATF Standards; (3) designating an authority/authorities in charge of coordinating the national ML/TF risks assessments; (4) becoming a party to and implementing the 1988 Vienna Convention, the 2000 Palermo Convention, and the 1999 Terrorist Financing Convention; (5) competent authorities should be suitably structured and capacitated to implement a risk-based approach to AML/CFT supervision for financial institutions; (6) developing a comprehensive legal framework to collect and verify the accuracy of beneficial ownership information for legal persons; (7)

operationalising a fully functioning and independent FIU; (8) establishing and implementing the legal and institutional framework to implement targeted financial sanctions in compliance with United Nations Security Council Resolutions on terrorism and proliferation financing; and (9) commencing implementation of targeted risk-based supervision/monitoring of NPOs at risk of TF abuse.

Syria

Since February 2010, when Syria made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Syria has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Syria had substantially addressed its action plan at a technical level, including by criminalising terrorist financing and establishing procedures for freezing terrorist assets. While the FATF determined that Syria has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and will conduct an on-site visit at the earliest possible date.

Uganda

Since February 2020, when Uganda made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime, Uganda has taken some steps towards improving its AML/CFT regime, including by adopting the National AML/CFT Strategy in September 2020 and completing the ML/TF risk assessment of legal persons and arrangements. Uganda should continue to work to implement its action plan to address its strategic deficiencies, including by: (1) seeking international cooperation in line with the country's risk profile; (2) developing and

implementing risk-based supervision of FIs and DNFBPs; (3) ensuring that competent authorities have timely access to accurate basic and beneficial ownership information for legal entities; (4) demonstrating LEAs and judicial authorities apply the ML offence consistent with the identified risks; (5) establishing and implementing policies and procedures for identifying, tracing, seizing and confiscating proceeds and instrumentalities of crime; (6) demonstrating that LEAs conduct TF investigations and pursue prosecutions commensurate with Uganda's TF risk profile; (7) addressing the technical deficiencies in the legal framework to implement PF-related targeted financial sanctions and implementing a risk-based approach for supervision of its NPO sector to prevent TF abuse. The FATF is monitoring Uganda's oversight of the NPO sector. Uganda is urged to apply the risk-based approach to supervision of NPOs in line with the FATF Standards.

Yemen

Since February 2010, when Yemen made a high-level political commitment to work with the FATF and MENAFATF to address its strategic AML/CFT deficiencies, Yemen has made progress to improve its AML/CFT regime. In June 2014, the FATF determined that Yemen had substantially addressed its action plan at a technical level, including by: (1) adequately criminalising money laundering and terrorist financing; (2) establishing procedures to identify and freeze terrorist assets; (3) improving its customer due diligence and suspicious transaction reporting requirements; (4) issuing guidance; (5) developing the monitoring and supervisory capacity of the financial sector supervisory authorities and the financial intelligence unit; and (6) establishing a fully operational and effectively functioning financial intelligence unit. While the FATF determined that Yemen has completed its agreed action plan, due to the security situation, the FATF has been unable to conduct an on-site visit to confirm whether the process of implementing the required

reforms and actions has begun and is being sustained. The FATF will continue to monitor the situation, and conduct an on-site visit at the earliest possible date.

Zimbabwe

Since October 2019, when Zimbabwe made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime and address any related technical deficiencies, Zimbabwe has taken steps towards improving its AML/CFT regime, including by developing risk-based supervision manuals for financial institutions and higher-risk DNFBPs in line with the newly identified risks. Zimbabwe should continue to work on implementing its action plan, including by: (1) implementing risk-based supervision for FIs and DNFBPs including through capacity building among the supervisory authority; (2) ensuring development of adequate risk mitigation measures among FIs and DNFBPs, including by applying proportionate and dissuasive sanctions to breaches; (3) creating mechanisms to ensure that competent authorities have access to timely and up-to-date beneficial ownership information; and (4) addressing remaining gaps in the PF-related targeted financial sanctions framework and demonstrating implementation.

Jurisdiction No Longer Subject to Increased Monitoring by the FATF

Ghana

The FATF welcomes Ghana's significant progress in improving its AML/CFT regime. Ghana has strengthened the effectiveness of its AML/CFT regime and addressed related technical deficiencies to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in October 2018. Ghana is therefore no longer subject to the FATF's increased monitoring process. Ghana will continue to work with GIABA to improve further its AML/CFT regime.

Recommendations

- The mutual evaluation report needs to be given top priority in terms of data availability and accessibility.
- Competent authorities should be suitably structured and have the capacity to implement a risk-based approach to AML/CFT supervision for financial institutions.
- An update of the national risk assessment.
- Competent authorities need to demonstrate an increase in the freezing/seizing and confiscation of criminal proceeds, instrumentalities, and/or property of equivalent value.
- Improving risk-based supervision and taking remedial actions and applying effective, proportionate and dissuasive sanctions for non-compliance.
- Financial institutions are reminded of their obligations to comply with the due diligence obligations as required by section 3 of the Money Laundering (Prohibition) Act, 2011 (as amended) on high -risk jurisdictions identified.
- The financial institutions and all other relevant stakeholders shall consider the risks associated with the AML/CFT deficiencies of identified jurisdictions under monitoring.
- Financial Institutions and all relevant stakeholders should take reasonable proactive risk-based steps on any financial activity related to the above listed FATF jurisdictions under increased monitoring.
- The financial institutions and other designated non-financial institutions should report STRs, CTRs and SARs, and any suspected activity, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering, terrorist financing, or other violation of Money Laundering (Prohibition) Act, 2011(as amended) or regulation.
- For the jurisdictions that were removed from the FATF listing and monitoring process, financial institutions should take the FATF's decisions and the reasons behind the delisting into consideration when assessing risk, consistent in accordance the section 3 of the of Money Laundering (Prohibition) Act, 2011 (as amended).