

**Address by Dr. Abdullahi Shehu, Director General of GIABA, at the 1<sup>st</sup> West Africa Compliance Officers' Workshop, Held in Banjul, the Gambia, on 26 – 28 November 2008**

**Protocols**

It is a great pleasure and honour for me to welcome you to the first Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Regional Workshop for the Anglophone member States of GIABA. This workshop would not have been possible without the commitment, support and assistance of many individuals and organizations. Let me therefore begin by thanking first of all, the authorities of the Gambia for their continued support to GIABA, and particularly for their assistance in hosting this workshop in the tourist city of Banjul. I thank in particular, our National Correspondent, Mr. Ibrahim Bun Sunneh and his collaborator in the Central Bank of the Gambia, Mr. Ousman Sowe, for their tireless efforts in providing logistics support for this event. I also thank their respective Ministers for providing them with the necessary support and encouragement.

2. Let me seize this opportunity to congratulate the Gambia for the successful completion of their AML/CFT assessment, which was conducted by GIABA in April 2008 and which report was adopted on 18 November 2008 during the GIABA 10<sup>th</sup> Plenary Meeting held in Dakar, Senegal. The aim of our mutual evaluation is to determine the level of compliance of member States with acceptable international standards. The report of the evaluation provides detailed information on the financial system of a country and its regulatory framework. After the report is adopted and published, GIABA would provide technical assistance to States to implement the recommendations in the report and thus, improve the country's AML/CFT regime on an incremental basis. We are ready to provide such assistance to the Gambia upon request.

3. The idea of this workshop was discussed during a meeting between GIABA and interested parties in June 2008 in London. This meeting was facilitated by the Four Pillars of the UK, with whom we had collaborated to hold a capacity enhancement program for economic and financial crimes designated Judges in the English Speaking member States of GIABA in March 2008. Within this one year that we have worked with the Four Pillars, we have found it to be a strong pillar of support to GIABA, and on your behalf, I sincerely thank in Particular, Mr. Charles Yeast and the Four Pillars for their strong support. I would not forget to also thank all those stakeholders who attended the meeting in London,

including the UK Serious Fraud Office, the Financial Services Authority, the HSBC, Guaranty Trust Bank, Western Union, just to mention a few.

4. After the conception of the idea for this program within the framework of our regional Action Plan, we decided to reach out to some banks in the region. I would recall my meeting with the GMD of the Access Bank of Nigeria in Lagos in July 2008 and the support and assistance of Access Bank towards the hosting of this workshop. I am particularly happy to see Mr. Aig-Imoukhede, the GMD of Access Bank here himself as a further demonstration of the strong commitment of his bank to the strengthening of the AML/CFT regime in the region.

5. I sincerely appreciate the efforts that all banks are putting to implement regional and international AML/CFT measures; and I thank you all for your support towards the hosting of this workshop. Nevertheless, I would like to use this medium to call on all banks in the region to put in place necessary infrastructure for compliance with anti-money laundering regulations. During the course of this 3 day in Banjul, we shall discuss further collaboration with you.

6. My profound gratitude goes to the Governors of our respective Central Banks who accepted this initiative and requested all banks to attend. In particular, I thank the Governor of the Central Bank of the Gambia, Mr. Momoudu Bamba Saho, for accepting to deliver a keynote address at this workshop.

7. I would not forget to thank our Distinguished Guests, Keynote Speakers and Resource Persons for their support. I recognize the support of the US Treasury and Jersey Financial Services Commission, both represented here by Ms Jimmy Mohler and Mr. Andrew Le Brun; as well as Dr. Richard Alexander, from the University of London. This is just the beginning of our collaboration with you. We shall be contacting you for subsequent events. Let me say here that we look forward to a stronger collaboration with you all, in particular with the Director General of WAIFEM to establish a robust AML/CFT regime and build capacity for diligent compliance in this region.

### **Money Laundering and Terrorist Financing**

8. For the past 3 decades, the international community has recognized the debilitating effects and deleterious impact of the twin problems of money laundering and terrorist financing and has taken steps, at the global level, to combat these scourges. Many multilateral instruments and

best practices have been promulgated and adopted, but the Financial Action Task Force (FATF) 40+9 Recommendations remain by far, the most comprehensive and acceptable Standards against these phenomena.

9. Specifically, the FATF Recommendation 15 requires the mandatory implementation of the following measures:

(i) Financial institutions should establish and maintain internal procedures, policies, and controls to prevent ML/TF and be able to communicate these to their employees. These procedures should cover ***Customer Due Diligence (CDD), record retention, detection of unusual and suspicious transactions and the reporting obligation;***

(ii) Financial institutions should be required to develop appropriate compliance management arrangements e.g. ***for financial institutions, at a minimum, the designation of an AML/CFT Compliance Officer at the management level;***

(iii) The AML/CFT Compliance Officer and other appropriate staff should have timely access to customer identification data and other CDD information, transaction records, and other relevant information;

(iv) Financial institutions should be required to ***maintain an adequately resourced and independent audit function to test compliance*** (including sample testing) with these procedures, policies and controls;

(v) Financial institutions should be required to establish ongoing employee training to ensure that employees are kept informed of new developments, including information on current ML/FT techniques, methods and trends; and that there is a clear explanation of all aspects of AML/CFT laws and obligations, and in particular, requirements concerning CDD and suspicious transactions reporting; and

(vi) Financial institutions should be required to put in place screening procedures to ensure high standards when hiring employees.

10. The FATF Recommendations on Money Laundering, including the 9 Special Recommendations on the Financing of terrorism, although they do not represent a binding international convention, they have been recognized, endorsed or adopted by over 182 countries and jurisdictions who have made a political commitment to combat money laundering and terrorist financing by implementing the FATF standards. The standards set out the principles of action by governments and competent authorities,

and allow countries a measure of flexibility in implementing these principles according to their unique circumstances and constitutional frameworks.

11. In order to ensure the uniform implementation of these standards, the FATF has also created a robust structure in the form of a network of its members and other FATF Style Regional Bodies, including GIABA.

### **The Establishment, Mandate and Mission of GIABA**

12. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) was established by the Authority of Heads of State and Government of ECOWAS to pool resources together to combat money laundering and terrorist financing in this region. The mandate of GIABA includes to:

- a) Ensure the adoption of standards against money laundering and the financing of terrorism in accordance with acceptable international standards and practices, including the FATF 40+9 Recommendations.
- b) Facilitate the adoption and implementation by member States of measures against ML and FT, taking into account specific regional peculiarities and conditions.
- c) Function as a forum where members can discuss matters of regional interest and share experiences.
- d) Organize self-evaluations and mutual evaluations to determine the efficacy of measures adopted, including their conformity to acceptable international standards.
- e) Coordinate and provide support to member states to establish and implement AML/CFT regimes, including the implementation of laws against the proceeds of crime through mutual legal assistance, and also in the establishment and maintenance of financial intelligence units (FIUs).

13. GIABA was recognized as a FATF Style Regional Body (FSRB) in June 2006 and it is charged with the responsibility of enforcing the FATF Standards in this region. We do this through a systematic process of peer review and the conduct of typologies to determine the trends, patterns and emerging methods of laundering the proceeds from crime. Thus, the mission of GIABA is to promote the diligent implementation of acceptable international standards and best practices. In this direction,

one of our main thrusts is to establish and sustain strategic partnerships with the private sector and the civil society as a whole.

### **The Role of the Private Sector in AML/CFT Compliance**

14. Governments alone can not successfully prevent and control money laundering without the support of the civil society, especially the private sector. Those who developed the standards against money laundering recognized the role of industry and therefore included specific obligations and responsibilities for the industry. Financial institutions according to the FATF Standards I referred to earlier are at the fore front of the fight against financially motivated crimes. As criminals seek to disguise the true ownership and movement of their illegal proceeds, the banks are ultimately vulnerable to abuse for the purposes of laundering the proceeds from crime. This is why it is imperative to build capacity within the financial sector to prevent money laundering and derive wrong doers the benefits of their misconduct. It is in this context that this workshop is relevant and timely!

### **The WACO Program**

15. This Workshop is intended to appraise the current level of compliance and stimulate discussions on the implementation and compliance with internal control policies and procedures with a view to better understanding the responsibilities of financial institutions, as well as proposing some improvement. This is coming at a time when there is an increasing demand on financial and non-financial institutions to do more in terms of meeting their obligations under the international prudential guidelines for financial institutions and the AML/CFT standards.

16. The overall objective of the workshop is to enhance capacity and build expertise of banks' compliance officers in particular, their executives and other practitioners in the industry, who are involved in efforts and actions to prevent money laundering in their respective institutions.

17. In addition to this stated objective, this event would also provide opportunities for networking among practitioners and policy makers to

share experiences and better understand our various difficulties and determine how we can work together in the future to build a robust regional AML/CFT regime. I trust you would find this workshop very interesting!

18. Drawing from the work of Chief Compliance Officers in Nigeria, one major expected outcome of this Workshop is to explore the possibilities and determine how GIABA can institutionalise this training program and establish a network of Compliance Officers in the region.

### **Conclusion**

19. In concluding, ladies and gentlemen, I would like to reiterate our strong commitment to assist member States to improve their systems. We would continue to forge partnerships with all stakeholders, including with financial institutions that should be in vanguard of the crusade against money laundering and terrorist financing in this region. We shall sustain cooperation with our development partners and private sector organizations in the developed world to share best practices and promote greater cooperation in our collective efforts.

20. I thank you all for your kind attention and wish you productive and successful deliberations!

GIABA Secretariat

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