



INTER-GOVERNMENTAL ACTION GROUP  
AGAINST MONEY LAUNDERING IN WEST AFRICA

# Fifth Follow Up Report

## Mutual Evaluation

# NIGERIA



# MAY 2013

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## INTRODUCTION

1. The 5<sup>th</sup> Follow up Report of Nigeria provides an update on the progress made by Nigeria since the adoption of the country's 4<sup>th</sup> AML/CFT Follow-Up Report during the 17<sup>th</sup> GIABA Plenary in Abidjan, in May 2012. In line with GIABA requirements, the 5<sup>th</sup> Follow up Report focuses on efforts made by Nigeria to address the recommendations proffered in the country's Mutual Evaluation Report, particularly with respect to FATF key and core Recommendations rated Non Compliant (NC) and Partially Compliant (PC).

2. A summary of the overall ratings as they fall into these two categories is provided in table 1 below for ease of reference:

**Table 1: Summary of NC & PC Ratings (Core & Key Recommendations)**

<b>PARTIALLY COMPLIANT (PC)</b>	<b>NON COMPLIANT (NC)</b>
R3. Confiscation and provisional measures	R5. Customer Due Diligence
R10. Record Keeping	R23. , Supervision and Monitoring
R13. Suspicious Transaction	SRI. Implement UN Instruments
R26. The FIU	SRII. Criminalize Terrorist Financing
R35. Conventions	SRIII. Freeze & Confiscate Terrorist Assets
R36. Mutual Legal Assistance (MLA)	SRIV. Suspicious Transaction Reporting
	SRV. International Cooperation

## SUMMARY OF PROGRESS MADE BY NIGERIA BETWEEN APRIL 2012 AND MARCH 2013

### AMENDMENTS TO THE MONEY LAUNDERING PROHIBITION LAW 2011 AND TERRORISM PREVENTION LAW 2011 TO ADDRESS OBSERVED DEFICIENCIES

3. The Nigerian authorities taking into cognizance the observed deficiencies in the Money Laundering Prohibition Act 2011 and the Terrorism Prevention Act 2011 engaged various competent authorities in Nigeria to address those areas of the laws that require amendments to ensure that country's legislations on AML/CFT were in tandem with international standards and best practices. The amendments to these laws are to provide a good platform for a coordinated approach to the implementation of AML/CFT regime in Nigeria. The recent amendments were aimed to help key players to understand better their respective roles and at the same time locate a central authority to issue further regulations to enhance effectiveness of AML/CFT regime implementation. The two Acts have sufficiently addressed observed weaknesses in Nigeria's AML/CFT regime, particularly recommendations contained in Nigeria's Mutual Evaluation Report as well as other AML/CFT international standards.

4. These two laws are expected to impact positively on the implementation of AML/CFT regime in Nigeria

5. Some specific areas covered under the amendments include but not limited to the following :

- The definition of the acts of Terrorism – Section 1
- The definition and criminalization of the act of financing of Terrorism – Section 10
- Soliciting of Terrorist Funds – Section 13
- Timely Reporting of Suspicious Transactions related to financing terrorism – Section 14
- Enhancing timely judicial review of freezing measures related to terrorist funds and properties – Sections 15
- Effective sanctions regime: and
- Strengthening of the jurisdiction of courts in terrorist and terrorist financing cases

## **ESTABLISHMENT/STRENGTHENING OF AML/CFT UNITS IN STAKEHOLDER-INSTITUTIONS**

6. As part of efforts to strengthen cooperation and coordination amongst domestic competent authorities, the Nigerian authorities created and strengthened AML/CFT Units in all the stakeholder-institutions. At present, all financial sector regulatory agencies, law enforcement, anti-corruption and securities and intelligence agencies in Nigeria have well established AML/CFT Units. The AML/CFT Units serve as contact points in all matters relating to AML/CFT regime in the various institutions. This development has significantly impacted on implementation of AML/CFT leading to improved utilization of intelligence produced by the NFIU. The interface between the NFIU and other stakeholder agencies in Nigeria is now anchored more effectively through the creation of these units and designation of officers as Authorised Officers to handle matters of AML/CFT issues and relate with the NFIU for safe, secured and speedy information exchange.

## **ESTABLISHMENT OF REGULATORS FORUM**

7. In efforts to further deepen implementation of AML/CFT regime, the Nigerian authorities established operational platforms tagged “Law Enforcement Forum “and “Regulators Forum” to bring together relevant law enforcement agencies, on one hand, and regulators on the other hand to address operational issues bothering on information exchange/feedback and regulatory/compliance issues, respectively.

## **DEVELOPMENT OF AML/CFT RISK-BASED FRAMEWORK**

8. The CBN developed an AML/CFT RBS Framework in 2011-2012. With this development, the stage is set for the commencement of AML/CFT RBS supervision. This is expected to bring greater efficiency in the supervision of reporting institutions within the purview of the CBN.

## **TRAINING, SENSITIZATION AND ENLIGHTENMENT /AWARENESS CREATION FOR REPORTING ENTITIES**

9. During the period under review, Nigerian authorities organized series of sensitization programmes, workshops and seminars for reporting institutions. This was aimed at improving on and bridging existing knowledge gaps amongst reporting entities strengthen synergy and enhance feedback mechanism between regulators and reporting entities. Furthermore, officers of regulatory institutions facilitated a number of AML/CFT training programmes organized by reporting entities and other stakeholders. These training covered customer identification (customer due diligence/know your customers); suspicious transaction reporting and reporting regime; risk-based approach; and roles and responsibilities of reporting institutions management.

10. Some of the key seminars, workshops or trainings programmes either organized by or attended by regulatory authorities, law enforcement and other relevant agencies both at home and abroad during the period under consideration, include:

- Strategic Analysis training with the support of IMF 2012 at EFCC Academy Abuja
- Training for Authorised Officers AOs Rockview hotel Abuja
- Workshop on AML/CFT strategy and sanitization of businesses and professions;
- Workshop on the Development of a National AML/CFT Strategy/Action Plan;
- Fraud Prevention, Investigation & Prosecution Training; J4A supported, EFCC Academy, Abuja
- Interview & interrogation of criminal suspect EFCC Academy, Abuja

11. Generally, these programmes have helped to further deepen stakeholders' capacity and understanding of their responsibilities/obligations under the AML/CFT regime, enhanced synergy, improved customer identification process and quality, and quantity of suspicious transaction reports (STRs) and Currency Transaction Reports (CTRs).

## **IMPLEMENTATION OF THE INTERNATIONAL MONETARY FUND (IMF) TECHNICAL ASSISTANCE RECOMMENDATIONS**

12. In 2010, the IMF approved a Technical Assistance (TA) to Nigeria aimed at strengthening AML/CFT supervision in the financial and non-financial sectors and enhancing the effectiveness and efficiency of the NFIU as well as the conduct of AML/CFT risk assessment.

13. In the light of the above, several missions were undertaken to Nigeria by the IMF team in 2011, 2012 and 2013, culminating in recommendations for Nigeria to implement. Consequently, Nigeria has taken steps to implement the recommendations. For instance the:

- NFIU Organizational structure has been streamlined by merging all its corporate related functions into one office and centralizing all its analytical functions in one department.
- NFIU is increasingly focusing on its core responsibility of analysis and gradually devolving its on-site AML/CFT inspection responsibilities to CBN, SEC and NAICOM, respectively. CBN and SEC, in conjunction with the IMF team, have developed a risk-based approach to offsite AML/CFT tools and procedures. This is

aimed at strengthening CBN and SEC AML/CFT supervisory systems and procedures of the financial institutions under its purview.

- Nigerian authorities have established the Regulators forum. The forum is necessitated by the desire to strengthen operational cooperation amongst AML/CFT regulators and address in a concerted manner, the multiple and overlapping requirements observed in the examination reports issued by the various regulatory institutions, the need to establish acceptable standards in respect of Politically Exposed Persons (PEPs) and carry out self-evaluation of Nigeria's compliance with international standards on AML/CFT. On the other hand, the Law Enforcement Forum is aimed at strengthening operational cooperation; enhance information exchange, joint operations and capacity building amongst law enforcement agencies.

FATF RECOMMENDATIONS & RATING	RECOMMENDED ACTION IN THE MER	ANALYSIS OF ACTIONS TAKEN TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	FUTURE ACTIVITIES TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	TECHNICAL ASSISTANCE NEED
<b>KEY AND CORE RECOMMENDATIONS</b>				
<b>R-3.(PC)</b>  Confiscation & Provisional Measures	It is recommended that Nigeria should enact a standalone Asset Recovery and Confiscation law (including civil based confiscation), to address the weakness in the current legal framework.	The Nigerian authority is in the process of finalizing work on a comprehensive Regulation on Asset Recovery which will meet all the requirements of the FATF Rec. 3. This is in addition to on-going effort to conclude work on the Proceeds of Crime (non conviction-based/civil forfeiture) Bill.	Issuance of the Regulation on Asset Recovery  Enactment of the Proceeds of Crime (non conviction-based/civil forfeiture) Bill	
	Nigeria should develop a procedure to guide the various Agencies involved in asset recovery efforts to ensure transparent and efficient management of asset recovery processes, compilation of statistics, repatriation and establishment of asset recovery fund.	Nigeria is currently working on a Regulation that will provide a basis for various agencies to develop internal procedures for compilation of statistics, repatriation and establishment of asset recovery fund.	Issuance of Guidelines for management of recovered assets	
<b>R-5 (NC)</b> Customer Due Diligence (CDD)	An explicit statement should be included in the MLP Act that precludes the opening and maintaining of numbered and anonymous accounts in order to increase the effectiveness of the provisions of the law.	Whereas the MLPA 2011 and Amendment Act 2012 took into cognizance measures to discourage anonymous accounts by requesting detailed and verifiable details of customers before banker/customers relationship is created;		

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		<p>It must be <b>NOTED</b> CBN Regulation 2009 as amended. Par. 1.3 provided for prohibition of FIs from keeping a/cs in fictitious names Under Sec 3 (1) a-c, the Money Laundering Amendment Act 2012, There is now a direct requirement for FIs to identify their customers. In addition, specific obligation to identify and verify</p> <p>Section 3 (1) (a) (b) and (c):</p> <p>(a) <b>Identify</b> a customer, whether permanent or occasional, natural or legal person, or any other form of legal arrangements, using identification documents as may be prescribed in any relevant regulation;</p> <p>(b) <b>Verify</b> the identity of that customer using reliable, independent source documents data or information; and</p> <p>(c) <b>Identify</b> the beneficial owner and take reasonable measures to verify the identity of the beneficial owner using relevant information or data obtained from a reliable source such that the</p>		



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		<p>Financial Institution is satisfied that it knows who the beneficial owner is;</p> <p>The procedures explained above is one that requires that at every point in the establishment of a relationship with a customer (Legal or natural persons), the financial institution must first of all identify and verify the individuals or entities. If it is established that a natural person is behind the entity or the customer, the financial institution must take further step to identify the beneficial owner. Section 25 defines Beneficial Owner (BO) as the natural person who ultimately owns or controls a customer.</p> <p>It is also important to note that verification of customers requires the use of other data or resources to analyse and understand the ownership structure or persons that are being brought on board as a customer. It is not sufficient to rely on the documents presented by the customer</p>		
	<p>The MLP Act should be reviewed to clearly impose the requirement for FIs to conduct CDD in each of the categories in Criterion 5.2 of the FATF Methodology.</p>			

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	<p>The reporting requirement for occasional transactions that are wire transfers is USD 5,000, which exceeds the FATF standard of USD 1,000. Nigeria should lower the reporting threshold for such cases in order to comply with the FATF standard.</p>	<p>This has been addressed under Section 3(5) of the Money Laundering Amendment Act 2012 and also addressed in CBN Reg Par 1.3.1 (occasional transaction above \$1000 or above covers \$15000)</p> <p>We can also see CBN AML/CFT Regulation 2009 (as amended) in paragraph 1.26.</p> <p>It should be note that Under Section 3 and 11 the Money Laundering Amendment Act 2012, There is now a direct requirement for FIs to identify their customers while in addition to that, CBN Reg. Par. 1.3 prohibits FIs from keeping a/cs in fictitious names</p> <p>S3 (1) (a) of MLPA 2012 mandates FIs &amp; DNFIs to verify, identity their customers. Additionally, specific obligation to identify and verify customers by FIs is provided for in CBN Reg. 1.4.1</p>		
	<p>FIs and OFIs should be trained to understand how to file correct CTRs to enhance the overall effectiveness of the AML/CFT regime.</p>	<p>FIs and OFIs were trained on customer identification (customer due diligence/know your customers); suspicious transaction reporting/reporting regime; risk-based approach; and roles and responsibilities of reporting institutions management during the period under review. Generally, this has resulted in improved comprehension of reporting entities'</p>	<p>Enhance capacity building for Reporting institutions</p>	

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		<p>responsibility and better quality and quantity of Currency Transaction Reports.</p> <p>Also, analysis of Annual AML/CFT Employee Training Programme Report filed to the CBN and NFIU during the period under review showed that both senior and management officers of financial institutions were trained on various AML/CFT issues while some joint trainings were organized for compliance officers of financial and DNFI. These were in addition a special session of interaction and training jointly organized by the Committee of Chief Compliance Officers of Banks in Nigeria (CCCOBIN) in 2012.</p>		
	<p>Steps should be taken by BDCs to comply with the MLP Act requirement and FATF Recommendations on the verification of their customers' identification information.</p>	<p>BDCs have been inspected during the period under consideration by both the CBN and NFIU. Their operations were reviewed to show their compliance with CDD requirements as contained in the MLP Act and FATF Recommendations. Reports of several others examined during the period are available.</p> <p>Significant improvements have been observed in BDCs compliance level to AML/CFT requirements, especially identification and verification of customers' information during the inspection.</p>	<p>Enhanced AML/CFT compliance inspection of the BDCs</p>	

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	FIs should ensure that they maintain updated CDD information on their customers, by conducting regular CDD reviews.	<p>Financial sector regulators undertook sanitization of the reporting entities to further reiterate the need to conduct regular CDD. Recent inspection of the financial institutions has shown improved level of compliance to customer identification.</p> <p>Similarly, the NFIU has observed incremental improvement on customer information on STRs &amp; CTRs being filed by reporting entities with attendant positive impact on the implementation of Nigeria's AML/CFT ,CTR 4,776 597 and STR 2,828.</p>	Enhanced and continuous AML/CFT compliance inspection of FIs	
	Nigeria should issue further guidance to clarify FIs responsibilities in determining beneficial ownership	AML/CFT Regulations, issued by CBN (Par. 1.4.3-1.4.4), SEC (2010) and NAICOM (2011) provided specific guidance to FIs in determining beneficial ownership. This has deepened FIs understanding, improved compliance and facilitated determination of beneficial ownership.		
	Nigerian authorities should provide clear guidance on how to identify high risk customers, and an appropriate monitoring and reporting procedures to apply for such customers.	<p>Clear guidance on how FIs can identify and monitor high risk customers is provided for in the AML/CFT RBS Framework, by the CBN and the SEC</p> <p>This is in addition to the previously reported provision made in paragraph 1.5.1 of the CBN AML/CFT Regulation of 2009 (as amended) as well as in AML/CFT Regulations issued by SEC and NAICOM providing for clear guidance on</p>	Enhanced AML/CFT compliance inspection to ensure full compliance	

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		how to identify high risk customers, and an appropriate monitoring and reporting procedures		
	<p>The recently agreed upon definition of PEPs by the Nigerian regulatory authorities should be formally issued in legislation or guidance for FIs to determine whether their existing customers, potential customers, or any beneficial owners are PEPs.</p> <p>Additionally, clear enhanced CDD procedures should be developed and provided to FIs in order to increase the effectiveness of their risk monitoring for PEP accounts</p>	<p><input type="checkbox"/> Addressed in CBN (Par. 1.10.1- 1.10.5), SEC (Part B (3) and NAICOM (Par. 8.0) AML/CFT Regulations</p> <p><input type="checkbox"/> Addressed in section 3 of MLPA, 2011</p>		
	Supervisory authorities should define a correspondent banking relationship in law or regulation. It is further recommended that Nigeria provide clear guidance to FIs for determining the suitability of correspondent banks, as well as for monitoring and maintaining such correspondent banking relationships.	Addressed in CBN AML/CFT Regulation, 2009 (as amended) (Par. 1.11)		
	It is recommended that the CBN Guidance on E-Banking be revisited to include clear guidance for conducting	FIs are required to conduct on-going due diligence on all business relationships. See paragraphs 1.4.6 to 1.4.7 of the CBN AML/CFT Regulation, 2009.		

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	ongoing due diligence and enhanced CDD measures.			
<b>R-10 (PC)</b> Record Keeping	Preservation of the information and records of FIs and OFIs should be improved	AML/CFT inspections carried out following earlier Circular Ref CBN/DIR/GEN/AML/03/009/2, issued by CBN on record keeping has revealed improvement in information maintained by FIs and OFIs.	Enhanced and continuous AML/CFT compliance inspection to ensure full compliance	
	Information being preserved should be uniform across the financial system of Nigeria.	Type of information, including customer data and transaction records required to be kept by reporting institutions are same across all sectors.	Enhanced and continuous AML/CFT compliance inspection to ensure full compliance	
<b>R-13. (PC)</b> Suspicious Transaction Reporting	NFIU should provide further training and guidance on STRs reporting to ensure uniform reporting	The NFIU in collaboration with financial sector regulators provided or facilitated separate trainings to various reporting entities cutting across the financial and DNFI sectors on suspicious transaction reporting.	Enhance capacity building for reporting institutions	
	The authorities should consider either including in the AML legislation or in a regulation a clear definition of the term “suspicious” to enhance proper Reporting from FIs and OFIs.	Definition of “suspicious transaction” has been provided in MLPA 2011 S6 as amended  This is in addition, definitions provided for in CBN (Par. 1.16.1), SEC (Definition of terms) and NAICOM (Par. 4.3.1) AML/CFT Regulations		
	Guidelines should be made more consistent and streamlined to improve the quality of STRs reported by reporting entities.	The NFIU streamlined the reporting format by migrating from XML Schema version 1.9 to 3.1 to ensure uniform reporting.  In addition, Guidelines issued to reporting		

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		institutions are based on sector peculiarity and consistent with international best practices		
	An explicit legal protection for reporting institutions and their employees should be included in the AML legislation.	Protection for reporting institutions and their employees has been provided for in Section 6 (10) of the MLPA, 2011 as amended. Protection also exists in AML/CFT Regulations issued by financial sector regulators.		
	A sizeable informal sector that are not covered in the reporting requirement (large informal exchange bureau - unlicensed by CBN) and DNFBPs should be included either through the issuing of a regulation or through the amendment of the MLP Act.	Renewed efforts were made by the CBN/NFIU and ABCON leadership to ensure that agents of licensed BDCs operating in an unregulated manner are properly controlled. As part of the follow up most of BDCs were inspected by the CBN during the period	Enhanced and continuous AML/CFT compliance inspection to ensure full compliance	
	Authorities should reduce the reporting threshold for corporate entities, which is currently N5 million (equivalent to USD 43,000), as it exceeds the FATF threshold of USD 15,000.	Nigeria operates a free system of foreign exchange regime. This makes it difficult to stick to the FATF threshold of USD \$15,000. Also, any threshold lower than the present will put a high burden on the NFIU attending to CTRs. The situation is further cushioned by the CBN Cashless Policy.		
	There should be an explicit requirement in the law for STRs related to terrorism financing	MLPA 2011 and PTA 2011 as amended provide for reporting of terrorism financing related STRs.		
	It is recommended that other supervisory institution should issue further directives or guidance on the reporting of terrorism financing STRs.	SEC in its AML/CFT Regulation, 2010 (Par. 11) (b), and NAICOM AML/CFT Regulation 2011 provided further directives and/or guidance on STRs reporting relating to terrorism financing to		

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		the capital market and insurance operators respectively.		
<b>R-23 (NC)</b> Supervision & Monitoring	It is strongly recommended that the relevant competent authorities should enhance the supervisory framework including the number of onsite inspections and off-site monitoring arrangements	Several routine off-site examinations were carried out by the NFIU during the period under review. This is in addition to joint NFIU/ CBN, NFIU/ SEC and NFIU/NAICOM on-site examinations of financial institutions.	Enhanced and continuous AML/CFT compliance inspection to ensure full compliance	
	It is recommended that CBN, NAICOM and SEC give serious consideration towards developing a more active role in AML/CFT focused inspections, thus having less overall reliance on the limited resources within the NFIU.	Under the IMF TA, financial sector regulators are assuming a greater responsibility for AML/CFT inspection while the NFIU focuses on its core function of analysis. Transition programme is being implemented to give effect to this arrangement.	Continuous collaboration	
	It is recommended that supervision should be extended to include all sectors that have not been covered. A large section of the Insurance sector and the BDCs that currently remain unsupervised for AML/CFT purposes should be included in the supervision plan.	The CBN/NFIU and NAICOM/NFIU stepped up efforts in 2012 to include some sectors that have not been covered and improve the supervision of the BDCs and insurance operators respectively.  Similarly, these regulators also organized sensitization/ awareness programme for operators in the financial sector as part of the efforts to deepen AML/CFT compliance.	Continuous review	
	More resources should be deployed towards supervision visits and training of staff in the supervision	Resources allocated to various AML Units across regulatory / supervisory institutions were enhanced in 2012 while sufficient budgetary	Continuous and enhanced allocation of resources	



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	departments across the relevant agencies.	allocations were made for 2013. Similarly staff was trained locally and internationally on AML/CFT related programmes.		
<b>R-26. (PC)</b>  The NFIU	It is recommended that the AML regime should be reviewed to provide clear operational autonomy to the NFIU taking into consideration the weaknesses identified in the current legal framework	Efforts are on going to have a clear legal framework to specifically put to rest all grey areas concerning the operational autonomy of the NFIU		
	The NFIU should establish a management structure that will address issues related to transparency, accountability and confidence building amongst all stakeholders only	<p>The Unit's management structure was further streamlined following the IMF TA programme which has resulted in the reorganization of NFIU organizational structure.</p> <p>The creation of AML/CFT Units in stakeholder institutions is to improve synergy and coordination. Furthermore, several visits have been made by the leadership of the NFIU to various stakeholders to improve perceived negative impression on the location of the Unit within the EFCC.</p> <p>These efforts have significantly improved confidence amongst stakeholders.</p>		
	The AML regime should include a legal provision that requires the NFIU to ensure that the information it holds is securely protected and	Information maintained by the NFIU is securely protected. The NFIU is guided by international best practices in the management of information at its disposal.		

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	disseminated only in accordance with the law disseminated	As a member of the Egmont Group, all guidelines on confidentiality of information is binding on it. The oath of secrecy taken by all staff has legal force if Contravened. NFIU information are disseminated only to competent authorities or institutions in need of it and under strict procedure.		
	NFIU should work closely with other agencies in the proper coordination of AML/CFT related matters in Nigeria	<p>In addition to existing cooperation platforms like the AML/CFT Inter Ministerial Committee and the Presidential Committee on FATF, the Nigerian authorities established and strengthened AML/CFT Units in all stakeholder-institutions, and identified and trained designated desk officers as Authorized Officers (AOs).</p> <p>These initiatives have improved interagency cooperation and positively impacted on coordination in AML/CFT matters.</p>		
	NFIU should maintain comprehensive statistics on STRs and CTRs, including FT related statistics	<p>NFIU currently has a robust database of all CTRs and STRs received.</p> <p>NFIU has established appropriate framework, including creating and/or designating a Compliance Help Desk whose functions include</p>		

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		maintaining Statistics of renditions filed to the Unit.		
	NFIU should issue public reports and annual reports containing all required information, and statistics on STRs and CTRs, or trends and typologies on ML/TF			
	The NFIU should increase the number of analysts' staff, including the provision of specialized to all categories of staff to enhance the efficiency of the agency.	The NFIU has been reorganized with focus on its core function of analysis. Consequently, additional Analysts/staff were deployed to the Monitoring and Analysis Department in 2012 to strengthen its operational efficiency as well as meet increasing demands from competent authorities.		
<b>R-35. (PC)</b> Conventions	Nigeria should fully implement Terrorist Financing Convention	Nigeria has enacted the anti-terrorism act and issued the guideline for the implementation of UNSCR 1267 & 1373.	Implementation issues	
	Nigeria's Constitution and criminal legal principles does not permit granting of MLA request in all cases where dual criminality is required. This principle is applicable to all criminal offences. The authorities should enact comprehensive mutual legal assistance legislation, in addition to issuing guidance to all relevant agencies to ensure efficient and prompt coordination of MLA requests and uniform application of MLA treaties.	A committee is currently working on a comprehensive MLA Bill for Nigeria that will address all requirements	Enactment of a comprehensive mutual legal assistance legislation and establishment of appropriate guidance	

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	It is recommended that Nigeria should waive the application of dual criminality to non-coercive measures and requests from other countries as the current regime is too restrictive and does not comply with FATF standards			
	Nigeria should review its asset recovery and confiscation regime to permit asset sharing and the establishment of an asset fund. The fund will be used in the strengthening of various weaknesses existing in the AML/CFT regime and lead to transparent management of forfeited assets	Efforts are being made to review the Proceeds of Crime (non conviction-based/civil forfeiture) Bill already before the NASS and represent same to the parliament. This bill sets out asset recovery and confiscation regime.	Enactment of the Proceeds of Crime (non conviction-based/civil forfeiture) Bill	
	A comprehensive TF legislation should be enacted as soon as possible.	PTA 2011 enacted and amended in 2013		
<b>R-36. (PC)</b>  Mutual Legal Assistance (MLA)	There is no comprehensive MLA legislation	A committee is currently working on a comprehensive MLA Bill for Nigeria.	Enactment of a comprehensive mutual legal assistance legislation	
	Lack of comprehensive TF legislation does not permit effective international cooperation for terrorist financing cases.	The enactment of PTA 2011 as amended has set the stage for effective international cooperation for terrorist financing cases.	Implementation	

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	Due to lack of comprehensive legislation, guidance and policy on MLA, requests may be delayed.	<p>The enactment of PTA 2011 as amended has set the stage for the issuance of guidance and policy on MLA</p> <p>Nigeria has established a unit at the MOJ which promptly responds to MLA and Extradition requests.</p> <p>Regulation has been issued on the prevention of terrorism act which provides prompt response to any request regarding 1267 and 1373.</p> <p>Regulation on Asset Recovery and Tracing in and outside Nigeria is being finalized.</p>	A new Central Authority Unit has been established in the Ministry of Justice under the direct supervision of the AGF to ensure prompt and timely response on MLAT and extradition matters.	
	Lack of statistics on MLA requests.	Statistics on MLA currently exist and is being managed by the Ministry of Justice		
	Lack of effective implementation of international cooperation mechanisms available in the country.	Nigeria has both the MLA and Extradition Treaties with a number of countries which are binding and operational. It is on this basis that the country is cooperating with a number of countries like the USA, UK, and other European and Western countries on AML and other organized crimes.		
<b>R-40. (LC)</b> Other Forms of Cooperation	There is limited statistics and information on the types of international cooperation granted.		Establishment of database for statistics on international cooperation related matters with the Ministry of Justice and the NFIU. The NFIU has	

FATF RECOMMENDATIONS & RATING	RECOMMENDED ACTION IN THE MER	ANALYSIS OF ACTIONS TAKEN TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	FUTURE ACTIVITIES TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	TECHNICAL ASSISTANCE NEED
			within the period under review signed MOUs with 5 Countries	
<b>SRI. (NC)</b>  Implement UN Instruments	Section 15 of the EFCC Act which seeks to criminalize terrorist financing in Nigeria is not comprehensive and does not meet the requirements of 1999 FT Convention and FATF SR 1, and the UN Security Council Resolutions.	The PTA 2011 as amended comprehensively criminalizes terrorist financing in Nigeria and meets the requirements of relevant UN & FATF convention/recommendations		
	<input type="checkbox"/> A comprehensive terrorist financing bill is yet to be passed into law.	PTA 2011 as amended in 2013.	Nigeria has passed a comprehensive Terrorism Prevention Act as amended in 2013 where some of the core issues addressed in the amendments include:  The definition of the acts of Terrorism – Section 1 The definition and criminalization of the act of financing of Terrorism – Section 10 Soliciting of Terrorist Funds – Section 13 Timely Reporting of Suspicious Transactions related to Financing terrorism –Section 14 Enhancing timely judicial review of freezing measures	

FATF RECOMMENDATIONS & RATING	RECOMMENDED ACTION IN THE MER	ANALYSIS OF ACTIONS TAKEN TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	FUTURE ACTIVITIES TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	TECHNICAL ASSISTANCE NEED
			related to terrorist funds and properties – Sections 15 Effective sanctions regime: and Strengthening of the jurisdiction of courts in terrorist and terrorist financing cases Criminalization of financing for individual terrorist and terrorist group	
<b>SR II. (NC)</b>  Criminalize Terrorist Financing	<input type="checkbox"/> The existing provision under Section 15 of the terrorist financing EFCC Act does not criminalize TF as required under Article 2 of the UN Convention on the Suppression of Terrorist Financing and the FATF SR. II in relation to provision/collection of funds to be used for terrorist acts or by terrorist organizations or individual terrorists.	The PTA 2011 as amended has comprehensively criminalized terrorist financing as required under Article 2 of the UN Convention on the Suppression of Terrorist Financing and the FATF SR. II in relation to provision/collection of funds to be used for terrorist acts or by terrorist organizations or individual terrorists.	Nigeria has Secured conviction on terrorist financing cases and collaborated with other jurisdictions to support information exchange in the fight against terrorism financing. The Case of Charles Okah and Henry is important to note	
	The existing law does not state that TF is a predicate offence for money laundering.	Addressed in MLPA 2011 as amended has identified as a predicate offence to money laundering		
	<input type="checkbox"/> There are significant gaps in the existing law in terms of its scope and implementation.			

FATF RECOMMENDATIONS & RATING	RECOMMENDED ACTION IN THE MER	ANALYSIS OF ACTIONS TAKEN TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	FUTURE ACTIVITIES TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	TECHNICAL ASSISTANCE NEED
	The draft Terrorist Prevention bill submitted to the National Assembly is not a law and therefore not enforceable.	PTA was enacted in 2011 and has been amended in 2013 to cover for identified deficiencies: such areas include		
<b>SRIII. (NC)</b> Freeze and Confiscate Terrorist Assets	The existing EFCC provision on the freezing of terrorist funds and assets does not cover terrorist organizations and entities	Addressed by section 15 the PTA 2011 as amended 2013 and guidelines in the implementation of UNSCRs 1267 & 1373 issued in 2011		
	No procedure or guideline has been issued to LEAs and FIs on the implementation of the SR III freezing mechanisms	Addressed in the Terrorism Prevention (Freezing of International Terrorists Funds and Other Related Measures) Regulations, 2011.		
	There is no mechanism in place for the enforcement of UN Security Council Resolutions 1267 and 1373.	Mechanism provided for in the PTA 2011 as amended and Terrorism Prevention (Freezing of International Terrorists Funds and Other Related Measures) Regulations, 2011.		
	There is no central authority with the responsibility for the implementation of TF freezing and confiscation measures.	Office of the Attorney General and Minister of Justice has been designated as central authority with the responsibility for the implementation of TF freezing and confiscation measures as contained in the Terrorism Prevention (Freezing of International Terrorists Funds and Other Related Measures) Regulations, 2011.		
<b>SRIV. (NC)</b> Suspicious Transactions Reporting	There is no explicit requirement in the laws for reporting relating to terrorism financing or terrorist acts.	Explicitly addressed in MLPA 2011 as amended and PTA 2011 as amended		



FATF RECOMMENDATIONS & RATING	RECOMMENDED ACTION IN THE MER	ANALYSIS OF ACTIONS TAKEN TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	FUTURE ACTIVITIES TO ADDRESS DEFICIENCIES IN THE RECOMMENDATIONS	TECHNICAL ASSISTANCE NEED
	Other supervisory bodies have not issued any directives on terrorism financing or terrorism acts.	Ministry of Justice in collaboration with other relevant stakeholder-institutions issued the Terrorism Prevention (Freezing of International Terrorists Funds and Other Related Measures) Regulations, 2011 as part of directives on terrorism financing or terrorism acts.		
<b>SR V. (NC)</b>  International Cooperation	<input type="checkbox"/> In the absence of comprehensive legislation and a guideline on international cooperation requests on TF cases the authorities cannot provide MLA to other countries as required by SR V  A comprehensive TF legislation should be enacted as soon as possible	The enactment of PTA 2011 amended in 2013 has set the stage for the provision of MLA on TF cases as required by SR V.		

The tables below sets out the summary of 2012 Domestic and International information exchange as well as other reports received by the NFIU AND THE NUMBER disseminated to relevant agencies.

**DOMESTIC INFORMATION EXCHANGE.**

*Reports*

<b>Reports Received</b>	<b>Number</b>
<b>CTRs (Currency Transaction Reports)</b>	<b>4,776,597</b>
<b>STRs (Suspicious Transaction Reports)</b>	<b>2,828</b>

*Currency Declaration*

<b>CDRs (Currency Declaration Reports)</b>	<b>7,195</b>
<b>Physical Cross Border Transportation (Value of funds consists of all types of currency converted to US Dollars)</b>	<b>\$ 9,927,031,651</b>
<b>Total amount seized</b>	<b>\$ 13,233,982</b>
<b>Total amount forfeited after conviction</b>	<b>\$ 1,520,410</b>

*Dissemination of intelligence to Law Enforcement*

<b>LEAs (Proactive)</b>	<b>58</b>
<b>LEAs (Reactive)</b>	<b>154</b>
<b>FIRS (Federal Inland Revenue Service)</b>	<b>13</b>
<b>TOTAL</b>	<b>225</b>

*Freezing Measures*

<b>2012</b>	<b>50</b>
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**INTERNATIONAL INFORMATION EXCHANGE FROM OTHER FIUs**

<b>Incoming Requests from other FIUs</b>	<b>72</b>
<b>Spontaneous Disclosure from other FIUs</b>	<b>5</b>
<b>Responses by other FIUs</b>	<b>51</b>

**INTERNATIONAL INFORMATION EXCHANGE FROM THE NFIU**

<b>Outgoing Request from the NFIU</b>	<b>48</b>
<b>Spontaneous Disclosure from the NFIU</b>	<b>3</b>
<b>Responses by the NFIU</b>	<b>51</b>