Anti-money laundering and counter-terrorist financing measures

Mali

4th Enhanced Follow-up Report & Technical Compliance Re-Rating



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Republic of Mali: 4th Enhanced Follow-up Report

I. INTRODCUTION

1. Mali's Mutual Evaluation Report was discussed and adopted by the 32nd GIABA Technical Commission/Plenary meeting held in November 2019. The country was rated Low on 10 Weak Immediate Outcomes and Moderate on 1 with regard to the effectiveness of its AML/CFT system; and more than eight (8) Recommendations rated NC/PC. Thus, in application of GIABA Process and Procedures for the second round of mutual evaluation (August 2020), Mali was placed under the enhanced follow-up regime.

2. This FUR analyses Mali's progress in meeting the Technical Compliance requirements of the recommendations under re-rating. A re-rating of Technical Compliance is granted where sufficient progress has been made. The report also analyses Mali's technical compliance with FATF Recommendation 15, which was reviewed after the adoption of the MER.

3. This FUR does not analyse the progress made by Mali in terms of the effectiveness of its AML/CFT system.

4. Assessors Mr. Mamadou Ciré BALDE and Mr. Dodji DAYO, with the support of Mr. Madické NIANG of the GIABA Secretariat, analysed Mali's request for a Technical Compliance re-rating and prepared the report.

II. FINDINGS OF THE MUTUAL EVALUATION REPORT (MER)

5. The ratings obtained by Mali following the adoption of its MER in November 2019 are summarised in the table below.

Table 1: Mali's TC rating upon adoption of the MER

R.	Rating
1.	LC (MER 2019)
2.	PC (MER 2019)
3.	LC (MER 2019)
4.	LC (MER 2019)
5.	PC (MER 2019)
6.	PC (MER 2019)
7.	PC (MER 2019)
8.	NC (MER 2019)
9.	C (MER 2019)
10.	LC (MER 2019)
11.	LC (MER 2019)
12.	LC (MER 2019)
13.	LC (MER 2019)
14.	PC (MER 2019)
15.	C (MER 2019)
16.	PC (MER 2019)
17.	LC (MER 2019)

R.	Rating
21.	C (MER 2019)
22.	PC (MER 2019)
23.	PC (MER 2019)
24.	PC (MER 2019)
25.	PC (MER 2019)
26.	PC (MER 2019)
27.	C (MER 2019)
28.	NC (MER 2019)
29.	LC (MER 2019)
30.	C (MER 2019)
31.	C (MER 2019)
32.	PC (MER 2019)
33.	PC (MER 2019)
34.	PC (MER 2019)
35.	LC (MER 2019)
36.	LC (MER 2019)
37.	LC (MER 2019)

18.	LC (MER 2019)
19.	NC (MER 2019)
20.	PC (MER 2019)

38.	PC (MER 2019)
39.	LC (MER 2019)
40.	LC (MER 2019)

III. OVERVIEW OF PROGRESS MADE IN IMPROVING TECHNICAL COMPLIANCE

4.1.Global overview of progress made in resolving the deficiencies identified in the MER

6. Following the submission of its third follow-up report for information, in November 2022, Mali continued to take action to address the deficiencies identified in its MER and improve compliance with the various Recommendations and effectiveness under the Immediate Outcomes. Actions completed include:

i. The Coordination Committee reform has been expanded to include the private sector and the relevant competent authorities, and has included in its remit the coordination of measures designed to combat proliferation financing;
ii. Continued dissemination of the findings of the NRA, and training for categories of reporting entities and supervisory bodies;
iii. Assessment of TFF risks in the NPO sector and identification of the most exposed NPO categories;
iv. Drafting and adoption of the national AML/CFT strategy by Cabinet;
v. Designation of supervisory bodies for DNFBPs and the NPO sector;
vi. Development and adoption of risk-based supervision methodology.
vii. Adoption of procedures for implementing Targeted Financial Sanctions (TFS) and adoption of an orientation Guide;
viii. Developing and disseminating guidelines for DNFBPs.

4.2. Analysis of progress made in resolving the deficiencies identified in Recommendations 2, 6, 7, 8, 22, 26, 28, 34 and 15.

7. Following Mali's efforts to improve the technical compliance of its AML/CFT system, the country has requested a re-rating on Recommendations 2, 6, 7, 8, 14, 22, 26, 28 and 34. This section is devoted to an analysis of the progress made by Mali in addressing the deficiencies relating to the technical compliance of the aforementioned Recommendations. Consequently, the analysis will also cover compliance on Recommendation 15, which was revised after the adoption of Mali's MER.

4.2.1. Recommendation 2 (initially rated PC)

8. **Criterion 2.1 [Met]** Following the adoption of the NRA in August 2021, Mali developed a national strategy to combat ML/TF based on the risks identified in the NRA report. This strategy, which covers the period from 2022 to 2024, is structured around 06 major axes, namely: Enhancement of prevention against TF, Enhancement of reporting entities' systems, Enhancement of the reporting entities' control and supervision framework, Enhancement of the FIU's strategic and operational framework, Capacity building for investigative and prosecutorial authorities, Enhancement of the AML/CFT legal framework. This strategy emanates from an AML/CFT/PF Action Plan in Mali which covers the same duration. The Minister of Economy reports at least twice a year on the status of implementation of the strategy, thereby contributing to the regular review of this strategy.

9. **Criterion 2.2 [Met]** The National Commission for the Coordination of Activities Against Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (CONACA-AML/CFT/PF) created by Decree 2021-0683 of 24 Sep.2021 is the body in charge of coordinating AML/CFT/PF policies and activities at national level. This Decree has expanded this commission to include the relevant authorities in charge of AML/CFT.

10. **Criterion 2.3 [Met]** The new Decree 2021-0683 of 24th September 2021 on the establishment and composition of CONACA-AML/CFT/PF has expanded the composition of this Coordination Commission. The National Commission for the Coordination of Activities Against Money Laundering, the Terrorism Financing and the Proliferation of Weapons of Mass Destruction (CONACA-AML/CFT/PF) serves as a framework for cooperation and coordination among the authorities involved in AML/CFT/PF in Mali, including policymakers, the FIU, Law enforcement authorities, supervisory authorities and other relevant authorities. It meets at least once every six months to provide an opportunity for all stakeholders including operational authorities, to ensure more effective cooperation and coordination of their activities. All stakeholders are required to transmit to CONACA-AML/CFT/PF all information on their AML/CFT/PF-related activities, particularly in terms of monitoring, supervision, assessment, investigation and prosecution (Art.3 of Decree 2021-0683 of September 24, 2021).

11. **Criterion 2.4 [Met]** The TF coordination mechanism described in criterion 2.3 also applies to combating the financing of the proliferation of weapons of mass destruction.

12. **Criterion 2.5 [Partly Met]** The framework for AML/CFT/PF cooperation among competent authorities is governed by Decree 2021-0683. The said Decree does not explicitly provide for measures enabling authorities to ensure compatibility between AML/CFT requirements and personal data protection measures. However, under the provisions of Law 2013-015, Mali ensures that all individuals or legal entities, public or private, have their personal data protected, while respecting the Core rights and freedoms of individuals. The provisions of the aforementioned law apply to the State, local authorities, personalized organisations and natural and legal entities. However, the fact that APDP, the authority in charge of personal data protection, is not a member of CONACA-AML/CFT/PF does not augur well for active cooperation/coordination among the competent authorities with a view to ensuring that the requirements of the AML/CFT/PF are compatible with the protection of personal data.

Weighting and Conclusion

13. Mali has developed a national AML/CFT strategy based on the risks identified in the NRA report. The country has an AML/CFT coordination and cooperation mechanism that now includes PF. CONACA-AML/CFT/PF has been extended to include the relevant competent authorities. However, there are minor deficiencies in the concrete coordination framework among competent authorities to ensure that AML/CFT is compatible with the protection of personal data.

14. **In the light of the foregoing, Mali is re- rated Largely Compliant (LC) on Recommendation 2.**

4.2.2. Recommendation 6 (initially rated PC)

15. **Criterion 6.1. [Met]**

16. **Criterion 6.1.a [Met]** No deficiency was identified in the MER. The Minister of Finance is the competent authority identified as being responsible for proposing the designation of persons or entities

to the 1267/1989 Committee and the 1988 Committee by Decree no. 2021-0682 of 24th September 2021 designating the competent authority and Procedure within the AML/CFT/PF framework (Art.2).

17. **Criterion 6.1.b [Met]** The Advisory Commission on Administrative Freezing (CCGA) which assists the Minister of Finance is the mechanism set up by Decree no. 2021-0682 of 24th September 2021 that identifies designation targets. Designations are proposed based on the designation criteria set out in United Nations Security Council Resolutions (UNSCR) 1267/1989 and 1988 and targeting all terrorist acts in addition to Al Qaeda and the Taliban (Art. 2. of Inter-ministerial Order 2022-3215-Art 5 of Decree No.2021/0682).

18. **Criterion 6.1.c [Met]** When deciding whether or not to make a designation proposal, the competent authority must apply criteria of evidence relating to reasonable grounds (Art.2 Decree 2021-0682). Such proposed designations are not subject to the existence of any criminal proceedings. (Art.2 ministerial Decree N° 2022- 3215 of 22nd July 2022 on the mandate, composition and functioning of the CCGA)

19. **Criterion 6.1.d [Met]** No deficiencies have been identified in the MER. Furthermore, in the context of the proposal for designation on the sanction lists of the United Nations Security Council, the Authority acts in compliance with the provisions of Resolution 1267 et seq. (Art.2, Al.2, Decree 2021-682).

20. **Criterion 6.1.e [Met]** The deficiencies identified in the 2019 MER have been addressed by the provisions of Inter-ministerial Order N° 2022- 3215 of July 22, 2022 (Art.2 al3). Indeed, the country should provide as much relevant information as possible, including: on the suggested name in particular, adequate identification information to facilitate the accurate and positive identification of persons, groups, businesses and entities, as well as, as much as possible, all the information required by Interpol to issue a special notice. It should be, as much as possible, a detailed statement on the reasons for listing the said entity or person. The CCGA shall specify, on a case-by-case basis, whether the name of the country may be made public in the event of a name proposal to the Committee.

21. **Criterion 6.2. [Partly Met]**

22. **Criterion 6.2.a [Met]** The Minister of Finance is the competent authority identified as having responsibility for proposing the designation of persons or entities under UNSCR 1373; on the country's own initiative or at the request of another country and, where appropriate, giving effect to it (Art.2 of Decree n°2021-0682 of September 24, 2021).

23. **Criterion 6.2.b [Met]** Mali has a mechanism for identifying designation targets, based on the designation criteria set out in UNSCR 1373. According to article 8 of Decree n°2021-0682 of September 24, 2021, the Minister of Finance may, in compliance with the criteria of UNSCR 1373 (2001), be requested by the Ministers of Defence, Security, Justice, Foreign Affairs and Intelligence Agencies to submit a duly substantiated request for inclusion on the national list of TFS. Art. 2 of Inter-ministerial Order N° 2022- 3215 of July 22, 2022, which stipulates that the Minister of Finance must refer the matter to CCGA, lists the criteria for designation based on the UNSC Resolutions. The Minister gives effect without delay, to all requests received from other countries as soon as the CCGA certifies that there are reasonable grounds for designation (Art 2 Decree No.2021-0682 and Art. 3 of Inter-ministerial Order No.2022-3215).

24. **Criterion 6.2.c [Met]** As provided for under Article 2 of Decree 2021-0682 of 24th September 2021, the Minister of Finance, who is the competent authority for administrative freezing, must give

immediate effect to another country's request for an administrative freezing where there are reasonable grounds for suspecting or believing that a person meets the UNSCR 1373 designation criteria. The CCGA gives an advisory opinion on the Minister's referral, based on the designation criteria, within 48 hours. (Art.2 of Inter-ministerial Order N° 2022- 3215 of July 22, 2022). The maximum 48-hour deadline for the CCGA to give its opinion to the Minister seems reasonable for Mali to quickly respond to such requests from foreign countries.

25. **Criterion 6.2.d [Partly Met]** The regulatory designation provisions do not explicitly require the competent authority to apply the "reasonable grounds" or "reasonable basis" criteria of evidence when deciding whether or not to make a designation; this requirement is only made in the case of giving effect to the designation of another country (Art.2 of Decree N°2021-0682 of September 24, 2021). Proposals for designation are not contingent on the existence of criminal proceedings (Art.2 of Inter-ministerial Order N° 2022- 3215 of July 22, 2022).

26. **Criterion 6.2.e [Not Met] Where** another country is requested to give effect to measures taken under the freezing mechanisms, there is no provision requiring the authorities to provide all possible information for identification, as well as specific information to support the decision (Art.12 Decree 2021-682).

27. **Criterion 6.3 [Met]**

28. **Criterion 6.3.a [Met]** The Minister of Finance may contact the Ministers of Defence, Security, Justice and Foreign Affairs as well as the Intelligence Agencies to collect additional information (Art 8 Decree N°2021-0682 of 24th September 2021). Besides, the CCGA may request as much relevant information as possible in order to identify persons and entities that meet the designation criteria, on reasonable grounds, or for which there is a reasonable basis to suspect or believe that they meet these criteria. (Art.2 and 7 of Inter-ministerial Order N° 2022- 3215 of 22nd July 2022).

29. **Criterion 6.3.b [Met]** The Minister of Finance and CCGA may intervene *ex parte* against a person or entity that has been identified and whose designation is being examined (Art 11 of Decree 2021-0682 of 24th September 2021.

30. **Criterion 6.4 [Met]** Mali's legal framework provides for the implementation of TFS without delay. Thus, the competent authority orders, by decision, the immediate freezing of assets, funds and other financial resources of persons or entities designated by the United Nations Security Council pursuant to Counter Proliferation Financing Resolutions (Article 100, paragraph 4 of Law 2016-008). It is also specified that the Minister of Finance, the competent authority in TFS matters, assumes responsibility for freezing without delay all funds and assets of persons and entities involved in acts of terrorism and support for terrorist organizations (Art 2 of Decree 2021-0682).

31. For implementation purposes, reporting entities apply the freezing measures provided for in UNSC resolutions and sanctions committee decisions as soon as they are published on the UNSC website (see TFS Procedures Guide). The publication on the UN website upon adoption of the UNSCRs or decisions of the Sanctions Committees triggers the implementation of these TFS.

32. Implementation of National List (UNSCR 1373): The Minister of Finance receives a request for inclusion on the national list and refers it to the National Commission for the Coordination of AML/CFT Activities for its opinion. The TFS Procedures Guide clearly states that the Competent Authority shall disseminate, without delay, all designation requests received from the administrative authorities by the Commission for review and opinion. Once the request for designation is justified, the Minister issues the

freezing order without delay and without prior notification (Art 11. Decree 2021-0682 of 24th September 2021). The trigger will be the administrative freezing order issued by the Minister of Finance and its publication on all official Government websites, in the Official Gazette or a Legal News Bulletine (See TFS Procedures Guide -B National Asset Freezing Regime). GUIDE It should be noted that Mali has not yet been requested to do so.

33. **Criterion 6.5 [Mostly Met]**

34. **Criterion 6.5.a [Met]** No deficiency was identified in the MER, and the situation remains unchanged.

35. **Criterion 6.5.b [Met]** The freezing requirement includes all funds or other assets owned, possessed or controlled by the designated entity or person; funds or other assets owned or controlled wholly, jointly, directly or indirectly, by the designated persons or entities; funds or other assets derived from or generated from funds and other assets owned or controlled by designated persons or entities and assets, funds and other economic resources of persons and entities acting on behalf of and on the instructions of designated persons or entities (Art 4 Decree 2021-0682 of 24th September, 2021).The notion of funds and other financial resources has been broadly defined under Article 1-indent 30 of the AML/CFT Law.

36. **Criterion 6.5.c [Partly Met]** Mali requires FIs and any person or entity holding assets, funds or other financial resources to freeze upon notification (Art.100 Para. 5). The prohibition from making funds and other assets available targets the entities listed under Article 5 of the AML/CFT Law (Art.17 Decree 2012-0682). Mali has not explicitly prohibited its nationals and any other person within the country from making funds and other assets available to designated persons and entities.

37. **Criterion 6.5.d [Met]** Mali has mechanisms for communicating designations to the financial sector and DNFBPs. These include the Official Gazette, the FIU and Government websites, notification by the Minister and dissemination without delay by the DNTCP (State Treasury and Public Accounting Department) through a secure electronic platform to all reporting entities and other persons and entities. These mechanisms are provided for by the 2016 AML/CFT Uniform Act, Decree 2021-0682 of 24th September 2021 (Arts. 12 and 13) and detailed by CCGA Guide (See TFS Procedures Guide/ D-role of DNTCP in dissemination). Furthermore, the Guide contains Directives for reporting entities concerning their requirements to implement freezing measures without delay and inform the competent freezing authority, via the State Treasury and Public Accounting Department (DNTCP), without delay (see Guide, Part IV- Execution of freezing decisions by reporting entities and other persons and entities).

38. **Criterion 6.5.e [Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

39. **Criterion 6.5.f [Not met]** The country has not adopted measures to protect the rights of bona fide third parties, particularly FIs and DNFBPs, in implementing their requirements on Recommendation 6.

40. **Criterion 6.6 [Mostly Met]**

41. **Criterion 6.6.a [Met]** The provisions of Article 107 of Law n°2016-008 stipulate that any individual or legal entity may contest a freezing decision within a period of one month in accordance with the appropriate procedure provided for under the UNSCRs. Article 18 of Decree 2021-0682 of 24th September 2021 specifies that any person or entity may submit a duly substantiated request for removal

from the sanctions list to the office of the Mediator of the United Nations Security Council through the competent AML/CFT authority. The Minister of Finance is required to make these procedures public to be monitored (Art 101 Uniform Law No. 2016-008). These provisions are published in the official Gazette and accessible to the public.

42. **Criterion 6.6.b [Met]** Art. 3 of Inter-ministerial Order No. 2022- 3215 of July 22, 2022 states that GGCA is responsible for examining and proposing to the Minister of Finance any measures relating to freezing and unfreezing or flexibility measures. These unfreezing and delisting mechanisms are specified in CCGA's Procedures Guide for the implementation of TFS related to ML/TF**.** These are measures which must be made public and known to the public (Art 101 Uniform Law No. 2016-008).

43. **Criterion 6.6.c [Met]** Mali's legal framework provides procedures for the review, on request, of designation decisions made in compliance with UNSCR 1373. Under the terms of article 14 of Decree 2021-0682 of September 24, 2021, any person or entity may lodge an ex gratia appeal, without prejudice to legal action, with the Minister of Finance against the administrative freezing decree as from its publication in the Official Gazette. Additionally, art. 3 of Inter-ministerial Order N° 2022- 3215 of 22nd July, 2022 gives GGCA the mandate to review all appeals filed by persons subject to assets, funds and other financial resources freezing measures.

44. **Criterion 6.6.d [Met]** Art.18 of Decree 2021-0682 of September 24, 2021 states that any person or entity may submit a duly substantiated request for removal from the sanctions list to the office of the United Nations Security Council Ombudsman through the competent AML/CFT authority. CCGA's Procedures Guide for Implementing the TFS related to AML/CFT/PF provides for procedures to facilitate review by Sanctions Committees.

45. **Criterion 6.6.e [Not Met]** No mechanism or procedures are provided for to inform individuals and entities designated on the Al Qaeda sanctions list that the Office of the United Nations Ombudsman may receive delisting requests in accordance with Resolutions 1904, 1989 and 2083.

46. **Criterion 6.6.f [Met]** Mali has procedures providing for the release of funds or other assets of persons and entities bearing the same name or a name similar to that of a designated person or entity, and who may have been inadvertently affected by a freezing mechanism. (Article 107 of Law 008 of 17th March 2016, Art 3 of Inter-ministerial Order No. 2022- 3215 of 22nd July 2022 and provisions of the TFS Procedures Guide- Part V- Appeals). These provisions are published in the official Gazettes and accessible to the public.

47. **Criterion 6.6.g [Met]** Art. 3, para. 11 of Inter-ministerial Order N° 2022- 3215 of July 22, 2022 allows the CCGA to communicate delisting and release decisions to the financial sector and designated non-financial businesses and professions as soon as these decisions are taken. The Guide directs reporting entities on the procedures to be undertaken in the event of unfreezing and delisting (Guide- Parts IV and V).

48. **Criterion 6.7 [Met]** The analysis in the 2019 MER is still valid.

Weighting and conclusion

49. Mali has taken additional measures and its legal and institutional framework is designed for TFS to be implemented without delay; there are authorities in charge of designations and executions and implementation mechanisms have been enacted. However, the regime still has some minor deficiencies including the lack of measures for the protection of bona fide third parties in the implementation of TFS.

50. **In the light of the foregoing, Mali is re-rated Largely Compliant (LC) on Recommendation 6.**

4.2.3. Recommendation 7 (initially rated PC)

51. **Criterion 7.1 [Met]** The immediate implementation of TFSs relating to the prevention, suppression and interruption of the proliferation of weapons of mass destruction and their financing is regulated by AML/CFT Law n°2016-008 (Art 100), Decree 2021-0682 of 24th September 2021 designating the Competent Authority and the Freezing Procedure (Art 2 and following), Inter-ministerial Order N° 2022- 3215 of July 22, 2022 on the responsibilities and functioning of the CCGA/FT/FP. The mechanism is detailed in the TFS Procedures Guide as well as the publication on the UNO website on adoption of the UNSCRs or decisions of the Sanctions committee triggers the implementation of these TFS.

52. **Criterion 7.2 [Mostly Met]-**

53. **Criterion 7.2.a [Met]** No deficiencies have been identified in the MER, and the situation remains unchanged.

54. **Criterion 7.2.b [Met]** The freezing requirement includes all funds or other assets owned, possessed or controlled by the designated entity or person; funds or other assets owned or controlled wholly, jointly, directly or indirectly, by the designated persons or entities; funds or other assets derived from or generated from funds and other assets owned or controlled by designated persons or entities and assets, funds and other economic resources of persons and entities acting on behalf of and on the instructions of designated persons or entities (Article 100, paragraph 4 of Law No. 2016-008; Art 4 Decree 2021-0682 of 24th September, 2021).

55. **Criterion 7.2.c [Partly Met] -** Mali requires FIs and any person or entity holding assets, funds or other financial resources to freeze them upon notification (Art.100, Al. 5). The prohibition from making funds and other assets available targets the entities listed in Article 5 of the AML/CFT (Art.17 Decree 2012-0682). Mali has not explicitly prohibited its nationals and any other person in the country from making funds and other assets available to designated persons and entities.

56. **Criterion 7.2.d [Met]** Mali has a mechanism for communicating designations to the financial sector and DNFBPs. These include the Official Gazette, the FIU and Government websites, notification by the Minister and dissemination without delay by the DNTCP (State Treasury and Public Accounting Department) through a secure electronic platform to reporting entities and other persons and entities. These mechanisms are provided for in the 2016 AML/CFT Uniform Act, Decree 2021-0682 of September 24, 2021 (Art 12 and 13) and detailed in the CCGA Guide (see TFS Procedures Guide/D-Role of the DNTCP in dissemination). The Guide instructs reporting entities on the procedures to be followed for unfreezing and delisting (Guide-Parts IV and V).

57. **Criterion 7.2.e [Met]** No deficiencies have been identified in the MER, and the situation remains unchanged.

58. **Criterion 7.2.f [Not Met]** The country has not adopted measures to protect the rights of bona fide third parties, in particular FIs and DNFBPs, in implementing their requirements on Recommendation 7.

59. **Criterion 7.3 [Partly Met]** Mali requires financial institutions and other reporting entities to report all frozen assets to the competent authority (Article 100, AML/CFT Law n°2016-008). The Banking Commission monitors compliance with the implementation of targeted financial sanctions (TFS) related to proliferation financing in the banking sector. Decree 2021-0681 of 24th September 2021 establishing the designation and mandate of the supervisory and monitoring authorities for non-financial sector entities determines the monitoring and supervision framework for DNFBPs (Art. 4 & subsequent.). The supervisory authorities have the power to conduct off-site and on-site inspections. Administrative and disciplinary sanctions are provided for against FIs and DNFBPs which fail to comply with their obligations (Art.112 of AML/CFT Law). Criminal sanctions are also provided for (Art.121 of the AML/CFT law) for non-compliance with ML/TF obligations, but there are no specific sanctions applied for Proliferation Financing., Besides, the country makes no mention of implementing these monitoring measures to ensure compliance by DNFBPs with their TFS obligation related to Proliferation.

60. **Criterion 7.4 [Met]**

61. **Criterion 7.4.a [Met]** Article 107 of Law n°2016-008 provides that any natural or legal person may contest a freezing decision within one month in accordance with the appropriate procedure provided for under the UNSCRs. Art.18 of Decree 2021-0682 of September 24, 2021 specifies that any person or entity may submit a duly substantiated request for removal from the sanctions list to the office of the United Nations Security Council Mediator through the authority competent in the matter. CCGA's Procedures Guide for the implementation of TFSs in relation to ML/TF/PF provides for procedures to facilitate review by Sanctions Committees. These provisions are published in the official Gazettes and accessible to the public.

62. **Criterion 7.4.b [Met]** No deficiencies have been identified in the MER, and the situation remains unchanged.

63. **Criterion 7.4.c [Met]** Mali may authorize access to funds or other assets within the framework of exemptions from UNSCRs 1718 and 2231 based on the of the provisions of Arts. 103 and 105 of the AML/CFT law n°2016-008 and Decree 2021- 0682 of 24th September 2021-Art 15. The Procedures Guide for the implementation of TFS also specifies with regard to the UN lists that the request for partial unfreezing shall be addressed to the Competent Authority. The latter shall consult the competent UN body through diplomatic channels. The request is approved if it receives no objection or negative decision from the competent UN body within three (3) working days from notification for necessary expenses and within five (5) working days for other essential expenses other than necessary expenses (TFS Procedures Guide V. Appeals).

64. **Criterion 7.4.d [Met]** Art 3 Al.11 of Inter-ministerial Order No. 2022-3215 of 22nd July 2022 allows the CCGA to communicate decisions to delist and release the financial sector and designated non-financial businesses and professions as soon as such decisions are taken. The Guide provides instructions to reporting entities on the procedures to be implemented in cases of freezing and delisting (Guide-Parts IV and V).

65. **Criterion 7.5 [Mostly Met]**

66. **Criterion 7.5.a [Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

67. **Criterion 7.5.b [Partly Met]** Under the terms of Art. 102 of AML/CFT Law n°016-2016, funds or other financial resources due under contracts, agreements or requirements entered into or arising prior

to the entry into force of the decision to freeze funds are drawn from frozen accounts upon authorization of the competent authority. However, the law does not specify the conditions for this waiver as described by UNSCR 1737 and 2231; or that the authorization will be subject to compliance with the conditions set out in c.7.5(b)(i), (ii) and (iii).

Weighting and conclusion

68. Mali's legal and institutional framework includes measures enabling the immediate implementation of TFSs for preventing, suppressing and curbing the proliferation of weapons of mass destruction and their financing. However, there are some minor deficiencies, namely the absence of measures for the protection of bona fide third parties, and the lack of precision regarding the conditions for withdrawing funds from frozen accounts.

69. **In the light of the foregoing, Mali is re-rated LC on Recommendation 7.**

4.2.4. Recommendation 8 (initially rated NC)

70. **Criterion 8.1 [Mostly Met]**

71. **Criterion 8.1.a [Met]** Mali has identified a subset of organizations which fall within the FATF's definition of NPOs based on their activities or their characteristics and are likely to be misused for terrorist financing purposes. This identification was made through a Study on the national risk assessment of the NPO sector in Mali conducted by an Audit Firm at the request of the FIU in 2021. The classification was based on the areas of intervention and major activities. The activity zones were also considered. The NPOs have been subdivided into 3 sub-sectors including the Faith-based Basic Social Service NPOs, humanitarian and charitable NPOs and the Finance NPOs sub-set. The first 2 subsets are assessed as higher TF risk level. Several sources of relevant information were used, including interviews with various stakeholders, questionnaires, on-site visits, off-site research and intra-departmental information gathering.

72. **Criterion 8.1.b [Met]** The study conducted on the NPO sector in Mali enabled the country to identify the threats posed by terrorist entities to NPOs, the threats and vulnerabilities of this sector, the risk typologies and potential for terrorists to misuse these NPOs at-risk. The use of NPO means of transportation for the movement of terrorist fighters from one Area to another, collection and/or distribution of funds through NPOs to finance terrorist activities and the affiliation of NPO leaders to Terrorist Organizations, are some of the threats identified.

73. **Criterion 8.1.c [Partly Met]** The study on the NPO sector identified mitigation measures for NPOs likely to be misused for TF purposes and proposed a review of the legal framework to address vulnerabilities. Certain measures have been taken to respond to the vulnerabilities identified, including strengthening the capacities of the monitoring and supervisory bodies of NPOs. However, the country did not report on a review or adaptation of the legal and regulatory framework in order to take proportionate and effective actions to address the identified risks.

74. **Criterion 8.1.d [Met]** Mali's NRA conducted in 2019 addressed the assessment of NPOs, including a section devoted to the assessment of risks linked to NPOs including TF. The NRA had recommended the conduct of a detailed study of the NPO sector. In 2021, a national study of the NPO sector was conducted, new information on the potential vulnerabilities to terrorist activities analysed, and the country identified the subset of NPOs exposed to TF risks.

75. **Criterion 8.2 [Partly Met]**

76. **Criterion 8.2.a [Met]** No deficiency was identified in the MER, and the situation remains unchanged.

77. **Criterion 8.2.b [Partly Met]** Mali has organized some sensitization campaigns within NPOs on the potential vulnerabilities of NPOs to TF exploitation and TF risks and based on the findings of the sector study. However, no information has been provided on similar awareness-raising actions targeting the donor community.

78. **Criterion 8.2.c [Not Met]** As part of the study conducted in 2021 on the NPO sector, interviews were held with certain stakeholders in the sector on the vulnerabilities and threats of the sector, which resulted in the formulation of recommendations. However, the country has not demonstrated any collaboration with NPOs to develop best practices in addressing terrorist financing risks and vulnerabilities, thereby protecting NPOs against any misuse for terrorist financing purposes**.**

79. **Criterion 8.2.d [Met]** No deficiency was identified in the MER, and the situation remains unchanged.

80. **Criterion8.3 [Partly Met]** Certain measures have been taken to promote effective supervision or monitoring of NPOs, including licensing, annual publication of financial statements, and record-keeping for 10 years. However, these provisions are generally applicable to NPOs without the risk-based approach (Art 42 et seq. AML/CFT Law n°2016-008). The Methodological Guide on AML/CFT/PF risk assessment for off-site and on-site inspections for the supervisory authorities, namely, the DGAT and the National Directorate of Religious Affairs for the NPO sector, outlines how to carry out this risk-based supervision. The supervisory authorities must give priority to the sectors identified as being at risk in the NRA report and the Entities most exposed based on their activities, geographical location or other factors.

81. **Criterion 8.4 [Mostly Met]**

82. **Criterion 8.4.a [Partly Met]** The Territorial Administration Directorate (DGAT) and the National Directorate of Religious Affairs and Worship, supervising NPOs in Mali, have a purpose of monitoring NPO compliance with the requirements of the FATF Recommendations and applying risk-based measures (Art.3 and 6 of Decree 2021-0681 of 24th September 2021). Off-site and on-site inspections are conducted. However, the country has not provided enough information on the use of the risk-based approach.

83. **Criterion 8.4.b [Met]** Law 008 of March 17, 2016 on AML/CFT provides for proportionate and dissuasive sanctions against NPOs in their capacity as reporting entities in the event of failure to meet their compliance requirements. (Art.112 AML/CFT Law). Also Decree 2021-0681 of September 24, 2021, which designates DGAT and the National Directorate of Religious Affairs and Worship as the supervisory authority for NPOs, gives them the power to apply these sanctions (Art.4 of Decree 2021-0681 of September 24, 2021).

84. **Criterion 8.5 [Mostly Met]**

85. **Criterion 8.5.a [Partly Met]** The National Commission for the Coordination of AML/CFT Activities (CONACA/AML/CFT) is responsible for AML/CFT coordination and cooperation, including issues relating to NPOs. NPO supervisory organizations are also required to forward reports on their controls to CONACA/ AML/CFT. However, a specific framework capable of ensuring information sharing

between all the relevant authorities and organizations holding relevant information on NPOs is not provided for.

86. **Criterion 8.5.b [Mostly Met]** Investigative and prosecutorial agencies, particularly the Police and Gendarmerie, may investigate NPOs suspected of being misused for TF purposes or by terrorist organizations. NPO supervisory body can also investigate NPOs. (Articles 68, 74 to 101 and 94 & subsequent of the Code of Criminal Procedure, Art 4 Decree 2021-0681 of 24th September 2021, Methodological guide for risk assessment for off-site and on-site inspections in ML/TF/PF). The capacities of supervisory bodies have been strengthened through training and allocation of resources. However, the country has not sufficiently demonstrated, through the provision of cases, the investigative agencies' capacity to effectively conduct successful NPO investigations for TF.

87. **Criterion 8.5.c [Met].**The analysis in the 2019 MER is still valid. Article 42 (4) of Law n°2016-008 requires NPOs to keep all records of their transactions for a period of ten years and make them available to the authorities. Also, the powers given to Criminal Investigation Officers by the Penal and Criminal Procedure Code allows these relevant authorities to obtain information relating to the administration and management of an NPO including financial information as part of an investigation.

88. **Criterion 8.5.d [Met]** Mechanisms have been established to quickly inform the competent authorities to take preventive measures or trigger investigations where it is suspected that an NPO is being misused for TF purposes. (i) Reporting entities are required to file STRs to the FIU when they suspect that an NPO is being used for illegal purposes, the sums recorded in their books or the transactions relating to sums which they suspect are derived from of any ML/TF offence (Art.79 of AML/FT law no. 2016-008), (ii) The supervisory authorities of NPOs are supposed to implement risk-based supervision under the Methodological Guide for Risk assessment and these supervisory authorities are required to submit their inspection and supervision reports to CONACA/LBC/FT (Art.3 of Decree 2021-0683 of 24th September 2021). Furthermore, all facts observed during these inspections likely to result in disciplinary or criminal sanctions are filed to the FIU and the State Prosecutor who may open a criminal investigation (Art 7 of Decree 2021-0681 PT-RM of 24th September 2021). Art 75 para. l 2 of the AML law requires these supervisory bodies to contact the FIU when they discover TF-related facts (iii) NPOs are required to submit their annual financial statements to the supervisory authority and declare to the FIU of any cash donation equal to or greater than one million (Art 43 of AML/CFT Law No. 2016-008).

89. **Criterion 8.6 [Not Met]** Mali has not designated an authority to respond to international requests for information concerning an NPO suspected of TFF or supporting terrorism in any way.

Weighting and Conclusion

90. Mali has assessed the NPO sector and identified sub-sectors exposed to TF at risk and mitigating measures are recommended. The Territorial Administration Department (DGAT) and the National Directorate of Religious Affairs and Worship are the bodies responsible for supervising and ensuring NPOs' compliance with their ML/TF requirements. Proportionate and dissuasive sanctions are provided for failure to meet its requirements.

91. However, the country has not adapted the legal framework to take proportionate and effective measures to address the identified risks and demonstrate the effective use of the risk-based approach.

92. **In the light of the foregoing, Recommendation 8 has been re-rated Partially Compliant (PC).**

4.2.5. Recommendation 22 (initially rated PC)

93. **Criterion** 22.**1 [Mostly Met]** No changes, no new measures.

94. **Criterion 22.2 [Partly Met]** No changes, no new measures.

95. **Criterion 22.3 [Mostly Met]** No changes, no new measures.

96. **Criterion 22.4 [Not Met]** The guidelines do not require DNFBPs to assess the risks associated with new technologies and products to be marketed, as provided for in R.15. This deficiency has not been resolved.

97. **Criterion 22.5 [Not Met]** The guidelines do not require DNFBPs to implement third-party requirements, as provided for in R.17. The deficiency is yet to be resolved.

Weighting and conclusion

98. Mali has not taken any binding measures to oblige DNFBPs to systematically identify the Beneficial Owner and not as and when necessary and also comply with the requirements provided for under the new technologies (cf. R.15) and with regard to third parties (cf. R.17). As these deficiencies have not been resolved, the system still has moderate deficiencies.

99. **In the light of the foregoing, Mali is re-rated Partially Compliant (PC) on Recommendation 22.**

4.2.6. Recommendation 26 (initially rated PC)

100. **Criterion 26.1 Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

101. **Criterion 26.2 [Mostly Met]** No changes, no new measures.

102. **Criterion 26.3 [Mostly** Met**]** No changes, no new measures.

103. Criterion 26.4 [Partly Met]

104. **Criterion 26.4.a [Partly Met]** the assessed country's claim that the Banking Commission supervises according to risk has not been proven. The deficiency is not resolved.

105. **Criterion 26.4.b [Partly Met]** No changes, no new measures.

106. **Criterion 26.5 [Not Met]** The new procedure developed by the Banking Commission has neither been explained nor communicated in order to assess whether it meets the requirements of the relevant criterion.

107. **Criterion 26.6 [Not Met]** No changes, no new measures.

Weighting and Conclusion

108. Although the current regulatory reforms incorporate the risk-based approach in general and ML/TF in particular, this approach is not yet widely used. Also, there is no requirement for supervisory bodies to assess the ML/TF risk profile of FIs, either periodically or when major events occur. Consequently, the deficiencies have not been resolved, and the system still has moderate deficiencies.

109. **In the light of the foregoing, Mali is re-rated Partially Compliant (PC) on Recommendation 26.**

4.2.7. Recommendation 28 (initially rated NC)

110. **Criterion 28.1[Met]**

111. Criterion **28.1.a [Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

112. **Criterion 28.1.b [Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

113. **Criterion 28.1.c [Met]** The National Treasury Directorate is responsible for supervising casinos with regard to AML/CFT (Art. 3 of Decree 0681 of September 24, 2021).

114. **Criterion 28.2 [Met]** Mali has designated all the supervisory organizations for DNFBPs in terms of AML/CFT (Decree 0681 of 24th September 2021).

115. **Criterion 28.3 [Met]** Article 3 of Decree 0681 of September 24, 2021, designates the various entities responsible for ensuring compliance by non-designated companies and financial professions with their ML/TF requirements.

116. **Criterion 28.4 [Partly Met]**

117. **Criterion 28.4.a [Met]** the designated control/supervisory bodies have supervisory powers over DNFBPs, including powers to control compliance with their AML/CFT requirements (Art.1 of Decree 0681 of September 24, 2021).

118. **Criterion 28.4.b [Not Met]** AML/CFT supervisory authorities have been designated in compliance with Decree 0681 of September 24, 2021. Nevertheless, the measures necessary to prevent criminals or their accomplices from achieving the status of registered professional, or from holding a significant or controlling stake, from becoming the beneficial owner of such a stake, or from occupying a managerial position in any designated non-financial business or profession have not been considered.

119. **Criterion 28.4.c [Met]** public authorities in charge of supervising DNFBPs may apply sanctions for failure to comply with their AML/CFT requirements (Art. 4 of Decree 0681 of 24th September 2021).

120. **Criterion 28.5 [Partly Met]**

121. **Criterion 28.5.a [Partly Met]** the supervisory authorities of the DNFBPs were designated by decree 0681 of September 24, 2021, and a Methodological Guide on risk assessment for Off-site and On-site supervisions of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction was developed in May 2023. However, given the recent production of this

Guide, designated non-financial businesses and professions are yet to be subjected to risk-based supervision.

122. **Criterion 28.5.b [Partly Met]** the Decree referred to in bullet point (a) above designates the supervisory authorities for DNFBPs and a risk-based supervision methodology has been developed, but its implementation is not yet effective and does not allow for the use of the risk-based approach when assessing the relevance of the AML/CFT internal controls, policies and procedures of the designated non-financial businesses and professions.

Weighting and Conclusion

123. Mali has designated supervisory bodies for all DNFBPs, and they are vested with AML/CFT supervisory powers. The supervisory bodies have developed risk-based supervision Guides and methodologies. However, they have not yet begun to apply the risk-based supervision approach. Also, Decree n°0681 of September 24, 2021, has not considered the measures needed to prevent criminals or their accomplices from accessing control of DNFBPs. Mali's AML/CFT system still has moderate deficiencies.

124. **In the light of the foregoing, Mali is re-rated Partially Compliant (PC) on Recommendation 28.**

4.2.8. Recommendation 34 (initially rated PC)

125. **Criterion 34.1 [Met]** Relevant authorities are required to issue Directives, guidelines or recommendations to allow FIs and DNFBPs to comply with AML/CFT requirements (Article 86.3 of the AML/CFT Law). Articles 86 to 92 of Law n°2016-008 on AML/CFT, set out provisions to ensure feedback that will help FIs and DNFBPs in the application of AML/CFT measures at national level and, in particular, to detect and report suspicious transactions.

126. Financial sector supervisory authorities have adopted guidelines for FIs to combat ML/TF in their respective sectors. These are Directive N°007-09-2017 - establishing the modalities for the implementation of the Uniform AML/CFT Law in FIs, Directive n°35/2008 repealed by that of No.59/2019 on ML in the regional capital market and Regulation N°0004/CIMA/PCMA/PCE/SG/08 repealed by that of No.001/CIMA/PCMA/PCE/SG/2021 for the insurance sector. These guidelines provide financial sector stakeholders in Mali with detailed information on how to comply with the AML/CFT Law.

127. On their own initiative, the authorities in charge of supervising NPOs and DNFBPs appointed by Decree 0681 of September 24, 2021 have developed specific guidelines for each type of DNFBP or NPO, which have been distributed to the entities concerned. This is to allow the various types of DNFBPs and NPOs operating in Mali to meet their AML/CFT requirements.

128. With regard to feedback, Mali provided documentation to attest to its practical implementation. These include, among other things, the contents of training programs organized for reporting entities, particularly Authorized Foreign Exchange Dealers, entities in the mining sector, FI compliance officers, members of the Association of Professional Bankers and Financial Institutions (APBFEF). The themes included in the schedule of these programs further strengthen the participants' capacities for implementing AML/CFT measures. Also, the country provided notices from the FIU inviting reporting entities to sharing meetings. An analysis of the copies of the invitations confirms that the items included on the agenda of the said meetings were designed to discuss the improvement of the quality of STRs.

Weighting and Conclusion

129. Article 86 of the AML/CFT Law 2016 stipulates that each supervisory authority must ensure compliance by actors in the financial and non-financial sector (DNFBPs and NPOs) with the requirements outlined in Cap. II of the said Law. Also, in accordance with the extant regulations, each supervisory authority regulates and monitors the observance, by participants in the financial and non-financial sector, of their obligations outlined in Caps. II and III. To achieve this, the competent authorities for FIs and DNFBPs have adopted guidelines to assist FIs and DNFBPs in the implementation of national AML/CFT measures, and particularly, to detect and report suspicious transactions. Furthermore, Mali has not provided any documentation attesting to the practical feedback measures that have been taken by the competent authorities.

130. **In the light of the foregoing, Mali is re-rated Compliant (C) on Recommendation 34.**

Recommendation 15 (initially rated C)

131. In the MER adopted at the end of the 2nd round of mutual evaluation of its AML/CFT system, Mali was rated compliant (C) on Recommendation 15. Mali's AML/CFT system meets all the requirements relating to new technologies. However, Recommendation 15 was amended after the adoption of the MER. Consequently, this analysis focuses on Mali's compliance with the new requirements of Recommendation 15.

132. **Criterion 15.1 [Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

133. **Criterion 15.2 [Met]** No deficiency has been identified in the MER, and the situation remains unchanged.

134. **Criterion 15.3 [Not Met]**

135. **Criterion 15.3.a [Not Met]** Mali has not identified or assessed the ML/TF risks arising from activities related to Virtual Assets (VA) and the activities or transactions of Virtual Asset Service Providers (VASP).

136. **Criterion 15.3.b [Not Met]** In the absence of an assessment of ML/TF risks stemming from VA activities and VASP activities or transactions, there has been no mitigation measures planned based on a risk-based approach.

137. **Criterion 15.3.c [Not Met]** There are no provisions in force compelling VASPs to take appropriate measures to identify, assess, manage and mitigate their ML/TF risks, in compliance with criteria 1.10 and 1.11.

138. **Criterion 15.4 [Not Met]**

139. **Criterion 15.4.a [Not Met]** Mali has no provisions for approving or registering a VASP, whether (i) a legal entity or (ii) a natural person.

140. **Criterion 15.4.b [Not Met]** No legal or regulatory measures have been taken by the competent Malian authorities to prevent criminals or their associates from holding, or being the beneficial owners of a significant or controlling stake, or from occupying a managerial position, in a VASP.

141. **Criterion 15.5 [Not Met]** No measures have been taken by Mali to identify natural or legal entities that carry out VASP activities without being approved or registered, as required, and to apply appropriate sanctions to them.

142. **Criterion 15.6 [Not Met]**

143. **Criterion 15.6.a [Not Met]** VASPs are not subject to any risk-based regulation or supervision by any competent authority, including monitoring systems to ensure compliance with national AML/CFT requirements.

144. **Criterion 15.6.b [Not Met]** No authority has been designated by Mali with powers to control and monitor VASPs in the context of their AML/CFT requirements, or to conduct inspections or mete out sanctions.

145. **Criterion 15.7 [Not Met]** There is no provision compelling competent and supervisory authorities to establish guidelines and provide feedback that will help VASPs in the implementation of national AML/CFT measures, and in particular to detect and report suspicious transactions.

146. **Criterion 15.8 [Not Met]**

147. **Criterion 15.8.a [Not Met]** There is no range of proportionate and dissuasive sanctions, whether criminal, civil or administrative, applicable to VASPs that fail to comply with their AML/CFT requirements.

148. **Criterion 15.8.b [Not Met]** There is no provision for sanctions to apply not only to VASPs, but also to members of the administrative body and senior management.

149. **Criterion 15.9 [Not Met]**

150. **Criterion 15.9.a [Not Met]** There is no requirement for VASPs to take due diligence measures for occasional transactions above the USD/EUR 1,000 threshold.

151. **Criterion 15.9.b [Not Met]** As VASPs are not regulated in Mali, there are no legal or regulatory provisions compelling them to comply with AML/CFT requirements or the preventive measures set out in bullet points (i), (ii), (iii) and (iv).

152. **Criterion 15.10 [Not Met]** There are no legal or regulatory means in Mali to ensure that the mechanisms for communicating designations, as well as the reporting and supervisory requirements set out in criteria 6.5(d), 6.5(e), 6.6(g), 7.2(d), 7.2(e), 7.3 and 7.4(d) in relation to targeted financial sanctions, apply to VASPs.

153. **Criterion 15.11 [Not Met]** There are no measures that would enable Mali to rapidly provide the widest possible international cooperation in the context of ML, FT and the underlying offences associated with virtual assets. There is no legal basis for sharing information with their foreign counterparts, whatever their nature or status, and the differences in nomenclature or status of VASPs.

Weighting and conclusion

154. Mali has not assessed the risks posed by VAs/VASPs. In addition, no provisions have been adopted by Mali to regulate VA and VASP activities. Mali's system has major deficiencies in terms of compliance on Recommendation 15.

155. In **the light of the foregoing, Mali is re-rated Non-Compliant (NC) on Recommendation 15.**

5. CONCLUSION

156. Mali has made progress in addressing the Technical Compliance deficiencies identified in its MER on Recommendations 2, 6, 7, 8, 28 for which only minor, moderate deficiencies are identified, as appropriate and 34 which has no deficiency. On the other hand, the country has made no progress on Recommendations 22, 26 and 15.

157. Considering the progress made by Mali since the adoption of its MER, its Technical Compliance with the FATF Recommendations is summarised in the table below, as of May 2023.

Table 2: Mali's TC rating as at its 4th FUR (May 2023)

R.	Rating
1.	LC (MER 2019)
2.	PC (MER 2019)↑LC**(FUR 2023)**
3.	LC (MER 2019)
4.	LC (MER 2019)
5.	PC (MER 2019)
6.	PC (MER 2019) ↑LC**(FUR 2023)**
7.	PC (MER 2019) ↑LC**(FUR 2023)**
8.	NC (MER 2019) ↑PC**(FUR 2023)**
9.	C (MER 2019)
10.	LC (MER 2019)
11.	LC (MER 2019)
12.	LC (MER 2019)
13.	LC (MER 2019)
14.	PC (MER 2019)
15.	C (MER 2019) ↓NC **(FUR 2023)**
16.	PC (MER 2019)
17.	LC (MER 2019)
18.	LC (MER 2019)
19.	NC (MER 2019)
20.	PC (MER 2019)

R.	Rating
21.	C (MER 2019)
22.	PC (MER 2019)
23.	PC (MER 2019)
24.	PC (MER 2019)
25.	PC (MER 2019)
26.	PC (MER 2019)
27.	C (MER 2019)
28.	NC(MER 2019)↑PC**(FUR 2023)**
29.	LC (MER 2019)
30.	C (MER 2019)
31.	C (MER 2019)
32.	PC (MER 2019)
33.	PC (MER 2019)
34.	PC (MER 2019) ↑C**(FUR 2023)**
35.	LC (MER 2019)
36.	LC (MER 2019)
37.	LC (MER 2019)
38.	PC (MER 2019)
39.	LC (MER 2019)
40.	LC (MER 2019)

158. The Republic of Mali has 16 Recommendations rated NC/PC, including 2 Core Recommendations. Consequently, the country will remain under the enhanced follow-up system. Mali's next Enhanced Follow-up Report is due in May 2024.

Technical Compliance Summary – Key Deficiencies

Appendix Table 1. Compliance with FATF Recommendations

Recommendation	Rating	Factor(s) Justifying the Rating
1. Risk assessment and implementation of risk-based approach	LC (MER 2019)	• Mali is yet to finalize its NRA and has no mechanism to ensure the findings of the NRA are disseminated to the competent authorities, SRBs and reporting entities; • There is no provision explicitly stipulating that supervisors or SRBs should ensure financial institutions and DNFBPs implement measures to mitigate identified risks; • The legal provisions on simplified measures are not applied to identified low risks.
2. National cooperation and coordination	PC (MER 2019) LC (FUR 2023)	• There are minor shortcomings in the concrete framework for coordination between competent authorities, ensuring the compatibility of AML/CFT with the protection of personal data
3. Money Laundering Offence	LC (MER 2019)	• The AML/CFT Law 2016-008 of 17th March 2016 does not explicitly state that when trying to prove that assets are proceeds of crime, the suspect should not necessarily be convicted for any predicate offence.
4. Confiscation and provisional measures	LC (MER 2019)	• Mali has not demonstrated that it has taken steps to prevent or nullify actions that undermine the country's capacity to freeze, seize or recover assets earmarked for confiscation; • Mali has not demonstrated that it has any mechanism to possibly dispose of frozen, seized or confiscated assets.
5. Terrorist financing offence	PC (MER 2019)	• Mali's legislation does not cover the issue of financing an individual terrorist or terrorist organization or the travel of foreign terrorist fighters, as indicated by United Nations Resolutions, including Resolutions 2178 (2014) and 2253 (2015).
6. Targeted financial sanctions related to terrorism and terrorist financing	PC (MER 2019) LC (FUR 2023)	• Lack of measures for the protection of bona fide third parties in the implementation of TFS.
7. Targeted Financial Sanctions Related to Proliferation	PC (MER 2019) LC (FUR 2023)	• Failure to take measures to protect bona fide third parties • Lack of clarity on the conditions for debiting frozen accounts.
8. Non-profit Organizations	NC (MER 2019) PC (FUR 2023)	• Mali has not adapted the legal framework in order to be able to take proportionate and effective measures to address the identified risks and demonstrate the effective use of the risk-based approach

9. Financial Institutions' Secrecy laws	C (MER 2019)	•
10. Customer Due Diligence	LC (MER 2019)	• There is no explicit provision in the law that requires financial institutions to understand the ownership and control structure of customers who are legal persons or legal arrangements; • The law does not explicitly require financial institutions to identify and take reasonable steps to verify the identity of beneficial owners of legal arrangement customers; • The law does not explicitly require financial institutions to include the beneficiary owners of life insurance as a relevant risk factor in determining whether enhanced CDD measures are applicable or not; • There is no provision requiring that where FIs form a suspicion of ML/TF but believe that performing the CDD will tip-off the customer, they should not to pursue the CDD process and file an STR.
11. Record Keeping	LC (MER 2019)	• There is no express provision that states that transaction records should be sufficient to permit reconstruction of individual transactions.
12. Politically Exposed Persons	LC (MER 2019)	• There is no explicit requirement for financial institutions to take reasonable steps to determine whether the beneficial owner of a life insurance policy is a PEP.
13. Correspondent Banking	LC (MER 2019)	• The law does not explicitly require institutions engaged in correspondent banking to define the respective AML/CFT responsibilities of each institution.
14. Money or Value Transfer Services	PC (MER 2019)	• There are no dissuasive sanctions against unlicensed or unregistered natural or legal persons who provide money or value transfer services; • Agents of money and value transfer service providers are not required to be licensed or registered with any competent authority.
15. New Technologies	C (MER 2019) NC (FUR 2023)	• Mali has not assessed the risks posed by VAs/VASPs. • No provisions have been adopted by Mali to regulate VA and VASP activities.
16. Wire Transfers	PC (MER 2019)	• The law does not require the beneficiary institution to verify the identity of the beneficiary and keep the information where this has not been done previously; • There is no obligation the intermediary FI to keep the information received from the ordering FI or other intermediary FI for at least five years, where technical limitations prevent the required originator or beneficiary

		information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer; • There is also no provision requiring the beneficiary's financial institution to monitor and identify cross-border wire transfers that lack the required beneficiary information; • The requirement to file a suspicious transaction report in all countries involved in the suspicious wire transfer, and make all information on the transaction available to the Financial Intelligence Unit, is not expressly stated in the law; • There is no obligation is on the financial institution of the payer to transmit the information accompanying the transfer to the beneficiary's financial institution or to the prosecution authorities within a period of 03 working days upon receipt of the request.
17. Reliance on Third Parties	LC (MER 2019)	• The law does not explicitly state that countries that rely on third parties should take into account available information on the level of country risk.
18. Internal Controls and Foreign Branches and Subsidiaries	LC (MER 2019)	• Financial institutions are not required to conduct independent audits to test the system, and there is no explicit obligation to provide to the group's compliance, audit and AML/CFT functions, any information on customers, accounts and transactions carried out by branches and subsidiaries, as and when necessary, for AML/CFT purposes.
19. Higher-risk Countries	NC (MER 2019)	• There is no specific provision obliging the country to apply countermeasures proportionate to the risks: where the FATF so requires; • There is no explicit provision for measures to be taken to advise FIs on the deficiencies of other AML/CFT systems.
20. Suspicious Transactions Reporting	LC (MER 2019)	• The law does not expressly state that suspicious transactions must be reported promptly. • Law 2016-008 does not require reporting entities to report attempted suspicious transactions.
21. Disclosure and Confidentiality	C (MER 2019)	•
22. Designated Non-financial Businesses and Professions: Customer due diligence	PC (MER 2019) PC (FUR 2023)	• Law 2016-008 does not require DNFBPs to comply with third party requirements under Recommendation 17 or the new technology requirements under Recommendation 15.

23. Designated Non-financial Businesses and Professions: other measures	LC (MER 2019)	• Attempted transaction are not covered under the AML/CFT law • DNFPBs are not required to file STRs "promptly. • There is no specific provision that requires the country to apply countermeasures proportionate to the risks when called upon to do so by the FATF • There is no requirement for supervisors to inform DNFPBs about the weaknesses of other country's AML/CFT system.
24. Transparency and Beneficial Ownership of Legal Persons	PC (MER 2019)	• Mali has not assessed the money laundering/terrorist financing risks associated with the various types of legal persons; • Mali has not adopted a sanction regime to enforce obligations relating to transparency of legal persons; • There are limited mechanisms in place to ensure that legal persons are not misused for AML/CFT purposes.
25. Transparency and beneficial owners of legal arrangements	NC (MER 2019)	• • There are no sanctions for failure to perform the above requirements under Recommendation 25; • Professional trustees are not required to obtain and keep information on all parties to the trust.
26. Regulation and supervision of financial institutions	PC (MER 2019) PC (FUR 2023)	• There is no specific periodic assessment of the financial institution's ML/TF risk profile that takes into account major events or significant developments in the institution's management and operations. • On-site and off-site AML/CFT supervision of financial institutions or groups should be determined on the basis of ML/CFT risks present in the country.
27. Powers of Supervisory Authorities	C (MER 2019)	
28. Regulation and supervision of Designated Non-financial Businesses and Professions	NC (MER 2019) PC (FUR 2023)	• Supervisors have not yet started to apply the risk-based supervisory approach. • Decree No. 0681 of 24 September 2021, did not take into account the necessary measures to prevent criminals or their accomplices from accessing the control of the DNFBPs
29. Financial Intelligence Units (FIUs)	LC (MER 2019)	• Mali has not indicated whether there are procedures for the processing, keeping, dissemination and protection of information and access to it; • The country has not indicated whether the FIU staff members have the necessary

		security clearances or demonstrated that there are provisions or texts that limit access to the FIU's IT facilities and systems.
30. Responsibilities of Law Enforcement Authorities	C (MER 2019)	•
31. Powers of Law Enforcement Authorities	C (MER 2019)	•
32. Cash Couriers	PC (MER 2019)	• The system of declaring cash and BNIs whose value is equal to or higher than 5 million CFAF only applies to persons entering or leaving the UEMOA territory but not applied to those moving around the 8 countries of the Union; • The coordination mechanism among the various immigration, customs and other police services is not clearly defined.
33. Statistics	PC (MER 2019)	• Statistics are not routinely maintained and are not exhaustive.
34. Guidance and Feedback	PC (MER 2019) C (FUR 2023)	
35. Sanctions	LC (MER 2019)	• The range of penalties is not explicitly stated vis-à-vis the specific nature of AML/CFT contravention.
36. International instruments	LC (MER 2019)	• The Republic of Mali has criminalized terrorism financing and domesticated substantial provisions of the Palermo Convention, but there is no evidence that it has domesticated all the relevant provisions of the Conventions.
37. Mutual Legal Assisstance	LC (MER 2019)	• Mutual legal assistance in Mali is based on dual criminality, but positive Malian law does not clearly cover a request for mutual legal assistance that does not include coercive measures; • There is an absence of clear processes for the timely prioritisation and execution of MLA requests and a lack of a case management system; • The authorities have not been able to demonstrate that the dual criminality requirement is met in Mali when an offence is not classified in the same category or worded with the same terminology, so far as the predicate offence is criminalized.
38. Mutual Legal Assistance: freezing and confiscation	PC (MER 2019)	• There is no explicit provision for coordinating seizure and confiscation measures with other countries;

		• Malian law does not demonstrate that its legislation provides for confiscation without prior conviction (NCB).
39. Extradition	LC (MER 2019)	• Mali has no clear procedures for case prioritization, management and monitoring of extradition requests;
40. Other forms of International Cooperation	LC (MER 2019)	• Competent authorities other than the FIU have no clear mechanism for setting priorities and managing requests for information; • There is no explicit provision on the type of financial information that can be exchanged between financial supervisors; • The law does not expressly provide that competent authorities are able to conduct inquiries on behalf of foreign counterparts, and exchange all information obtainable by them domestically; • There is no explicit provision allowing competent authorities outside the FIU, to provide feedback to their foreign counterparts.

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Follow-up Report & Technical Compliance Re-Rating



Follow-up Report

The report also looks at whether Mali measures meet the requirements of FATF Recommendations that have changed since their Mutual Evaluation in 2019.