

**NIGERIAN FINANCIAL INTELLIGENCE UNIT****ADVISORY****ADVISORY BASED ON THE FINANCIAL
ACTION TASKFORCE (FATF) IDENTIFIED
JURISDICTIONS UNDER INCREASED
MONITORING (OCTOBER 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 Competent Authorities on observable trends and patterns to mitigate AML/CFT/CPF threats.

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Introduction

In October 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 Financing¹. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolving quickly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. This list is often referred to as the “grey list”. The changes may affect Nigerian financial institutions’ obligations and Risk-Based Approaches (RBA) with respect to relevant jurisdictions.

The FATF identifies additional jurisdictions, on an ongoing basis, that have strategic deficiencies in their regimes to counter Money Laundering, Terrorist Financing, and Proliferation Financing. Several jurisdictions have not yet been reviewed by the FATF or their FATF Style Regional Bodies (FSRBs) but will be in due course.

The Nigerian Financial Intelligence Unit (NFIU) is issuing this advisory to inform all Financial Institutions (FIs), Designated Non-Financial Institutions (DNFIs), Regulatory Authorities, Security & Intelligence Agencies, the judiciary and all relevant stakeholders in the Anti-Money Laundering and Countering the Financing of Terrorism and Counter-Proliferation Financing (AML/CFT/CPF) regime in Nigeria of updates to the FATF list of jurisdictions with strategic AML/CFT/CPF 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/CPF 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.

Since the start of the COVID-19 in 2020, the FATF has provided some flexibility to jurisdictions not facing immediate deadlines to report progress voluntarily. The FATF decided to take up work again and to identify new countries with strategic AML/CFT/CPF 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 June 2021: Albania, Barbados, Cambodia, Cayman Islands, Jamaica, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, Syria, Uganda, Yemen, and Zimbabwe. For these countries, updated statements are provided below. Burkina Faso, Haiti and South Sudan were given the opportunity and chose to defer reporting; thus, the

¹ The Financial Action Task Force (FATF) list of jurisdictions under increased monitoring can be found in full on its website and can be accessed at <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-october-2021.html>

statements issued in February and June 2021 for these jurisdictions are included below, but they may not necessarily reflect the most recent status of the jurisdiction’s AML/CFT&CPF regime. Following review, the FATF now also identifies Jordan, Turkey and Mali. The FATF welcomes the progress made by these countries in combating Money Laundering and Terrorist Financing, despite the challenges posed by COVID-19.

Tabular representation of Jurisdictions in and out of the increased monitoring list thus far in 2021 February –October

S/N	Jurisdictions with Strategic Deficiencies (February 2021)	Jurisdictions with Strategic Deficiencies (June 2021)	Jurisdiction with Strategic Deficiencies (October 2021)	Jurisdictions no longer subject to increased monitoring (October 2021)
1	Albania	Albania	Albania	Botswana
2	Barbados	Barbados	Barbados	Mauritius
3	Botswana	Botswana	Burkina Faso	
4	Burkina Faso	Burkina Faso	Cambodia	
5	Cambodia	Cayman Islands	Cayman Islands	
6	Cayman Islands	Haiti	Haiti	
7	Ghana	Jamaica	Jamaica	
8	Jamaica	Malta	Jordan	
9	Mauritius	Mauritius	Mali	
10	Morocco	Morocco	Malta	
11	Myanmar	Myanmar	Morocco	
12	Nicaragua	Nicaragua	Myanmar	
13	Pakistan	Pakistan	Nicaragua	
14	Panama	Panama	Pakistan	
15	Senegal	Senegal	Panama	
16	Syria	Syria	Philippines	
17	Uganda	Uganda	Senegal	
18	Yemen	Yemen	South Sudan	
19	Zimbabwe	Zimbabwe	Syria	
20	Yemen		Turkey	
21			Uganda	
22			Yemen	
23			Zimbabwe	

JURISDICTIONS WITH STRATEGIC DEFICIENCIES IDENTIFIED BY THE FATF FOR INCREASED MONITORING (October 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&CPF regime, Albania has taken steps towards improving its AML/CFT&CPF regime 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) finalizing 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 resulting sanctions, when appropriate, and reducing the backlog in completing cases; (5) further pursuing confiscation in ML cases, including by seeking assistance from foreign counterparts.

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 FIUs 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 combating 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 the 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 dissemination 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 remedied. 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 combating 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 sanction 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.

Jordan

In October 2021, Jordan made a high-level political commitment to work with the FATF and MENAFATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2019, Jordan has made progress on a number of the MER's recommended actions to improve its system, including by finalizing its National Risk Assessment (NRA). Jordan will work to implement its FATF action plan by: (1) completing and disseminating the ML/TF risk assessments of NPOs, legal persons and virtual assets; (2) improving risk-based supervision and applying effective, proportionate, and dissuasive sanctions for noncompliance; (3) conducting training and awareness-raising programmes for DNFBPs on their AML/CFT obligations, particularly with regard to filing and submitting STRs; (4) maintaining comprehensive and updated basic and beneficial ownership information on legal persons and legal arrangements; (5) pursuing money laundering investigations and prosecutions, including through parallel financial investigations, for predicate offences in line with the risk identified in the NRA; (6) creating a legal obligation for confiscating instrumentalities used or intended to be used in ML crimes; (7) developing and implementing a legal and institutional framework for targeted financial sanctions; and (8) developing and implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

Mali

In October 2021, Mali made a high-level political commitment to work with the FATF and GIABA to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in November 2019, Mali has made progress on a number of the MER's recommended actions to improve its system, including by adopting its National Risk Assessment (NRA). Mali will work to implement its FATF action plan by: (1) disseminating the results of the NRA to all relevant stakeholders including by conducting awareness-raising activities with the highest risk sectors; (2) developing and starting to implement a risk-based approach for the AML/CFT supervision of all FIs and higher risk DNFBPs and demonstrating effective, proportionate and dissuasive sanctions for noncompliance; (3) conducting a comprehensive assessment of ML/TF risks associated with all types of legal persons; (4) increasing the capacity of the FIU and the LEAs and enhancing their cooperation on the use of financial intelligence; (5) ensuring relevant competent authorities are involved in investigation and prosecution of ML; (6) strengthening the capacities of relevant authorities responsible for investigation and prosecution of TF cases; (7) establishing a legal framework and procedures to implement targeted financial sanctions; and (8) implementing a risk-based approach for supervision of the NPO sector to prevent abuse for TF purposes.

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 sanction 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 the 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 sanction 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

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 standardized 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 (Statement from June 2012)

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 criminalizing 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.

Turkey

In October 2021, Turkey made a high-level political commitment to work with the FATF to strengthen the effectiveness of its AML/CFT regime. Since the adoption of its MER in October 2019, Turkey has made progress on a number of the MER’s recommended actions to improve its system, including by promulgating an overarching national strategy for authorities in charge of combating ML and TF; establishing a beneficial ownership registry; developing the strategic analysis capacity within the FIU; increasing the level of seizures of smuggled cash across borders; revising sentences available for terrorist financing to ensure there is an incentive for law enforcement to investigate TF activity independently and alongside terrorism offences; and eliminating the delays in implementing targeted financial sanctions under UNSCRs related to terrorist financing and proliferation financing. Turkey will work

to implement its FATF action plan by: (1) dedicating more resources at the FIU to supervision of AML/CFT compliance by high-risk sectors and increasing on-site inspections overall; (2) applying dissuasive sanctions for AML/CFT breaches, in particular for unregistered money transfer services and exchange offices and in relation to the requirements of adequate, accurate, and up-to-date beneficial ownership information; (3) enhancing the use of financial intelligence to support ML investigations and increasing proactive dissemination by the FIU; (4) undertaking more complex money laundering investigations and prosecutions; (5) setting out clear responsibilities and measurable performance objectives and metrics for the authorities responsible for recovering criminal assets and pursuing terrorism financing cases and using statistics to update risk assessments and inform policy; (6) conducting more financial investigations in terrorism cases, prioritizing TF investigations and prosecutions related to UN-designated groups and ensuring TF investigations are extended to identify financing and support networks; (7) concerning targeted financial sanctions under

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 criminalizing 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

In October 2019, Zimbabwe made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its AML/CFT regime. At its October 2021 plenary, the FATF has made the initial determination that Zimbabwe has substantially completed its action plan and warrants an on-site assessment to verify that the implementation of Zimbabwe'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. Zimbabwe has made the following key reforms which include: (1) developing risk-based supervision framework for FIs and DNFBPs including through capacity building among the supervisory authority; (2) developing 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. The FATF will continue to monitor the COVID-19 situation and conduct an on-site visit at the earliest possible date.

Jurisdictions no longer subject to increased monitoring by the FATF

Botswana

The FATF welcomes Botswana's significant progress in improving its AML/CFT regime. Botswana 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. Botswana is therefore no longer subject to the FATF's increased monitoring process. Botswana will continue to work with ESAAMLG to improve further its AML/CFT system.

Mauritius

The FATF welcomes Mauritius's significant progress in improving its AML/CFT regime. Mauritius 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 February 2020. Mauritius is therefore no longer

subject to the FATF's increased monitoring process. Mauritius will continue to work with ESAAMLG to improve further its AML/CFT system.

High-Risk Jurisdictions subject to a Call for Action - October 2021

The FATF has continuously provided regular updates on high-risk jurisdictions subject to call for action also commonly referred to as "black list". The FATF identifies these high-risk jurisdictions as having significant deficiencies in their AML/CFT/CPF regimes and calls for all members and jurisdictions to apply enhanced due diligence measures and where necessary countries are required to apply countermeasures to protect the international financial system from exposure to ML/TF/PF risks from the country. However, since February 2021 the FATF has halted the review process for these high-risk jurisdictions subject to call for action as they are already subject to the countermeasures proposed by the FATF. Consequently, FATF advises AML/CFT stakeholders to refer to the statement on these jurisdictions adopted in February 2020. Though the statement may not accurately reflect the most recent status of the Democratic People's Republic of Korea (DPRK) and Iran's AML/CFT regimes, the FATF's call for action on these high-risk jurisdictions remains in effect.

Recommendations

The NFIU recommends as follows:

- 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/CPF supervision for financial institutions and designated non-financial institutions (DNFIs)
- An update of the national risk assessment is necessary. Reporting entities should also conduct their sector risk assessment to identify and understand emerging risks associated with the FATF grey listed jurisdictions.
- 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 FATFs decisions and the reasons behind the delisting into consideration when assessing risk, consistent with section 3 of the Money Laundering (Prohibition) Act, 2011 (as amended).
- Whistleblowing policy should be introduced to expose non-compliance with the Anti-Money Laundering and Counter-Terrorism financing laws.
- Any financial institution that failed to take reasonable steps whilst assessing the risk should be cautioned, however, in the event of continuous default the institution should be sanctioned by the relevant competent authority.