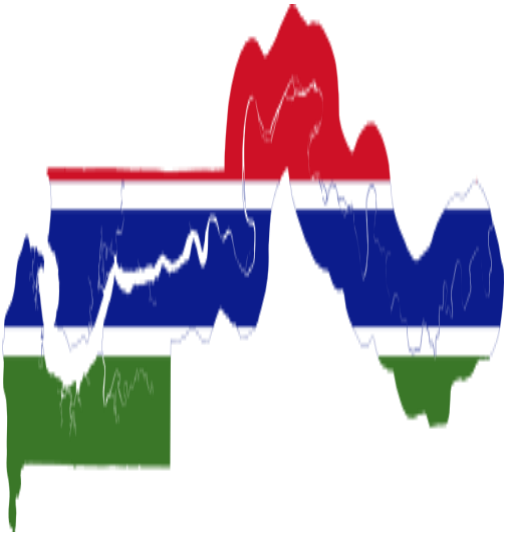
INTER-GOVERNMENTAL ACTION GROUP AGAINST
MONEY LAUNDERING IN WEST AFRICA

Fourth Follow Up Report – Information by the Secretariat

Mutual Evaluation



THE GAMBIA

MAY 2012

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I. INTRODUCTION

1. The mutual evaluation report (MER) of The Gambia was adopted in November 2008. The evaluation revealed significant weaknesses in the AML/CFT regime of the Gambia including inadequate criminalization of the full range of predicate offences of money laundering, absence of a functional Financial Intelligence Unit (FIU); the absence of a designated authority to implement the Money Laundering Act, 2003 (MLA); absence of a national AML/CFT strategy, ineffective application of CDD measures including requirement for originator information on wire transfers and lack of supervision of the designated financial businesses and professions sector for AML/CFT purposes. The MER recommended corrective actions to be taken by The Gambia to improve its AML/CFT system.

2. In accordance with the GIABA Mutual Evaluation Process and Procedures, the Plenary placed The Gambia on the Expedited Regular Follow-Up process. This required The Gambia to submit annual Follow-Up Reports on the progress it is making in addressing the deficiencies identified in its AML/CFT system. The Gambia submitted its First, Second and Third Follow-Up Reports in November 2009, 2010 and 2011. The Follow-Up Reports revealed that The Gambia did not make significant progress in rectifying the deficiencies in its AML/CFT system.

3. In November 2011, the Plenary expressed concern about The Gambia's lack of progress and thus placed The Gambia on the Enhanced Follow-Up Process. The Plenary also decided that:

- The Secretariat should send a letter to the relevant Minister(s) in The Gambia drawing their attention to the country's non compliance with the FATF Recommendations and the implication for non-compliance;
- A high-level mission should be undertaken to The Gambia to meet with the President, Ministers and senior officials to reinforce the need to comply with international standards on AML/CFT; and
- The Gambia should submit a one year action plan and a Follow-Up report relating to the implementation of the MER recommendations to the May 2012 Plenary.

4. The Secretariat conveyed the decision of the Plenary to the authorities of The Gambia. The Secretariat also made several efforts to arrange for the high-level mission to The Gambia to meet with the relevant nationals authorities and reinforce the need to comply with international AML/CFT standards and the consequences for non-compliance, but was not successful.

II. CONCLUSION AND RECOMMENDATION

5. The Secretariat wishes to inform the Plenary that The Gambia did not submit its Fourth Follow-Up Report as directed by the Plenary despite requests and reminders sent to The Gambia. The Secretariat is of the view that the country has not demonstrated commitment to implement AML/CFT measures of acceptable international standards. The country's lack of progress is very worrisome. The Gambia attracts a significant number of tourists each year. Like all other developing countries, The Gambia is pursuing vigorous economic development through direct foreign investment. In addition to these, the reported cases of drug trafficking in

The Gambia are clear indications of the country's vulnerability to money laundering and terrorist financing.

6. In view of the foregoing, the Secretariat wishes to request the Plenary to take note of The Gambia's level of progress since the adoption of its MER in November 2008 and the country's failure to submit its Fourth Follow-Up Report as directed by the Plenary and decide on the step to take in the Follow-Up process. In taking its decision, the Plenary may consider applying paragraph 53(c) of the GIABA Mutual Evaluation Process and Procedures which states as follows:

> *"53. The enhanced follow–up process is an additional and graduated step in the follow-up process. The following are the steps to be taken in applying the enhanced follow-up process:*
>
> > *c) In the context of the application of Recommendation 21 by its members, GIABA will issue a formal statement to the effect that the member State is insufficiently in compliance with the FATF Recommendations, and recommend appropriate action, while considering whether additional counter-measures are required."*

7. This is submitted to the Plenary Submitted for consideration and approval.

GIABA Secretariat
May 2012