



2022



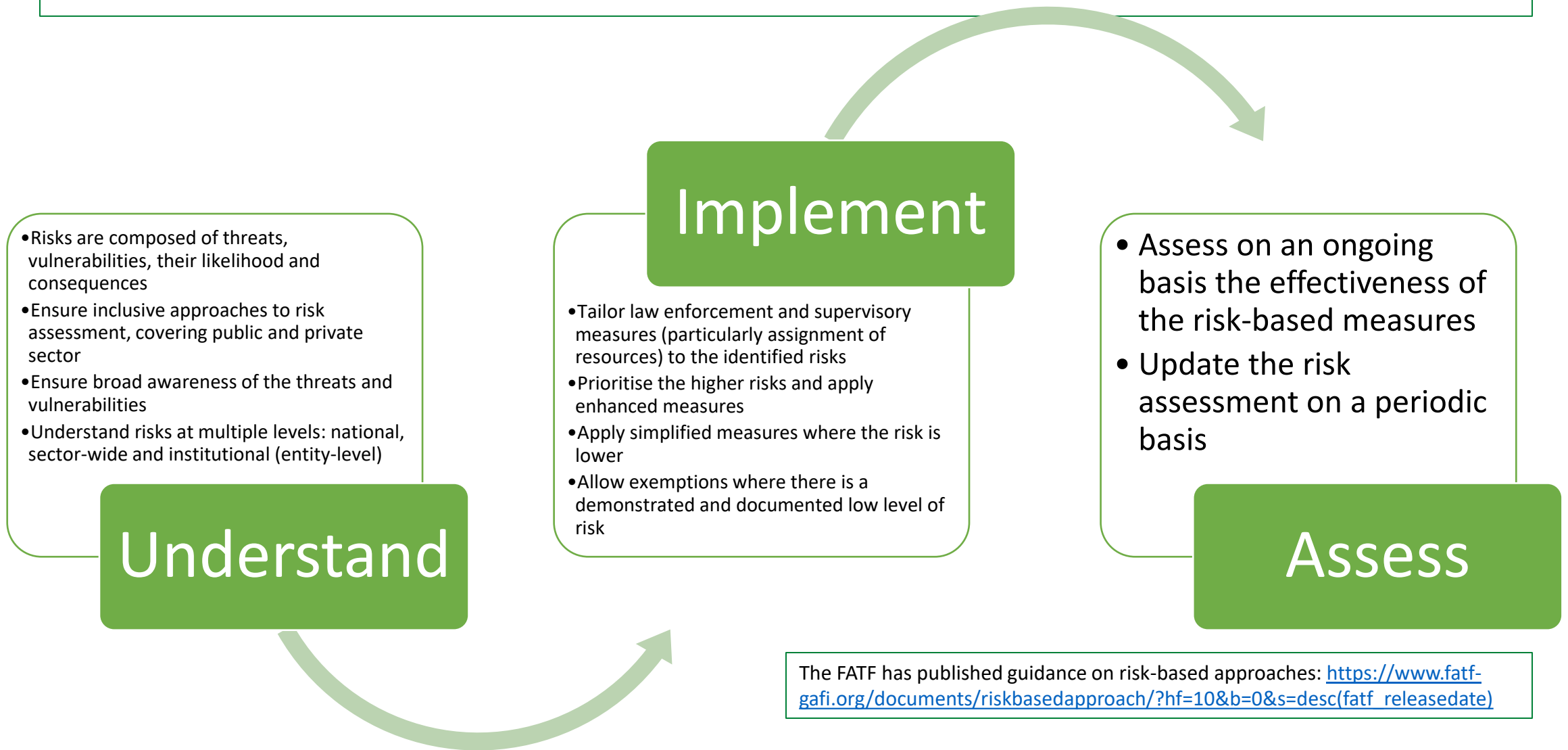
2022 National AML/CFT/CPF Inherent Risk Assessment



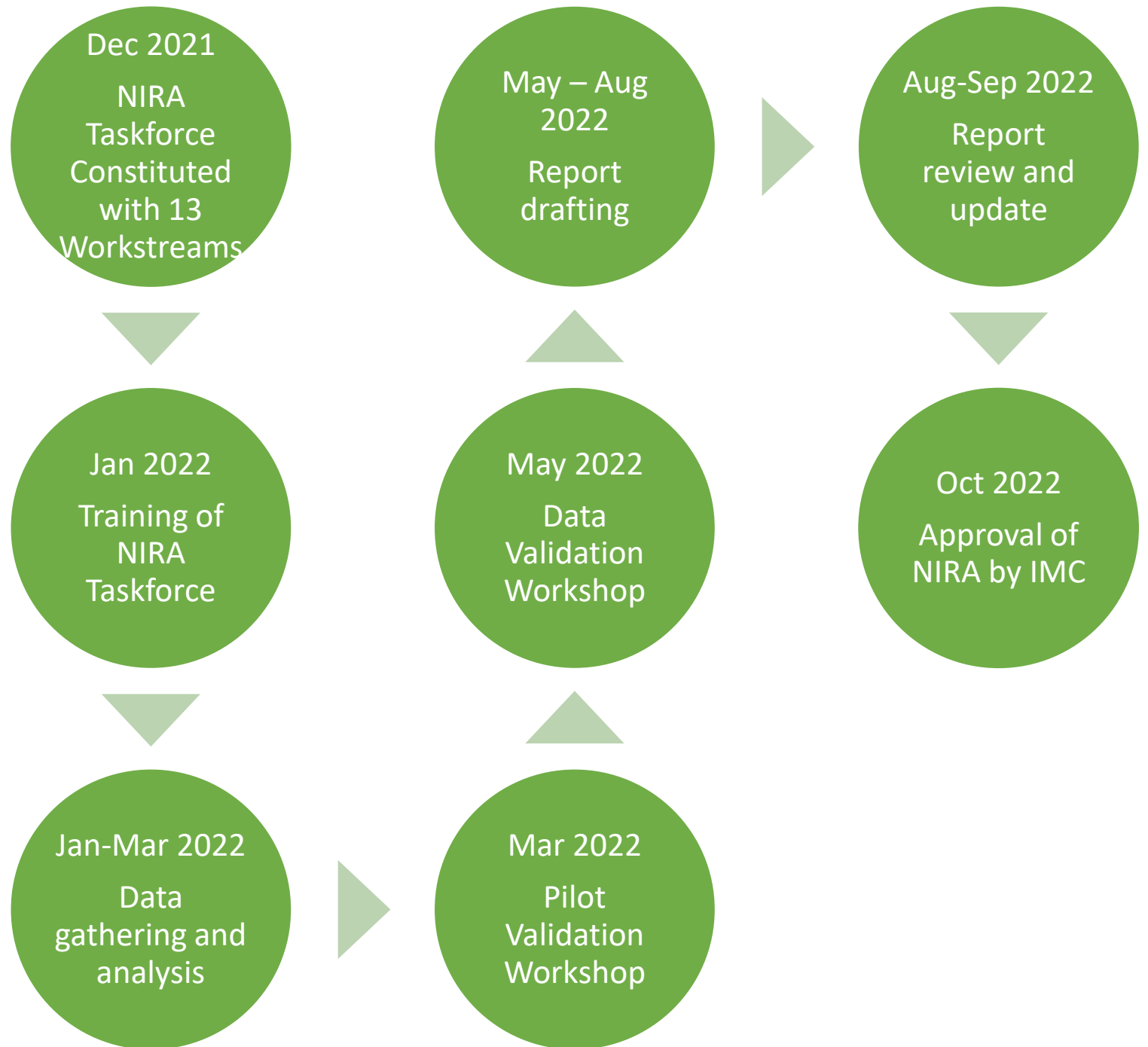
Background

- Nigeria's 1st National Risk Assessment published in 2016
- 2nd Round AML/CFT Mutual Evaluation of Nigeria in 2019 and Report (MER) published in 2021
- MER noted deficiencies in Nigeria's understanding of risk and application of counter-measures
- Priority Action includes updating the National Risk Assessment and the AML/CFT National Strategy
- Risk Understanding and the Risk Based Approach are fundamental elements of National AML/CFT frameworks

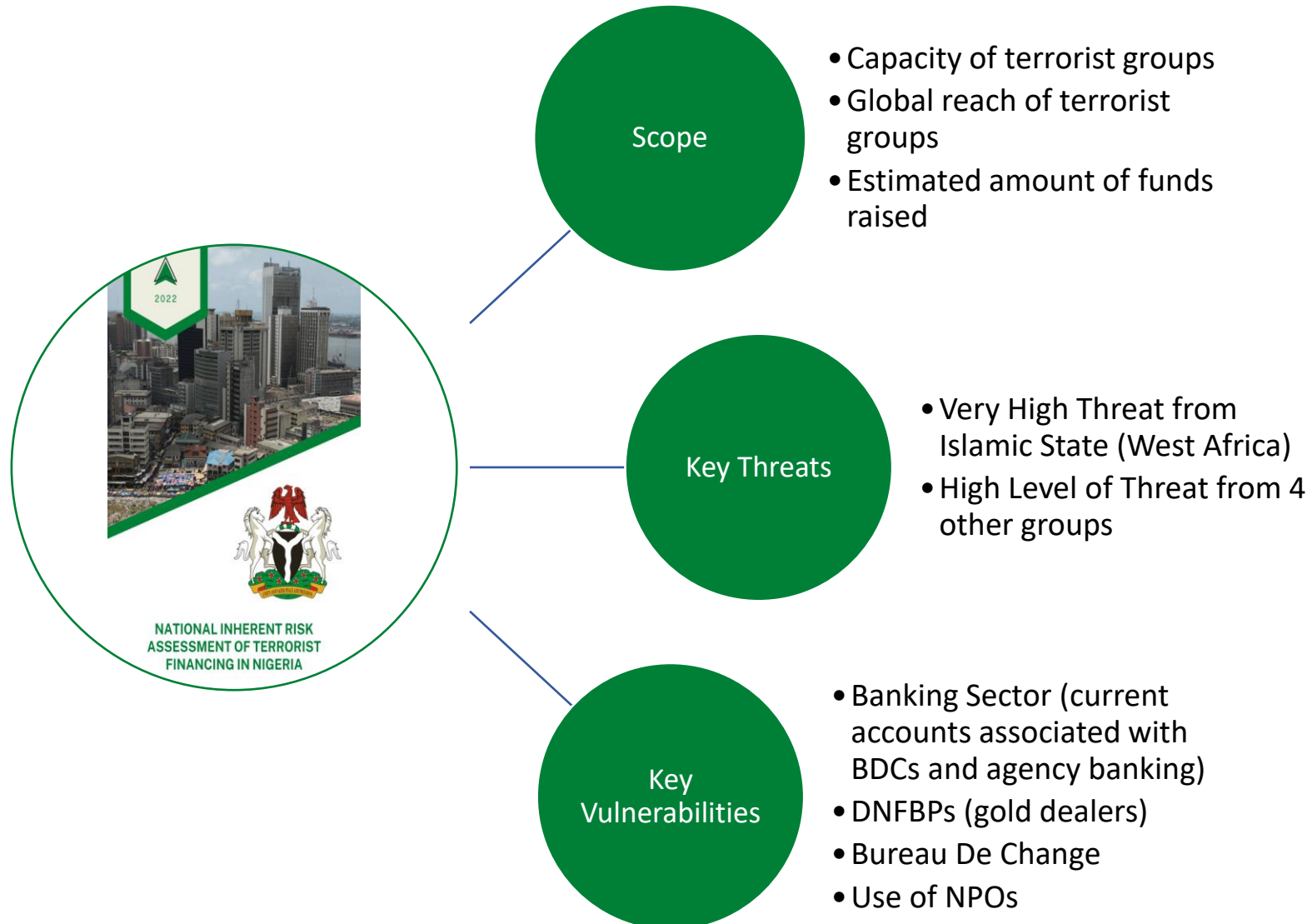
FATF and the Risk Based Approach



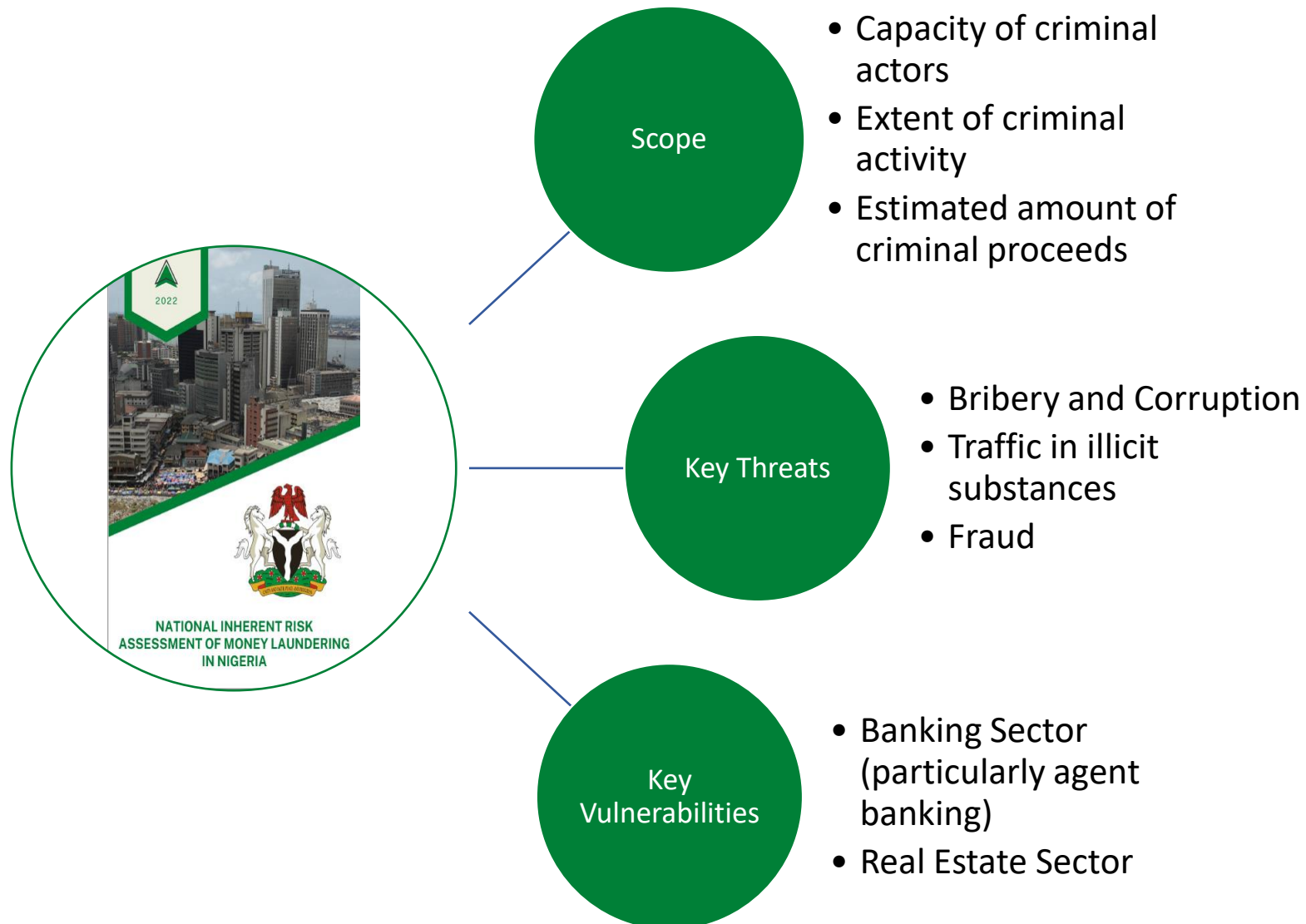
2022 NIRA



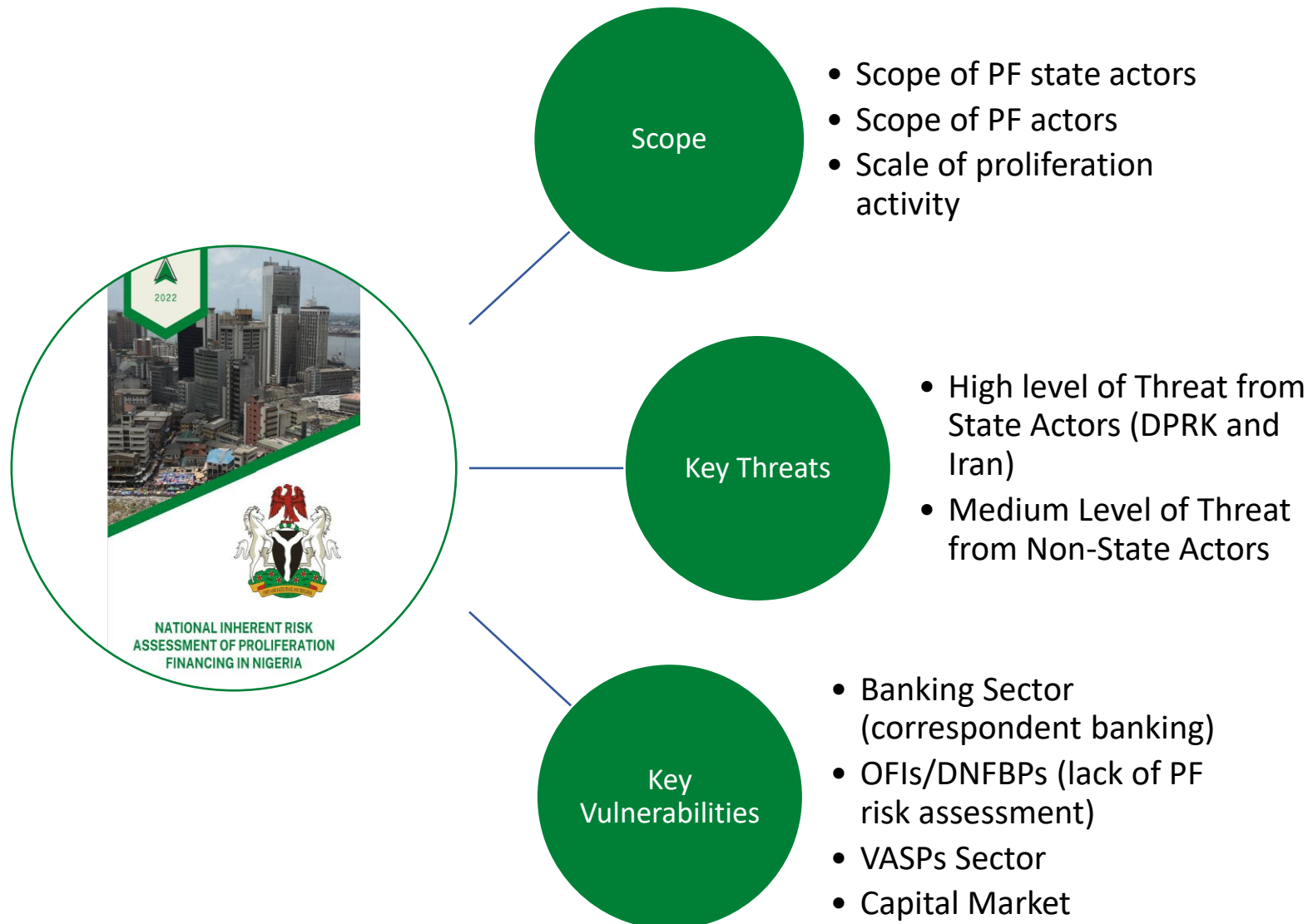
Terrorism Financing Risk Assessment



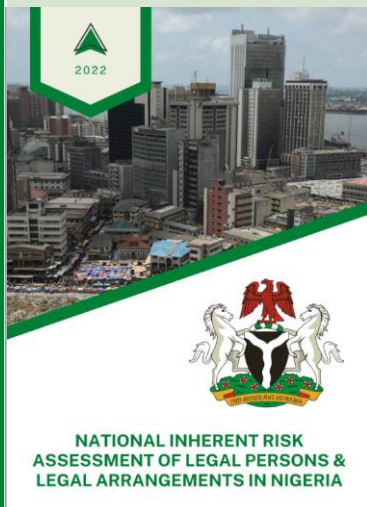
Money Laundering Risk Assessment



Proliferation Financing Risk Assessment

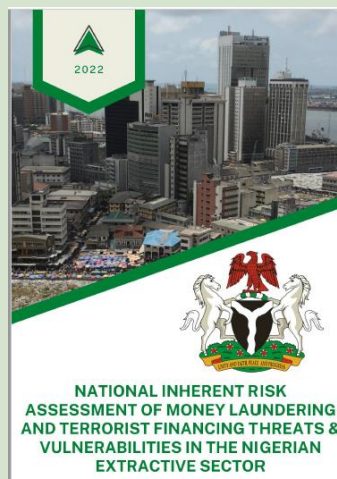


Legal Persons and Legal Arrangements Risk Assessment



- **Mainland Legal Persons**
 - Private Companies Limited - (High Risk)
 - Business Names (High Risk)
- **Free Trade Zones (FTZs) – Foreign Legal Persons**
 - Branches of Foreign Legal Persons in FTZ (under the supervision of the Nigeria Export Processing Zones Authority) - (High Risk)
 - Legal Persons operating in the Oil and Gas Export Free Trade Zone (under the supervision of the Oil and Gas Free Zones Authority) – High Risk
- **Legal Arrangements – (High Risk)**

Extractive Industries Risk Assessment



- Corruption, tax evasion, illegal mining, smuggling are amongst the predicate crimes evident in this sector.
- The banking sector serves as conduit for illicit proceeds out of the extractive sector. Legal entities and the real estate sector aid in obscuring the source of illicit proceeds and integrating same into the licit economy.

NIRA – What Next?



Judiciary

Prioritise the adjudication of high risk predicate offences by issuing practice guidelines
Issue sentencing guidelines to ensure the application of proportionate and dissuasive sanctions for the most serious crimes



Law Enforcement

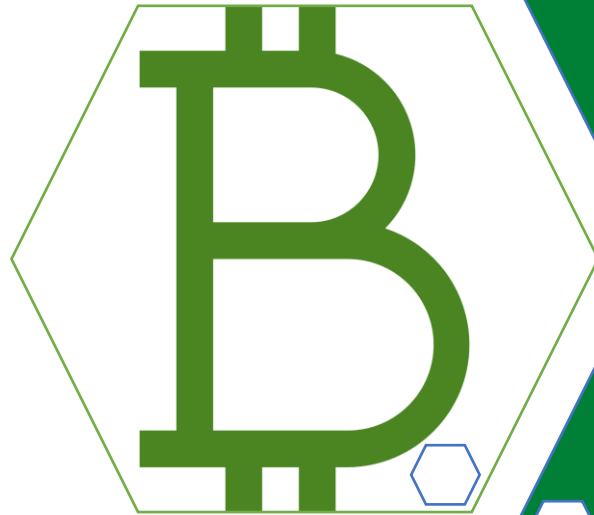
Prioritise investigation of the highest risk offences
Allocate resources (human/financial) to the highest risk areas

Proceeds of Crime

Pursue confiscation of the proceeds of serious crimes as a priority
Collect data on number of investigations/prosecutions/convictions/recoveries by risk area



NIRA – What Next?



Policy Authorities

Provide resources targeted at the highest priority risks
Issue policy guidance on prioritization of mitigations against the highest risk areas
Ensure coordination of actions by competent authorities

Regulated Entities

Carry out institutional risk assessment based on NIRA
Develop risk based mitigations
Provide risk assessments and mitigations with supervisor

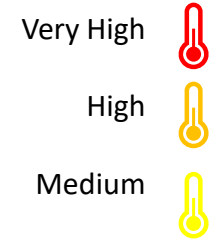


Supervisors

Carry out sectoral risk assessments and review mitigations
Share risk assessments with all regulated entities
Issue risk-based guidance to regulated entities







NIRA – Priority Threat Areas



ML Threats

Bribery and corruption	
Drug trafficking	
Fraud	
Participation in organized crime	
Trafficking in persons	
Kidnapping	
Environmental crime	
Smuggling	
Tax crime	

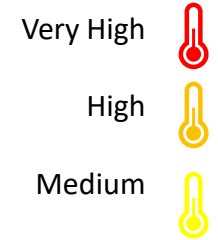
TF Threats







Islamic State (West Africa Province)	
Boko Haram (JAS)	
Indigenous People of Biafra (IPOB)	
Yan Bindiga and Yan Ta'ada	

PF Threats

Democratic Peoples Republic of Korea	
Islamic Republic of Iran	
Non-State Actors	

NIRA – Priority Vulnerabilities



ML Threats	
Banking sector	
Real estate sector	
Dealers in precious metals and stones	
Trust and company service providers	
Trafficking in persons	
Casinos and lotteries	

Legal Persons	
Private limited companies	
Business names	
Branches of foreign legal persons in free zones	
Legal persons operating in oil and gas-free zones	
Legal arrangements	



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