Anti-money laundering and counter-terrorist financing measures

Benin

3rd Enhanced Follow-up Report & Technical Compliance Re-Rating

Follow-up Report



May 2024

The Inter-Governmental Action Group against Money Laundering (GIABA) is a specialized institution of ECOWAS and a FATF Style Regional Body that promotes policies to protect member State's financial systems against money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter terrorist financing (CTF) standard.

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Republic of Benin: 3rd Enhanced Follow-up Report

I. OBJECTIVES

1. This report presents the GIABA experts' analysis of Benin's 3rd Enhanced Follow-up Report (FUR).

II. INTRODUCTION

2. Benin's Mutual Evaluation Report was discussed and adopted by the 35th GIABA Technical Commission/Plenary meeting held in May 2021. The country was rated Low on all 11 Outcomes with regard to the effectiveness of its AML/CFT system and had more than eight (8) Recommendations rated NC/PC. As a result, in application of the GIABA process and procedures for the Second Round of Mutual Evaluation (August 2020), Benin was placed under the enhanced follow-up regime.

3. This FUR analyses the progress made by Benin in meeting the Technical Compliance requirements of Recommendation 34 with a request for re-rating. A request for re-rating of Technical Compliance is granted when sufficient progress has been made.

4. This FUR does not analyze the progress made by Benin in terms of the effectiveness of its AML/CFT system.

5. Ms. Coulibaly Fatoumata HACKO from Mali, as Reviewer, with the support of Mr. Madické NIANG from the GIABA Secretariat, analysed the request for re-rating of Technical Compliance submitted by Benin and prepared the report.

III. CONCLUSIONS OF THE 2nd ENHANCED FOLLOW-UP REPORT OF BENIN

6. Benin's ratings, following the adoption of its second follow-up report in May 2023, are summarised in the table below.

Table 1: Benin's TC rating on adoption of its 2nd FUR (May 2023)

R.1	R.2	R.3	R.4	R.5
LC (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)	**PC** (2021 MER)	**PC** (2021 MER)
R.6	R.7	R.8	R.9	R.10
PC (2021 MER) **LC (2nd FUR May 2023)**	**PC** (2021 MER) **LC (2nd FUR May 2023)**	**NC** (2021 MER)	**C** (2021 MER)	**PC** (2021 MER)
R.11	R.12	R.13	R.14	R.15
LC (2021 MER)	**PC** (2021 MER)	**LC** (2021 MER)	**PC** (2021 MER)	**C** (2021 MER) **NC(2nd FUR May 2023)**
R.16	R.17	R.18	R.19	R.20
PC (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)	**NC** (2021 MER)	**PC** (2021 MER)
R.21	R.22	R.23	R.24	R.25
C (2021 MER)	**PC** (2021 MER)	**PC** (2021 MER)	**NC** (2021 MER)	**NC** (2021 MER)
R.26	R.27	R.28	R.29	R.30
PC (2021 MER)	**C** (2021 MER)	**NC** (2021 MER)	**C** (2021 MER)	**C** (2021 MER)

R.31	R.32	R.33	R.34	R.35
C (2021 MER)	**PC** (2021 MER)	**LC** (2021 MER)	**PC** (2021 MER)	**LC** (2021 MER)
R.36	R.37	R.38	R.39	R.40
LC (2021 MER)	**C** (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)

IV. OVERVIEW OF PROGRESS MADE IN IMPROVING TECHNICAL COMPLIANCE

4.1. Overview of progress made in addressing the gaps identified in the MER

7. Following the adoption of its second Follow-Up Report in May 2023, Benin continued to take measures to resolve the deficiencies identified in its MER and improve compliance with the various Recommendations and effectiveness under the Immediate Outcomes. The measures undertaken during the review period include:

a) Administrative and regulatory measures[1]:

i. Decree no. 2023-357 of 12 July 2023 on the powers, organisation and functioning of the Ministry of the Economy and Finance, establishing the Gaming Sector Supervision Unit (CSSJ), an AML/CFT monitoring and supervisory authority with the power to impose sanctions on the gaming sector;
ii. Decree no. 2023-458 of 13th September 2023 on the powers, organisation and functioning of the Ministry of Justice and Legislation, establishing (under Article 14) the Cooperation and Mutual Legal Assistance Office, in charge of studying and implementing all issues relating to international cooperation and mutual legal assistance; and
iii. The Decreen°2023-528 of 31st October 2023 designating ANDF as the AML/CFT monitoring and supervisory authority with the power to impose sanctions on the real estate sector.

b. Operational measures :

8. Under this caption, the following guidelines have been drafted and made available to reporting entities to help them understand and implement their obligations. They are as follows:

(a) -Guidelines for the implementation of targeted financial sanctions for all reporting entities;
(b) -Guidelines for lawyers on implementing their obligations;
(c) -Guidelines for notaries on the implementation of their obligations;
(d) -Guidelines for Chartered Accountants on the implementation of their obligations;
(e) -Guidelines for lawyers, notaries and chartered accountants on suspicious transaction reports (STRs); and
(f) -Guidelines for Lawyers, Notaries and Chartered Accountants on Politically Exposed Persons (PEPs).

c. Sectoral ML/TF Risk Assessments

-Assessment of **ML/TF** risks associated with the real estate sector;
-Assessment of terrorist financing risks;
-Assessment of **TF** risks associated with NPOs;

[1] In terms of legal measures, it should be noted that Benin enacted the new AML/CFT Law on February 20th 2024 and published it in the gazette.

- Assessment of **ML/TF** risks relating to legal persons, legal arrangements and their beneficial owners, which has already started, and is currently being concluded.

d. Training and sensitization initiatives aimed at providing feedback to reporting entities. These include:

- Training sessions of two (02) days each, organised by the FIU for notaries, bailiffs and auctioneers (August 2023);
- Training sessions for Criminal Investigation Officers (OPJs) in the districts of Atacora, Donga, Alibori, Borgou, Zou, Collines, Aplahoué and Mono on the systematic opening of parallel ML investigation when investigating any predicate offence and on special financial investigation techniques (September 2023);
- Training sessions of two (02) days each on five (05) pillars of AML/CFT for magistrates and OPJs, organised and held jointly by the FIU and Expertise France (October and November 2023);
- Training sessions of two (02) days each, organised by FIU for Financial Institutions (Insurance, SGI, DFS, Banks) on the effective implementation of their AML/CFT obligations (November 2023);
- Nationwide (July and August 2023) sensitisation tours for elected local representatives, police officers and border/customs officials on their respective roles in AML/CFT; and
- Training and sensitisation session for FIU correspondents, financial institutions: banks, decentralised financial system, management and intermediation companies, electronic money issuers, forex bureaus, insurance companies (6 to 10 November 2023).

9. These various actions have had a substantial impact on understanding AML/CFT risks by AML/CFT stakeholders, the risk assessment and management system, and the coordination of national AML/CFT policies and strategies (IO.1); cooperation and information sharing among national AML/CFT authorities (IO 6, R IO .7, IO.9, etc.); the monitoring and supervision of designated non-financial businesses and professions (IO.3); the implementation of preventive measures by financial institutions and designated non-financial businesses and professions IOI.4); and the implementation of preventive measures by financial institutions and designated non-financial businesses and professions (IO.5).); the monitoring and supervision of designated non-financial businesses and professions (IO.3); the implementation of preventive measures by financial institutions and designated non-financial businesses and professions (IO.4); and the strengthening of the operational and strategic capacities of investigative and prosecutorial authorities, especially in the fight against terrorist financing (IO.9).

10. All these actions, as well as others that have not yet been fully completed, have been implemented to resolve the strategic deficiencies or gaps identified, both in terms of technical compliance and the effectiveness of the national Anti-money Laundering and Counter Financing of Terrorism regime.

4.2. Analysis of progress made in addressing the gaps in Recommendation 34.

11. Following Benin's efforts to improve the technical compliance of its AML/CFT system, the country has requested a re-rating for Recommendation 34. This section analyses the progress made in addressing the deficiencies relating to technical compliance with Recommendation 34.

4.2.1. Recommendation 34 (initially rated PC)

12. In the MER adopted at the end of the 2nd round of mutual evaluation of its AML/CFT system (May 2021), Benin was rated PC on Recommendation 34. The AML/CFT law stipulates (Article 86) that the competent authorities of FIs and DNFBPs shall issue guidelines. While the competent authorities of the

FIs are effectively implementing the guidelines, the same cannot be said about the competent authorities of the DNFBPs sector.

13. **Criterion 34.1 [Mostly Met]** The competent authorities are required to issue directives, guidelines or recommendations to enable FIs and DNFBPs comply with AML/CFT obligations (Article 86.3 of the AML/CFT Law). The AML/CFT Law also contains provisions enabling the FIU, in particular, to provide feedback that will help financial institutions and Designated Non-Financial Businesses and Professions, as well as supervisory and monitoring authorities, to implement AML/CFT measures and detect and report suspicious transactions.

14. In application of these provisions, the financial sector supervisory authorities have adopted guidelines for FIs to combat AML/CFT in their respective sectors. These are: Directive n°007-09-2017 of 25 September 2017 on the application of the Uniform AML/CFT Law in banks and financial institutions; Directive n°59/2019/CREPMF (repealing and replacing Directive n°35/2008) on AML/CFT in the regional capital market and Regulation n°001/CIMA/PCMA/PCE/SG/2021 (repealing and replacing Regulation N°0004/CIMA/PCMA/PCE/SG/08) for the insurance sector. These guidelines provide Benin's financial sector players with detailed information on how to comply with the AML/CFT/PF Law.

15. In addition, The National Coordinating Committee of AML/CF/PF activities (CNCA), as the authority in charge of monitoring and supervising DNFBPs, has jointly issued guidelines with the chambers and association of DNFBPs peculiar to the following types of DNFBP: Lawyers, Notaries and Chartered Accountants, to enable them to meet their AML/CFT/PF obligations, namely STRS. Going through the guidelines, it has been observed that the main provisions of the AML/CFT law, are in compliant with AML/CFT obligations. The guidelines give clear orientations when it comes to staff training, customer identification, and beneficial ownership, the designation of a compliant officer, and the establishment of an internal control mechanism, as well as ML/TF risk assessment. Specific orientations are issued for the relationship with the PEPs, and the processing of STRs, for the three categories of DNFBPs. However, there is no evidence of the availability of specific Guidelines for other types of DNFBPs, including casinos, real state, and traders in precious metals that were deemed high risk sectors by the NRA and considered highly important for the MER. In order to address the shortcomings identified by the 2018 NRA, Benin has updated its assessment of the real estate sector and carried out a major reform of the notaries' sector, which significantly addresses and mitigates all deficienciesin the real estate sector and prevents potential risks that could arise from it. This reform places the notary at the heart of all land-related transactions. Benin states that other specific guidelines are being developed for other DNFBPs such as bailiffs, auctioneers, the gambling sector, , and , traders in precious stones and metals, real estate agents and dealers.. The country has also issued guidelines for reporting entities for the implementation of Targeted Financial Sanctions (TFS).

16. In practice, feedback is provided through the following mechanisms: organisation of information-sharing and training sessions for reporting entities, transmission of supervision reports by the supervisory authorities, forwarding acknowledgements of receipt and requests for additional information to reporting entities. The analysis of the information provided by Benin reveals that training sessions have been held for notaries, lawyers, chartered accountants, bailiffs and auctioneers, for the DNFBPS as well as forex bureaus, insurance companies, Stock Exchange Companies (SGI), Decentralised Financial Systems (DFS), Electronic Money Issuers (EMIs) and banking institutions for FIs. Also, the documents provided by the country reveal the transmission of the reports of inspections conducted on banks, DFIs and EMIs over the period spanning 2021-2023 by the Banking Commission. However, it has not been proven that the reports of any missions conducted by the supervisory authorities of DNFBPs have been transmitted as feedback.

Weighting and conclusion

17. Benin's legal framework requires the competent authorities, supervisory authorities and self-regulatory bodies to develop and publish directives, guidelines and recommendations to help regulated entities comply with their AML/CFT obligations (Article 86.3 AML/CFT Law). In compliance with this obligation, the banking, insurance and capital market authorities have issued directives and published guidelines. Guidelines have also been published for a category of DNFBPs, namely notaries, lawyers and chartered accountants, but casinos, the real state, and traders in precious metals that were deemed high risk sectors by the NRA and considered highly important for the weighting of the MER. Benin has addressed the deficiencies identified by the 2018 NRA by updating the ML/TF risk assessment of the real estate sector, the findings of which show that the current risk is moderate, and has carried out a major reform of the notaries' sector in order to address and significantly mitigate all the shortcomings in the real estatesector and prevent any potential risks that could arise from it. This reform places the notary at the heart of all land-related transactions. Similarly, Benin has made feedback a legal obligation (Article 92 AML/CFT Law),which in practice is done through capacity-building sessions highlighting deficiencies identified in the enforcement of AML/CFT legal and regulatory provisions. However, sharing sessions in the DNFBPs sector are limited to lawyers, notaries, and chartered accountants/ certified accountants; there is no evidence that inspection reports have been shared by the supervisory authorities of DNFBPs to ensure reporting entities of the said sector better detect and report suspicious transactions.

18. **Recommendation 34 has been re-rated Largely Compliant (LC).**

V. CONCLUSION

19. Benin has made progress in addressing the technical compliance weaknesses identified in its MER under Recommendation 34, for which minor deficiencies remain. As part of the re-rating, Benin is considered Largely Compliant (LC) with Recommendation 34.

20. Considering the progress made by Benin since the adoption of its second follow Up report, its technical compliance with the FATF Recommendations is summarized in the table below, as at May 2024.

Table 2: Benin's TC rating on adoption of its 3rd FUR (May 2024)

R.1	R.2	R.3	R.4	R.5
LC (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)	**PC** (2021 MER)	**PC** (2021 MER)
R.6	R.7	R.8	R.9	R.10
PC (2021 MER) **LC (2nd FUR May 2023)**	**PC** (2021 MER) **LC (2nd FUR May 2023)**	**NC** (2021 MER)	**C** (2021 MER)	**PC** (2021 MER)
R.11	R.12	R.13	R.14	R.15
LC (2021 MER)	**PC** (2021 MER)	**LC** (2021 MER)	**PC** (2021 MER)	**C** (2021 MER) **NC(2nd FUR May 2023)**
R.16	R.17	R.18	R.19	R.20
PC (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)	**NC** (2021 MER)	**PC** (2021 MER)
R.21	R.22	R.23	R.24	R.25
C (2021 MER)	**PC** (2021 MER)	**PC** (2021 MER)	**NC** (2021 MER)	**NC** (2021 MER)
R.26	R.27	R.28	R.29	R.30
PC (2021 MER)	**C** (2021 MER)	**NC** (2021 MER)	**C** (2021 MER)	**C** (2021 MER)

R.31	R.32	R.33	R.34	R.35
C (2021 MER)	**PC** (2021 MER)	**LC** (2021 MER)	**PC** (2021 MER) **LC (3rd FUR May 2024**	**LC** (2021 MER)
R.36	R.37	R.38	R.39	R.40
LC (2021 MER)	**C** (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)	**LC** (2021 MER)

21. The Republic of Benin has 17 Recommendations rated NC/PC, including 3 fundamental Recommendations. Therefore, the country will be kept under the enhanced monitoring regime. The next enhanced FUR is expected in May 2025.

ANNEXE
Summary of Technical Compliance – Key Deficiencies

TABLEAU 3: SUMMARY OF COMPLIANCE WITH THE FATF RECOMMENDATIONS

Compliance with the FATF Recommendations
This table presents the ratings and a summary of all the factors justifying such ratings.

	Recommendation	Rating	Factor (s) justifying the rating •
1.	Risk assessment and implementation of a risk-based approach	**LC**	• No specific mechanisms for providing information on the results of the NRA to stakeholders. • There is limited requirement to supervise reporting entities for implementation of their obligations under Recommendation 1. • Benin lacks supervisory mechanisms for DNFBPs. • Application of RBA to supervision and allocation of resources to prevent or mitigate ML/TF risks is very limited or non-existent across sectors. • Exemptions are not based on proven lower ML/TF risks. • There is no express requirement to consider the threats, vulnerabilities and consequences before determining appropriate ways of mitigating the risks.
2.	National cooperation and coordination	**LC**	• There are no provisions for the establishment of cooperation mechanisms at the operational level to combat the financing of the proliferation of weapons of mass destruction.
3.	Money laundering offence	**LC**	• There is no precision, including precedent regarding whether it is not necessary for a person to be convicted of a predicate offence to prove that an asset is the proceed of a crime.
4.	Confiscation and provisional measures	**PC**	• The requirement to confiscate instrumentalities used in or intended for use is limited to corruption offences. • There is no information on the implementation of measures, including legislative measures, enabling competent authorities to identify, trace and evaluate assets subject to a confiscation measure; • Benin has not established mechanisms or procedures for the management of all seized or confiscated assets.
5.	Terrorist Financing offence	**PC**	• The financing of an individual terrorist and a terrorist organization for any purpose, as well as financing the travelling of foreign terrorist fighters are not criminalised.
6.	TFS related to Terrorism and Terrorist Financing	**PC**	• For designations under the UN Sanctions Regimes, the country lacks (a) mechanisms for identifying targets for designation in line with the designation criteria set out under relevant UNSCR 1267, (b) evidentiary standard of proof in determining whether to designate; (c) procedures and standard forms to be followed for listing targets; and (d) requirements on information for listing and related matters.

			• For listing under Resolution 1373, Benin lacks express procedures for identifying targets, determining whether to designate (focuses on freezing). Evidentiary standard for designation only applies to requests from other countries. • Benin has no legal provision to request other countries to give effect to actions initiated by Benin. • There is no express provision for obtaining information to facilitate designation. • The freezing measures provided for by law do not target the funds and other assets of persons and entities acting on behalf of or the Directives of designated persons or entities. • Lack of authority or procedure or mechanisms to operate ex-parte during consideration of a proposal to designate an identified person or entity. • The requirement to report attempted transactions is limited to requests for wire transfers. • Prohibition from making funds available to designated persons focuses on reporting entities. Benin does not have publicly known procedures for requesting for review. • There is no mechanism for communicating de-listing and guidance on obligation to respect unfreezing action.
7.	Targeted financial sanctions related to proliferation	**PC**	• The procedures do not include funds or other assets of designated persons or entities acting on behalf of or the Directives of sanctioned persons or entities. • The Law does not mention the requirements for exemption provided for in Resolution 2231 (2015). 2321 (2016) and 2356 (2017
8.	Non-Profit Organizations	**NC**	• Benin has not conducted any comprehensive assessment of the NPO sector; • Benin has not identified the nature of the threats which TF impose on NPOs at risk; • There is no mechanism or supervisory and monitoring authority using a risk-based approach; • There is no designated competent authority to respond to international information requests on NPOs highly suspected of engaging terrorism financing or providing support by any other means.
9.	Financial institutions secrecy laws	**C**	• The country has fully met the requirements of Recommendation 9
10.	Customer Due Diligence	**PC**	• There is no explicit requirement to confirm the veracity of the identifying information should come from reliable and independent sources. • Benin has no provisions relating to identification of natural persons who control or hold a controlling interest in a legal person; • Identification of beneficial owners is conditional.

			• There is no requirement for insurance companies to verify the identity of beneficial owners of legal arrangements. • There is limited obligation regarding failure to complete CDD measures satisfactorily. • There is no requirement for FIs not to pursue CDD process that may tip-off a customer and instead file an STR
11.	Record - Keeping	**LC**	• Benin has not indicated in any explicit provision that the records relating to transactions should be adequate for the reconstitution of individual transactions that could be used as evidence in any prosecution or criminal activity.
12.	Politically Exposed Persons	**PC**	• The list for foreign PEPs is restrictive. • FIs are not obliged to apply the specific requirements to family members or close associates of domestic and international organisation PEPs; • Financial institutions are not required to apply specific CDD measures where the beneficiary or beneficial owner of a life insurance policy is a PEP.
13.	Correspondent Banking	**LC**	• The obligation of FIs to clearly understand each institution's AML/CFT responsibilities is not specified. • There is no explicit requirement for FIs to gather sufficient information on whether or not a respondent institution has been the subject to a ML/TF investigation or regulatory action.
14.	Money or Value Transfer Services	**PC**	• However, there are no sanctions provided for unlicensed money and value transfer service providers. • Besides, there is no explicit provision that requires service providers to monitor agents' compliance with AML/CFT programmes. Money or value transfer services are not supposed to be licensed or registered with any competent authority. Benin has not taken measures to identify natural or legal persons operating MVTS without license and mete out proportionate and dissuasive sanctions on them.
15.	New Technologies	**C**	• Benin fully meets the requirements for new technologies.
16.	Wire Transfers	**PC**	• There is a specific requirement for beneficiary FIs to have risk-based policies and procedures to decide when to execute, reject or suspend wire transfers that do not include the required information on the originator or beneficiary, as well as the appropriate follow-up actions. • There is no requirement for FIs to file an STR in any country affected by the suspicious wire transfer, and make relevant information available to the FIU. • Ordering FIs are not prohibited from executing wire transfers that do not comply with the requirements of c.16.1-16.7. • Requirements to take freezing actions do not extend to domestic wire transfers. • Other gaps relate to criteria, 16.5, 16.6 and 16.16

17.	Reliance on Third Parties	**LC**	• There is no clear provision on the ultimate responsibility for relying on a third party. • Benin lacks provision on obligation on FIs to: – obtain information from the third party without delay; – Ascertain the regulation, supervision, monitoring and information on risk profile, as reliance on third parties in the same group.
18.	Internal controls, foreign branches and subsidiaries	**LC**	• Benin mostly meets the requirements for internal controls and branches and subsidiaries abroad. • However, there is a deficiency regarding the obligation of branches to make available to the group any information relating to customers, accounts and transactions, when required for AML/CFT, compliance functions and/or audit purposes.
19.	Higher-risk countries	**NC**	• There is no specific provision that requires the country to apply counter-measures commensurate with the risks identified in relationships with high-risk countries, when requested by the FATF.
20.	Suspicious Transaction Reporting	**PC**	• The obligation to report suspicious transactions does not extend to all criminal acts that would constitute a predicate offence for ML or those that would constitute a predicate offence as required by Recommendation 3. • The AML/CFT Act does not extend the suspicious transaction reporting obligation to attempted transactions. • There is no requirement for FIs to report suspicious transactions to the FIU without delay.
21.	Disclosure and confidentiality	**C**	• There is no protection when the illegal activity does not occur. Benin has met all the criteria relating to this Recommendation.
22.	Designated Non-financial Businesses and Professions: Customer Due Diligence	**PC**	• Deficiencies identified at R.10 and R.12 are applicable to DNFBPs. • Only casinos are subject to CDD and record-keeping requirements as set out in Criterion 22.1. • DNFBPs are not required to implement measures related to new technologies. • There is no requirement related to the use of third parties for CDD.
23.	Designated Non-financial Businesses and Professions: other measures	**PC**	• There is no internal control requirement for DNFBPs. • DNFBPs are not required to report suspicious transactions without delay. • There is no requirement to report attempted suspicious transactions.

24.	Transparency and beneficial ownership of legal persons	**NC**	• Benin still needs to specify the mechanisms for collecting BO information on these various legal persons (LPs), as well as the methods for publishing such information. • Benin did not conduct a specific risks related to each category of legal persons created in the country. • There is no obligation for companies to maintain basic information related to them and a register of their shareholders or members and details on all the stated relevant information. • The country's responses are limited to the legal owners' identification mechanisms. The current arrangements do not meet the requirements for the identification of beneficial owners, record keeping and the updating of BO information. • There is no sanctions regime in Benin, nor any proportionate and dissuasive instrument specifically provided for against any natural or legal person that basic and beneficial ownership information. Neither are there sanctions provided for failure to update basic information. • There are no measures in place to facilitate the exchange of shareholder information held by the company registry with foreign authorities. • It is not demonstrated that Benin the FIU monitors the quality of assistance it receives from other countries in response to requests for basic and beneficial ownership information or requests for assistance in locating beneficial owners abroad, if at all.
25: Transparency and beneficial ownership of legal arrangements		**NC**	▪ Benin does not recognize trusts and the legislation does not allow for the creation of trusts. However, foreign trusts could be operated or managed in Benin. Benin imposes no obligations on trustees of foreign trusts operating or managed in the country. ▪ Benin does not regulate trusts.
26 - Regulation and supervision of Financial Institutions		**PC**	• There is no risk-based approach to supervision; • There is no requirement to regularly review the assessment of the ML/TF risk profile of any FI or financial group including non-compliance risk based on crucial events or changes in the management of the financial institution or financial group.
27- Powers of Supervisory authorities		**C**	▪ Benin meets the requirements of this recommendation.
28- Regulation and supervision of Designated Non-financial Businesses and Professions		**NC**	• The mechanism has significant deficiencies; • There are no designated authorities to supervise and monitor the implementation of AML/CFT measures; • With no sectoral risk assessment of DNFBPs, it is difficult to determine their risk profiles and apply the risk-based approach accordingly; • The regulation does not adequately protect DNFBPs from being accessed by criminals or their accomplices.
29- Financial Intelligence Units (FIUs)		**C**	• Benin has met all the requirements of this Recommendation.

30- Responsibilities of Criminal Prosecutorial and Investigative authorities.	**C**	• The anti-corruption authority has no power to freeze and seize assets.
31- Powers of Law Enforcement authorities.	**C**	• Benin has met the requirements of this Recommendation.
32 - Cash Couriers	**PC**	• Inadequate clarification on the satisfactory coordination between the customs services, the immigration authorities and any other relevant authority • There is no information on cases where information should be kept to facilitate such cooperation • There is no specific information on Criterion 32-10 to verify whether it is met or not.
33. Statistics.	**LC**	▪ All AML/CFT stakeholders should have their respective obligations in this area to ensure a more effective centralization by the FIU
34- Guidance and feedback	**PC**	▪ sharing sessions in the DNFBPs sector are limited to lawyers, notaries, and chartered accountants/ certified accountants; ▪ There is no evidence that inspection reports have been shared by the supervisory authorities of DNFBPs to ensure reporting entities of the said sector better detect and report suspicious transactions.
35. Sanctions	**LC**	• However, there are no sanctions provided for unlicensed money transfer service providers. • The mechanism has only minor deficiencies.
36.International Instruments	**LC**	• There is no national or sub-regional list of terrorists and those who finance terrorism. • Benin has not criminalised the financing of an individual terrorist and a organization for any purpose. • The financing of foreign terrorist fighters is not criminalised. •
37. Mutual Legal Assistance	**C**	The country has no significant deficiencies with regard to the requirements of this recommendation.
38- Mutual Legal Assistance: freezing and confiscation	**LC**	• There are agreements with other countries for the coordination of seizure and confiscation measures. • There is indeed a mechanism for the management of seized or confiscated assets and the possibility to dispose of them. • There is no clarification on the provisions of Article 151, based on concerted confiscation actions with other countries.
39. Extradition	**LC**	• The AML/CFT Act has no provision for a clear case, and procedural case management system for the execution of extradition requests without delay, talk less of setting priorities.
40. Other Forms of International Cooperation	**LC**	• The country is not using clear and secure channels, circuits or mechanisms to facilitate the transmission and execution of requests; • Benin has no provision for internal arrangements for further precise review of prioritization, with reasonable timelines for the processing of request received;

		• The AML/CFT Law does not indicate whether apart from the competent authorities (excluding the FIU) are in a position to negotiate agreements at the opportune time with a large number of foreign counterparts.

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Anti-money laundering and counter-terrorist financing measures in Benin

Follow-up Report & Technical Compliance Re-Rating

This FUR analyses Benin's progress in addressing the technical compliance requirements of the FATF Recommendations being re-rated since their Mutual Evaluation in May 2021.

Follow-up Report