

CE-FATF-ENG NEWSLETTER

Outcome of FATF Regional Workshops

Over 100 participants attended the workshop organised by the Nigeria Network NGOs and the Special Control Unit against Money Laundering (SCUML).

Themed **Effective Implementation of AML/CFT Requirements in the NPO Sector in Nigeria**, the workshop gathered Non-Profit Organisations both from the southern and northern regions of the country to improve their understanding of the Financial Action Task Force's (FATF) activities and how to protect civic space against financial crimes as well as over-regulation.

Presentations at the workshop revealed NPOs more at risk of terrorism financing abuse include; those engaged in humanitarian services, those operating in areas of active terrorist threats while NPOs largely controlled or funded by politically exposed persons and those with inactive or incompetent board of trustees are at risk of money laundering abuse.

This is largely as a result of; - the public trust that they enjoy, b) the access they have to conflict areas, c) materials, funds and networks controlled by them which can be useful to and provide cover of legitimacy for terrorists, d) poor regulation, e) and abuse of their tax-exempt status.

To mitigate risks of TF/ML, four levels of

defense were recommended: Board-oversight, management-compliance, risk management and control, and assurance of internal audit.

Also highlighted at the workshop were the legal frameworks established overtime to curb money laundering (ML) and terrorism financing (TF) in Nigeria. These include the Money Laundering Prohibition Act 2011 as amended; Investments and Securities Act, 2007; EFCC (Establishment) Act 2004; Advance Fee Fraud and other related offences Act 2006; Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree 1995 Decree No. 17; BOFIA Act 1991; National Drug Law Enforcement Decree, 1995; ICPC (Establishment) Act 2000 among others.

However, for effective AML/CFT regime in Nigeria, there is need to reform the legal framework; strengthen the criminal justice system (funding and capacity building), strengthen local inter agency cooperation; encourage greater support from the public especially in supporting investigative processes through provision of relevant information on corruption, money laundering among others; and also, strengthen the anti-graft agencies (in funding and capacity building).

It was noted by a facilitator that the challenges facing Nigeria in the implementation of AML/CFT range from the structure of the economy, weak human and institutional capacity to scarcity of resources.

However, to sustain current efforts and success, the country must keep reassessing and reviewing her AML/CFT strategy in order to overcome existing challenges as well as keep pace with the dynamism of money laundering and terrorism financing.

The workshop affirmed that in finding solution to the problems associated with ML/TF, there is the need for collaboration between anti-money laundering agencies and stakeholders, including individuals and organizations.

NPOs were urged to always assess the level of risks (of Products/Service/Customers) in their area of jurisdiction, apply proper Customer Due Diligence (CDD) measures (example know your customer) and ensure proper monitoring and timely reporting of suspicious transactions to the Nigerian Financial Intelligence Unit.

See below the link to access presentations by speakers at the workshop.

<http://nnngo.org/2018/03/05/workshop-materials-effective-implementation-of-anti-money-laundering-and-combating-the-financing-of-terrorism-aml-cft-requirements-in-the-npo-sector-in-nigeria/>



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Further information: E: nnngo@nnngo.org | T: 0802 857 3849 | F: @nnngo T: @nnngo