INTERGOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING IN WEST AFRICA

PRESS RELEASE

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REGIONAL VALIDATION WORKSHOP OF THE STUDY ON MONEY LAUNDERING AND TERRORIST FINANCING RISKS ASSOCIATED WITH THE MISUSE OF LEGAL PERSONS AND LEGAL ARRANGEMENTS IN WEST AFRICA

The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) will host a Regional Validation Workshop from November 5-7, 2024, in Saly, Senegal, to review and validate the study on the money laundering (ML) and terrorist financing (TF) risks associated with the misuse of legal persons and legal arrangements in West Africa.

This workshop aims to :

- Review and validate the research findings.
- Gather expert feedback to enhance the accuracy and relevance of the study.
- Identify practical implications and develop recommendations for policymakers, regulators, and law enforcement agencies.
- Promote collaboration and knowledge-sharing to combat the misuse of Legal Persons and Legal Arrangements for ML/TF purposes.
- Agree the next steps for the finalization of the research report and outline an action plan for implementation.

The workshop will serve as a platform for participants to discuss the ML/TF threats and vulnerabilities linked to Legal Persons and Legal Arrangements, examine current legal and institutional frameworks, identify best practices, and improve understanding of beneficial ownership (BO) requirements to prevent and counter financial crimes and money laundering more effectively in GIABA member states. Additionally, the event will cover issues related to risk assessments for ML/TF in the context of Legal Persons and Legal Arrangements, providing insights for future mutual evaluations of GIABA member states.

This initiative responds to the fact that GIABA member states currently have an estimated compliance rate of less than 15% at the conclusion of the second round of mutual evaluations, revealing limited effectiveness despite efforts to strengthen AML/CFT frameworks. To address these challenges, GIABA supports its member states in confronting the significant ML/TF risks they face. Transparency of Legal Persons and Legal Arrangements is a key indicator of the integrity of financial systems and corporate governance, highlighting vulnerabilities in national frameworks against the misuse of corporate entities for ML/TF purposes.

While legal persons and legal arrangements conduct a wide range of commercial activities, the risks associated with their misuse for ML/TF, combined with weaknesses identified in national risk assessments (NRAs) and mutual evaluation reports, underscore the need for a deeper understanding of the current situation in the region. Accordingly, the GIABA Plenary approved a typologies study in May 2023 focused on the ML/TF risks associated with the misuse of Legal Persons and Legal Arrangements.

The Saly workshop will bring together thirty-five (35) senior officials and experts from member states, particularly those involved in the registration and regulation of coporate entities, as well as investigators and prosecutors of ML/TF offenses related to Legal Persons and Legal Arrangements. Participants will explore ways to develop and implement risk-based approaches to mitigate the misuse of Legal Persons and Legal Arrangements for ML/TF. Expected outcomes include validation of country reports, agreement on key components of the regional report, concrete recommendations for policymakers, regulators, and law enforcement, enhanced collaboration among stakeholders, and the identification of areas requiring further work.

This workshop represents a crucial step toward bolstering transparency and strengthening AML/CFT frameworks in West Africa, reinforcing GIABA's commitment to fostering secure and resilient financial systems across the region.