	Inter-Governmental Action Group against Money Laundering in West Africa (GIABA)	***GIABA/PLEN XVII/***

GIABA/PLEN.XVII
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MUTUAL EVALUATION

SECOND FOLLOW UP REPORT
BENIN

GIABA 17th Technical Commission / Plenary Meeting
Abidjan, Côte d'Ivoire

GIABA 17TH TECHNICAL COMMISSION/PLENARY MEETING

2 – 4 MAY 2012

HOTEL IVOTEL
ABIDJAN, CÔTE D'IVOIRE

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I. INTRODUCTION

1. In conformity with the statutory provisions of the Intergovernmental Action Group Against Money Laundering in West Africa (GIABA), on the one part, and the timeline for the revised Mutual Evaluation adopted by the Ad Hoc Ministerial Committee at the 8th Plenary Meeting of GIABA held in Accra (Ghana) in May 2008, on the other part, the Republic of Benin was subjected to the mutual evaluation process of its AML/CFT regime conducted by GIABA from 15th to 30th June 2009.

2. The mutual evaluation exercise is designed to measure the level of compliance of countries with the FATF Recommendations, namely , the forty (40) Recommendations on Money Laundering and the nine (09) Special Recommendations on the Financing of Terrorism.

3. The evaluation report was adopted at the 13th Technical Commission and 8th Ordinary Meeting of the Ad Hoc Inter-ministerial Committee of GIABA held in Praia, Republic of Cape Verde, from 2nd to 5th May 2010, and posted on GIABA's web site.

4. The Plenary Meeting prepared detailed recommendations on the actions Benin should undertake in the short and medium terms in order to enhance its AML/CFT regime and thereby comply with international standards.

5. In conformity with GIABA's processes and procedures in the area of Mutual Evaluation, the Plenary Meeting placed Benin under enhanced follow-up. In this regard, the first Follow-up Report on the implementation of the FATF Recommendations was presented at the Plenary Meeting held in May 2011.

6. The second Follow-up Report highlights the status of implementation of the Recommendations and the progress made so far since the first report was presented in May 2011.

7. As indicated in the Table below, Benin was rated Partially Compliant (PC) and Non Compliant (NC) with regard to the following recommendations:

PARTLY COMPLIANT(PC)	NON COMPLIANT(NC)
R1. Money Laundering Offence	**R5.** Customer due diligence
R3. Confiscation and Provisional Measures	**R6.** Politically Exposed Persons
R8. New technologies and business relations	**R7.** Correspondent Banking Relationships
R10. Record Keeping	**R9.** Business third parties and introducers
R13. Suspicious Transaction Reporting	**R11.** Unusual Transactions
R15. Internal controls, compliance and audit	**R12.** Designated Non Financial Businesses and Professions (R.5,6 ,8-11)
R17. Sanctions	**R16.** Designated Non Financial Businesses and Professions (R.13-15 & 21)

PARTLY COMPLIANT(PC)	NON COMPLIANT(NC)
R23. Regulation, Supervision and monitoring	**R18.** Shell Banks
R25. Guidelines	**R19.** Other Forms of Reporting
R26. Financial Intelligence Units	**R20.** Other Non Financial Businesses and Professions and other modern financial management techniques
R27. Law Enforcement Authorities	**R21.** Special attention for higher risk countries
R30. Resources, Integrity and training	**R22.** Branches and subsidiaries abroad
R31 National Cooperation	**R24.** Designated non financial businesses and professions - Regulation, supervision and monitoring
R32. Statistics	**R29.** Supervising Authorities
R35. Conventions	**R33.** Legal persons – beneficial owners
R38. Mutual legal assistance in seizure and freezing	
R40. Other forms of Cooperation	
	RS.I Application of UN instruments
	RS.II Criminalizing Terrorist Financing
	RS.III Freezing and seizure of terrorist funds
	RS.IV Suspected transaction reporting
	RS.V International Cooperation
	RS.VI AML/CFT obligations applicable to money or value transfer systems
	RS.VII Rules applicable to electronic transfers
	RS.VIII Non profit organisations
	RS.IX Cross-border declaration or disclosure

II SUMMARY OF PROGRESS MADE BY BENIN SINCE MAY 2011

A- IMPROVEMENT OF LEGAL FRAMEWORK

- Passing of Act n°2011-20 against corruption and other related offences in the Republic of Benin.

- Passing of Act on Anti-terrorist financing, scheduled for April 2012 after the advocacy visit by the Director General of GIABA to the Benin Parliament in March 2012.

B- OPERATIONAL CAPACITY BUILDING OF AML/CFT STAKEHOLDERS

- **Regional Seminar on Cybercrime,** organized in Cotonou, by the Internal Security Department of the French Embassy in Benin and the French Office Against Cybercrime (OCLCTIC) ;
- **Training Workshop on Business Company Investigations,** jointly organized by the CENTIF and the Internal Security Department of the French Embassy in Benin ;
- **Training Workshop on Procedures in Combating Money Laundering and Financing of Terrorism,** jointly organized by the CENTIF and the Internal Security Department of the French Embassy in Benin;
- **Regional Seminar on Criminal Asset Recovery,** organized by GIABA in Praia, Cape Verde.
- **National Sensitization Seminar for Magistrates and Judges,** scheduled for Cotonou from 23rd to 27th April 2012, with the technical and financial assistance of the World Bank.

C- STRENGTHENING THE OPERATIONAL SECTION OF THE CENTIF-BENIN

- Kick-starting the implementation of the Action Plan prepared by the CENTIF-Benin, as part of the funding approved by the World Bank for the **Proposed Implementation of a National Strategy to Combat Money Laundering and the Financing of Terrorism.**
- Recording of **thirty-five (35) suspected transaction reports** during the period under review, raising the total number of STRs received to one hundred and thirty-eight (138) ;
- Processing of **thirteen (13) information requests** received from some CENTIFs in the UEMOA zone and other foreign FIUs, within the framework of the regional and international cooperation;
- Strengthening the human resource base of the CENTIF by recruiting two (02) Analysts and one (01) Information Systems Officer.

D- OTHER COMPETENT AUTHORITIES, MANDATES AND RESOURCES

8. The human resource base of the National Police was enhanced with the enlistment of 1,336 police recruits and 920 operational security officers. This effort will continue in the years to come depending on the availability of State funds.

E- INTERNATIONAL COOPERATION

9. There was exchange of information with TRACFIN and the Belgium CTIF-CFI, within the framework of implementing the cooperation agreements signed with the CENTIF - Benin.

F- AVAILABILITY OF STATISTICS

10. There has been considerable improvement in statistics compiled by the Police Force on predicate offences.

11. At the Ministry of Justice, there is an Integrated System for the Production, Analysis and Management of Statistics (SIPAGES) which provides statistical information. But there is still no indicator to monitor cases specifically related to money laundering.

III MAJOR DIFFICULTIES

- Inadequate budget allocation ;
- Non adoption of the National Strategy against Money Laundering and the Financing of Terrorism ;
- Reluctance of some FIUs to adhere to the provisions of the cooperation agreement of the CENTIF- Benin due to the lack of law against money laundering and the financing of terrorism.

IV CONCLUSION

12. The Benin Government hereby thanks GIABA and all the other technical and financial partners for their unflinching support to the CENTIF - Benin.

FORTY RECOMMANDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
			1st Follow-up Report	2nd Follow-up Report	
1. ML Crimes	PC	1- No criminalization at national level of insider trading in stock markets.	No	Yes	**Article 57 of Act 2011-20 against corruption and other related offences in the Republic of Benin** provides for a 2 to 5 year imprisonment and a fine of CFA Francs 2,000,000, which could be higher and multiplied by up to five times the profit made, with the fine never below this profit, for social managers, public functionaries or any other person (s) who, during the exercise of their professions or duties, have had access to privileged information on the situation of any stock issuer, prospective stock developments or any contract for it to be signed, and uses such information to carry out or facilitate, directly or indirectly, one or several transactions or even disclose such information to a third party before the public knows about it.
		2-Unclear meaning of self laundering	No	No	The definition of predicate offence and that of money laundering provided for in Act 2006-14 of 31st October 2006, already makes for the repression self-laundering. Since the objective of the recommendation has been achieved, there is no need to specifically mention the self-laundering offence. Cases relating to the self-laundering crime are being investigated by the judiciary

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		3-Ineffeicient law enforcement	Ongoing action	Ongoing action	All cases forwarded to the judiciary are being investigated The 2012 action plan provides for seminars and training for Magistrates and Prosecuting Authorities, to make for the efficient enforcement of the law.
3. Seizure and Preventive Measures.	PC	1-No provision for assets of equivalent value	No	Yes	Article 27 of Act 2011-20 against corruption and other related offences in the Republic of Benin provides for freezing, seizure and confiscation of assets of equivalent value.
		2-Impossibility to freeze, seize or confiscate assets relating to the financing of terrorism, as such an offence has not been criminalized by the domestic legislation	No	No	The passing of the Act against the financing of terrorism is scheduled for early April 2012, during the ordinary session of Parliament.
		3-No implementation of freezing, seizure and confiscation mechanism relating to money laundering	No	Yes	In conformity with Article 27 of Act 2011-20, modalities for the management of frozen, seized or confiscated assets is determined by the joint decree of the Ministries of Justice and Finance The new criminal procedure code being adopted by Parliament provides for freezing, seizure and confiscation procedures.

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					Out of the twelve cases forwarded, three have been prosecuted but with no conviction.
		4-No statistics	No	No	
5. Customer Due Diligence	NC	1-Financial Institutions partly covered by the anti-money laundering obligations.	No	No	With the enactment of the Act against the financing of terrorism, there will be full coverage and this recommendation will be met.
		2-No text prohibiting the keeping of anonymous accounts	No	No	Legislative and regulatory texts have no explicit provision prohibiting the keeping of anonymous accounts. However, the requirements for the opening of accounts make no provision for the keeping of anonymous accounts.
		3-Too much restriction regarding the scope of certain obligations of identification, particularly for beneficial owners	No	No	
		4-No obligation to observe constant due diligence (existing clients, high risk category)	No	No	
			Yes		Since 2009, sensitization seminars organized by the CENTIF in collaboration with GIABA and other technical and financial partners have made up for a

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		Little or no knowledge of the AML/CFT regulation by reporting entities other than banks.		Yes	large coverage of accountable entities (FIs and DNFBPs) Other sensitization actions are provided for in the CENTIF's 2012 Action Plan.
6. Politically Exposed Persons	NC	1-No legal or regulatory obligation on PEPs	No	No	The enactment of the Act against the financing of terrorism will meet this obligation
7. Correspondent Banks	NC	1-No legal or regulatory obligation on relations with correspondent banks	No	No	
8. Distance Relations with new Technologies	PC	1-No specific provisions on the abusive use of new technologies in AML Act	No	No	
		2-Doubts with regard to the formal adoption of the Appendix to the AML Act on modalities for the identification of clients in the case of distant financial transactions	No	No	Investigations are in progress at Parliamentary level to verify whether the Appendix to the Anti-money Laundering Act has been formally adopted
		3-No adoption of policies and effective implementation of requisite measures to prevent the abusive use of new technologies on one hand, and to fully	No	No	

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		grasp the specific risks relating to business relations or transactions not involving the physical presence of the parties, within the AML/CFT framework, on the other.			
9. Third parties and Introducers	NC	1-No mention in the texts of any clear and comprehensive requirements for reporting entities to resort to third parties and introducers in respect of AML /CFT issues, whereas such a practice does exist.	Yes	Yes	For banks, under Article 66 of the Banking Act, it is stipulated that physical or legal persons acting as business introducers shall obtain from the Central Bank a license issued by a decision of the Ministry of Finance. The decision to issue the license shall entail obligations similar to those incumbent on the banks. With regard to Insurance, insurance brokers are subjected to the same obligations on AML/CFT as insurance companies consistent with the provisions of Cap 4 of the 004/CIMA Regulation of 4th October 2008. With regard to MFIs, no recourse is made to introducers although such institutions are subjected, like Banks and Financial Institutions, to the provisions stipulated by the BCEAO/01/2007-RB Instruction of 2nd July 2007. Furthermore, authorized stakeholders on the financial market are subjected to the rules stipulated by Instruction No.35/2008 on AML/CFT in the AAMFRUs.
10. Record keeping (Archives)	PC	1- Nature and availability of documents to be kept by credit institutions not specified	Yes	Yes	In conformity with the OHADA accounting law, the Uniform Act (articles 16 and 24 of the Uniform OHADA Act on the Organization and Harmonization of Company accounts), every company is obliged to keep accounting records or related documents for a period of ten (10) years.

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					Obligations relating to record keeping, identity of clients and beneficial owners, accounting books and business correspondences are stipulated by the following provisions: - Article 12 of Act 2006-14 - OHADA Texts; - General Tax Code; - Article 404 of the CIMA Code and Article 13 of the CIMA Regulation of 4th October 2008 ; - Article 5 of Instruction n°35/2008 on Anti-money Laundering governing authorized stakeholders on the UEMOA Regional Financial Market.
11. Unusual Transactions	NC	1-Misunderstanding or even ignorance of obligations	Yes	Yes	Takes into account the ongoing sensitization actions undertaken by the CENTIF since 2009 with the technical assistance of partners, for all professions accountable to the Anti-money Laundering Act in Benin. Suspicious transaction reports have been made by banks on cases of unusual transactions
		2-External Auditors not included among the beneficiaries of the outcomes of the	No	No	

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		items considered 3-Part implementation by banks 4-Non implementation by the other Financial Institutions	Yes No	Yes No	Provisions of Act 2006-14 of 31st October 2010 stipulate the implementation of R11 by Financial Institutions. In application of the BCEAO/ 01/2007-RB instruction of 2nd July 2007, all banks submit their reports on the implementation of the anti-money laundering regime To date, nine (09) banks out of thirteen (13) are perfectly enforcing the standards in combating money laundering. FATFs' forty recommendations and nine special recommendations were distributed widely during the seminars organized by the CENTIF with the assistance of technical partners
12. DNFBPs– R5, 6, 8 – 11	NC	1-Ignorance of the AML Act by DNFBPs and their corresponding obligations to ensure the distribution of	Yes	Yes	The CENTIF organized in September 2009 a sensitization workshop for DNFBPs, with the technical assistance of GIABA, SCTIP, UNODC and

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		the relevant guidelines			the Supreme Council of French Notaries. These stakeholders were involved in the preparation of the National Strategy. Guidelines were prepared and given to the DNFBPs by the CENTIF during the seminars, The AML/CFT compliance schedule manual for FIs and DNFBPs, prepared by GIABA, was widely distributed by the CENTIF- Benin. The 2012 Action Plan provides for seminars for DNFBPs.
		2-No regulation and monitoring of certain professions known to be money laundering vectors (particularly estate agents)	No	No	Provisions of the Act against the financing of terrorism stipulate the enforcement of due diligence measures by DNFBPs
		3-No customer due diligence (PEP, preventive measures against abuse of new technologies, distance relations, recourse to intermediaries, record keeping).	No	Yes	One STR has been forwarded to the CENTIF by the DNFBPs
		4- Totally unimplemented	Partly	Partly	

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13. Suspicion Reporting	PC	1-Limitation of STRs by the AML to money laundering and financing of terrorism	No	No	The Act provides for the reporting of attempted transactions (see article 3 par. 2). Similarly, the STR model in Benin allows reporting entities to report attempted transactions
		-No obligation to report attempted transactions	Yes	Yes	In practice, the CENTIF has received some STRs on attempted transactions. All accountable entities have been covered.
		3-Inexhaustive distribution of STR models	Yes	Yes	The CENTIF continued to distribute the STR model during sensitization activities and its meetings with its compliance officers
		4-Many reporting entities are ignorant of their STR responsibility	Yes	Yes	One hundred and thirty-nine (139) STRs have been recorded at the CENTIF, as against one hundred and four (104) as at the date of the first follow-up report.
		5-Non implementation	Yes	Yes	
15. Internal Monitoring, Compliance and Audit	PC	1-Apart from banks, no internal AML monitoring mechanism has been put in place and no Ad hoc official has been appointed in most of the financial organizations	Partly	Partly	The mechanism is being gradually set up. Apart from the banks, insurance companies have also established AML/CFT regimes and appointed Anti-money laundering officials. The names have been sent to the CENTIF and Managements of insurance companies for monitoring and follow-up.

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					To be continued with the other FIs.
		2-Limited training and no full time training.	Partly	Ongoing action	Several compliance entities organize internal training and solicit assistance from the CENTIF (for instance Banks, Insurance, Companies, MFIs)
16. DNFBPs – R13 – 15 & 21	NC	1- Regulation deficiency	Partly	Partly	In accordance with Article 28 of the FATF methodology, there would be no need for measures relating to R12 and R 16 to be imposed by the Act, any regulation or other constraining means on Lawyers, Notaries, Accountants and any other DNFBPs, once such corporate entities or professions are covered by the legislative provisions, regulatory provisions or other constraining means applicable to the activities concerned.
		2-Obligation of suspicious reporting limited to AML/CFT with the exception of predicate offences.			The objective of the recommendation has been achieved even without a strictly structured framework that is consistent with the obligations of the recommendations.
			No	No	The passing of the Act against the financing of terrorism would help resolve this deficiency.
		3-Lack of internal controls to prevent money laundering.			The DNFBPs have stated that compliance with the ethical rules applicable to their sector would help

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		4-No particular attention paid to countries that are not adequately enforcing the FATF Recommendations	No	No	prevent ML/FT The CENTIF has recorded one STR submitted by the DNFBPs.
		5- Lack of anti-money laundering programmes. .	No	No	
		6-Ineffectiveness;	No	No	
17. Sanctions	PC	1-No Sanction of any kind (administrative, disciplinary penal) has been enforced since the entry into force of the Act.	No	No	
		2-Impossible to evaluate the real dissuasive nature of the sanctions for failure to enforce the Act.	No	No	Article 42 of Act n° 2006-14 of 31st October 2006 establishing the AML regime in Benin. The fine is fixed at five times the one levied on physical persons.
		3-Lack of pecuniary sanctions for credit institutions, making the evaluation of the proportionality of sanctions difficult.	Yes	Yes	
18. Shell Banks	NC	1-No prohibition for the establishment of shell banks or the conduct of their activities.	No	No	

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		2-No prohibition to establish or continue correspondent banking relations with shell banks	No	No	
		3-No obligation to ensure that FI clients abroad do not authorize shell banks to use their accounts.	No	No	
19. Other Forms of Reporting	NC	1-No feasibility and utility study for the implementation of a system of reporting cash transactions above a given threshold to a Central National Agency with a computerized data base; there is no project to this effect.	No	No	
20. Other DNFBPs and Safe Transaction Techniques	NC	1-Incomplete list of businesses and professions other than the DNFBPs	No	No	
		2-Ignorance of the Act by compliance officers	Partly	Partly	
		3-Lack of monitoring	No	No	
		4-Ineffectiveness of measures to promote the banking culture and monetary payment instruments.	No	Partly	Status of implementation. Obligation for all workers whose salaries are paid directly from the Public Treasury, to open accounts for the payment of their salaries.

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21. Particular Attention for High Risk Countries	NC	1-No obligation to pay particular attention to business relations and transactions with clients resident in countries that are not enforcing or are inadequately enforcing the FATF Recommendations	No	No	
		2-Lack of effective measures for financial institutions to be informed of the concerns triggered by the deficiencies of the other countries' AML/CFTs	No	No	
		3-No text providing for the imposition of counter-measures on countries that fail to enforce the FATF Recommendations or that enforce them inadequately.	No	No	
22. Branches and Subsidiaires Abroad	NC	1-No obligation for financial institutions to ensure that their subsidiaries and branches abroad adhere to the AML/CFT measures.	No	No	
		2-No obligation for FIs to inform the supervising Authorities when a branch or	No	No	

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		subsidiary abroad is incapable of adhering to the AML/CFT measures.			
23. Regulation, Supervision and Monitoring	PC	1-No effective AML supervision for Microfinance, Insurance and Financial Market	Partly	Partly	Following the seminars organized in May and November2010 for insurance stakeholders, CIMA and Insurance Management staff, the supervising authorities promised to incorporate the AML component into the supervision exercise. Furthermore, some of the deficiencies detected by the Mission on the regulation, supervision and monitoring have been taken into account by the Regulation in force, particularly ; - Act 2006-14 of 31st October 2006 on AML ; - Regulation 004/CIMA of 04 October 2008 and the CIMA code particularly under articles 306, 310, 326, 329-7, 425 and 555. We also observe that monitoring exercises on authorized stakeholders on the financial market are also being carried out; for instance in November 2008, the ACTIBOURSE company was audited by the Public Savings and Financial Markets Regional Council (CREPMF). With regard to MFIs, the BCEAO has introduced an AML component in its classical sections as part of the terms of reference of audit exercises carried out in conformity with the provisions of Directive N° 01/2007 of 02/07/2007 AML

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					For the insurance sector
		2-No prudential regulation applicable to AML for insurance companies and General Mutual Funds (OPCVM)	non	Partly	
		3-No formal licenses for Funds and asset transfer systems	No	No	For authorized foreign exchange dealers Foster cooperation with the BCEAO and Ministry of Finance for the submission of monitoring reports
		4-Unsatisfactory monitoring and follow-up of funds and asset transfer systems and authorized foreign exchange dealers	No	Partly	
		5-Problems in unraveling background	No	No	

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		information on the aptitude and morality of persons managing MFIs and Foreign Exchange Agencies		No	
		6-Numerical strength of foreign exchange dealers in the informal sector ;	No	No	
		7-Non implementation	No		
24.DNFBP – Regulation and Monitoring	NC	1-Regulation deficiency	No	No	
		2-Non observance of AML regulations by casinos	No	No	
		3-No monitoring by authorities of compliance with AML obligations by casinos and other DNFBPs	No	No	
25. Directives and Reactions	PC	1-Lack of guidelines for certain compliance officers	Partly	Partly	Guidelines have been prepared and distributed to DNFBPs

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		2-Incomplete nature of existing guidelines	No	No	After the STR analysis, the deficiencies observed were communicated to the declarants, who were advised to take them into account in addition to the already conducted and ongoing sensitization sessions
		3-Inadequate enforcement or even non enforcement of existing guidelines	Partly	Partly	Reports on the implementation of the AML/CFT regime are forwarded to the BCEAO, and training sessions are organized for reporting entities on how to complete the STR model.
26. FIU	PC	1-The functions of the FIU did not the cover the fight against the financing of terrorism	No	No	The passing of the AML Act in early April would help resolve this deficiency
		2-Model suspicion declaration form set by Ministerial decree has not been distributed to all compliance officers;	Yes	Yes	The model suspicious reporting form has been fully distributed
		3-The FIU correspondents within the departments concerned are yet to be appointed by the supervising Ministry;	No	Yes	
		4-Defective security standards at the Head Office			

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			Partly	Yes	The premises are secured day and night by a detachment of the National Police and access is restricted. A fire alarm system has been installed and independent electricity supply is provided by a standby generator financed by GIABA. The video surveillance system is being put in place.
		5-No guarantee of autonomy because of inadequate budget allocation and the procedure used	No	No	
27. Law Enforcement Authorities	PC	1-Lack of specialization in AML issues by judicial structures (particularly law schools) and inadequacy of existing territorial competences	No	No	Benin has appointed a Judge specially responsible for financial crimes at the Cotonou High Court GIABA has organized in Cotonou, a seminar for Magistrates and Prosecutors in ECOWAS. This seminar was designed for the capacity building of Judges in conviction procedures for cases relating to money laundering and financing of terrorism
		2-Deferment of arrest of persons or	No	No	

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		confiscations, or abstention from making any arrests or confiscations that are not explicitly provided for in the fight against money laundering			
29. Supervising Authority	NC	1-Inadequate and superficial AML supervision carried out by the UMOA-CB in credit institutions	No	Partly	Banks are supposed to submit to the BCEAO, an annual report on the implementation of anti-money laundering regimes. Copies of such reports are sent to the FIU.
		2-No AML component in the supervision exercise carried out by the CREPMF	No	No	
		3-No AML issues are taken into account by the supervising authorities in monitoring the insurance companies	No	Partly	After the sensitization seminars for insurance stakeholders, CIMA and insurance Managers promised to incorporate the AML component in the monitoring exercise of the supervising authorities. The anti-money laundering officials were appointed and the FIU duly informed
			No	No	A training session has been provided for by the FIU for all anti-money laundering officials in the 2012 Action Plan
			No	Partly	

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		4-Inadequate supervision of DFOs and AML issues not taken into account			
		5-Inadequate or no monitoring of the entire parallel foreign exchange sector and no AML issues are taken into account	Partly		Monitoring of compliance with Regulation R 09
30. Resources, Integrity and Training	PC	1-Inadequate financial, material and human resources allocated to the FIU to assert its full autonomy	non	Partly	Enhancement of human resource base by recruiting two Analysts and one Information Systems Officer The policy of enhancing the human resource base of the National Police and Special Security Forces was concretized by the enlistment of 1336 recruits and 920 special security officers. This effort will continue in the years to come depending on available State funds
		2-Meagre or no financial, material and human resources allocated to investigating and criminal prosecuting authorities to properly conduct AML /CFT cases			
		3-No training of these authorities on	Ongoing action	Ongoing action	The FIU has undertaken training sessions in collaboration with the Internal Security Department of the French Embassy in Benin, for the police, special security and customs officials in the FIU during the period under review

FORTY RECOMMANDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
		AML /CFT issues			
		4-Inadequate financial, material and human resources allocated to monitoring and supervising organizations	No	No	Training provided for in the FIU's 2012 Action Plan
		5-Inadequate training of their staff	Ongoing action	Ongoing action	
31. National Cooperation	PC	1-No formal cooperation and coordination mechanisms	No	No	
		2-Inadequacies in the area of information sharing and cooperation among the various departments	No	No	
32. Statistics	PC	1-No mechanism to evaluate the overall effectiveness of the AML/CFT regime	No	No	

FORTY RECOMMANDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
		2-No national centralization mechanism for data provided by the various AML/CFT stakeholders .	No	No	
		3-No mechanism to audit the effectiveness of the AML/CFT regime	No	No	
		4-No relevant statistics, particularly on the distribution of STRs analyzed and submitted	Yes	Yes	Statistics produced by the FIU
		5-Since no money laundering case has ever been handled in Benin, no data collection mechanism has been put in place for now	No	No	
		6-Since the financing of terrorism is currently not a criminal offence, no relevant data collection mechanism has been put in place for now	No	No	
		7-Lack of statistics since the enactment			

FORTY RECOMMANDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
		of Act 2006; which makes it difficult to assess the effectiveness of the regime			.
		8-In terms of cross-border declaration or disclosure, there is no quantification of regular capital entry or exit, or any comprehensive statistical records.	No	No	
		9-No mechanism for the collection of relevant statistics on suspicion reports and other reports	No	No	
		10-No statistics on the number of sanctions relating, at least partly, to non compliance with AML standards	Partly	Partly	
		11-No detailed statistics on mutual legal assistance and extradition	No	No	Statistics on prosecutions are kept by the jurisdictions concerned and submitted to the FIU
		12-There are no statistics in the area of international cooperation	No	No	
		13-With regard to AML/CFT cases of prosecution, conviction, freezing and confiscation, there are no statistical records.	No	No	

FORTY RECOMMANDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
33. Legal Persons- Beneficial Owners	NC	1-No monitoring of compliance with obligations prescribed by OHADA	Yes	Yes	The lack of monitoring referred to is unfounded as records at the Trade and Property Registry (RCCM) are audited by the delegated Judge, Notaries and the Judicial Inspection Department
		2-Unreliability of information available at the Trade and Property Registry (RCCM).	No	No	
		3-Occasional failure to actually update the said information	No	No	
		4-The information available at the RCCM does not indicate the beneficial owner	No	No	It is worthy of note that the RCCM is not designed to supervise capital movements. The data available at the RCCM can therefore provide no clue on the detection of borrowed names; This is not the function of the RCCM.
		5-No measures to prevent the misuse of legal persons issuing bearer instruments for the purpose of money laundering.	No	No	
34. Legal Mechanisms Beneficial Owners	N/A				
35. Conventions	PC	1-Incomplete implementation of the provisions of the relevant Vienna and Palermo conventions	No	No	

FORTY RECOMMANDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
38. Mutual Legal Assistance (MLA) for Confiscation and Freezing	PC	1-No provision for the seizure and confiscation of assets of equivalent value	Yes		Provided for under Act N° 2012-20 on combating corruption and other related offences in Benin.
		2-No mechanism for the coordination of initiatives with other States	No	No	
		3-No Fund to place seized and confiscated assets	No	Yes	Provided for under Act N° 2012-20 on combating corruption and other related offences in Benin.
		4-No provision for the sharing of assets with other States	No	No	
		5-No Statistics	No	No	
40. Other Forms of Cooperation	PC	1-No data collection system on international cooperation in the area of AML/CFT	No	Partly	Effective establishment of cooperation between the CENTIF-Benin, the CENTIF in other UEMOA member countries and other foreign FIUs
		2-Non implementation.	Partly	Partly	
		3-No Statistics	Yes	Yes	The relevant statistics are kept by the CENTIF

NINE SPECIAL RECOMMENDATIONS	RATING	SUMMARY OF FACTORS UNDERLYING RATINGS	HAS THE DEFICIENCY IDENTIFIED BEEN RESOLVED?		DESCRIPTION OF ACTIONS TAKEN OR BEING TAKEN TO RESOLVE DEFICIENCY
RS.I Implementation of UN Instruments	NC	1-Non implementation of International Convention on the Repression of Terrorist Financing due to the inexistence of any law on the financing of terrorism	No	No	
		2-Part implementation of Resolution 1267(1999)	No	No	
		3-Non implementation of Resolution 1373 (2001)	No	No	
SR.II Criminalizing the Financing of Terrorism	NC	No criminalization of the financing of terrorism because there is no law transposing the UEMOA Directive on the issue.	No	No	.
SR.III Freezing and Confiscation of Terrorist Assets	NC	1-Incomplete nature of the funds freezing mechanism under Resolution 1267 (1999)	No	No	
		2-Non implementation of Resolution transactions No. 1373(2001)	No	No	
SR.IV Transactions Reporting	NC	1-No obligation to report terrorist financing-related transactions	No	No	
SR.V International Cooperation	NC	1-The Anti-terrorist financing Act is yet to be adopted	No		

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SR.VI AML Conditions Required for Value Transfer Services	NC	1-No License for Professional practice	No	No	
		2-Not directly subjected to the AML/CFT Act	No	No	
		3-No monitoring mechanism	No	Non	
		4-No list of FAT services staff	No	No	
		5-No sanctions	No	No	
RS.VII Electronic Transfer Rules	NC	1-No law against TF due to the non transposition of UEMOA's Directive on the issue	No	No	
		2-No constraining provision on the requirements of SR VII, especially comprehensive information on the sender and compliance control	No	No	
RS.VIII Non Profit Organisations	NC	1- NPOs' Ignorance of the AML Act	Yes	Ongoing action	
		2-No monitoring of NPOs within the AML context	No	No	
		3-Non sensitization of the NGO		Ongoing action	

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		sector	Yes		
		4-Legal vacuum in the area of CFT	No	No	
RS.IX Cross-border Declaration and Disclosure	NC	1-The Anti-terrorist financing Act is yet to be adopted	No	No	
		2-Residents are not subjected to any form of declaration for the physical cross-border transportation of cash or negotiable bearer instruments within the UEMOA zone, in the currency issued by the BCEAO	No	No	
		3-There is no formal framework of collaboration between the Customs Department and the CENTIF for the communication of statistics on declarations relating to the physical cross-border transportation of cash and negotiable instruments	No	No	The Framework has been put in place by the appointment of a CENTIF Correspondent within the Customs Department, but its implementation is yet to be made effective.
		4-Cases of offences reported by the Customs are considered as purely customs crimes and handled in accordance with the rules of the Customs Code.	No	No	