Anti-money laundering and counter-terrorist financing measures

Senegal

6th Enhanced Follow-up Report & Technical Compliance Re-Rating

Follow-up Report



NOVEMBER 2024

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

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Republic of Senegal: 6th Follow-up Report

I OBJECTIVE

1. In accordance with the Mutual Evaluation Process and Procedures (revised in 2020) applicable to the Second Round of GIABA Mutual Evaluations, this report presents the analysis of the 6th Follow-up Report (FUR) of Senegal carried out by the Reviewers with the support of the GIABA Secretariat.

II *INTRODUCTION*

2. The GIABA Plenary adopted the Mutual Evaluation Report (MER) of the Republic of Senegal in November 2018 (and validated some aspects in May 2019). This Follow-up Report (FUR) analyses the progress made by Senegal to meet the Technical Compliance requirements of the Recommendations considered for re-rating. New Technical Compliance ratings are awarded where it is demonstrated that satisfactory progress has been made.

3. This report does not analyse the progress made by Senegal to improve its effectiveness.

4. The assessment of Senegal's Technical Compliance re-rating request and this report was prepared by the following Reviewers:

a) *Mr. Cyprien Dabiré, Magistrate, Secretary General of the Court of Auditors of Burkina Faso* and
b) *Mr. Ait-Ahmed Djalim, Executive of the Central Bank and Secretary General of the Financial Intelligence Service of the Union of the Comoros.*

5. The Experts were assisted by Mr. Jean Abossuwè Anade and Ms. Gina Wood of the GIABA Secretariat.

6. Section III of this report summarises progress made to improve Technical Compliance. Section IV contains the conclusion and a Table illustrating Senegal's current Technical Compliance ratings.

III CONCLUSIONS OF THE 5th FOLLOW-UP REPORT

7. The Table below summarizes the Technical Compliance ratings awarded to Senegal following the adoption of its 5th Follow-up Report.

Table 1: Senegal's TC Ratings on adoption of the FUR (November 2023)

Recommendation	Rating
1.	PC (MER 2018) ↑ **LC (FUR June 2022)**
2.	LC (MER 2018) ↑ **C (FUR June 2022)**
3.	LC (MER 2018)
4.	PC (MER 2018) ↑ **C (FUR June 2022)**
5.	PC (MER 2018) ↑ **C (FUR February 2022)**
6.	NC (MER 2018) ↑ **PC (FUR June 2022)**
7.	NC (MER 2018) ↑ **PC (FUR February 2022)**
8.	PC (MER 2018)
9.	C (MER 2018)
10.	PC (MER 2018)
11.	LC (MER 2018)

Recommendation	Rating
21.	C (MER 2018) **C (FUR February 2022)**
22.	PC (MER 2018)
23.	PC (MER 2018)
24.	PC (MER 2018) ↑ **LC (FUR June 2022)**
25.	NC (MER 2018) ↑ **PC (FUR February 2022)**
26.	PC (MER 2018)
27.	C (MER 2018)
28.	NC (MER 2018) ↑ **PC (FUR February 2022)**
29.	LC (MER 2018)
30.	LC (MER 2018)
31.	PC (MER 2018)

12.	NC (MER 2018) ↑ PC (FUR April 2021)
13.	NC (MER 2018) ↑ LC (FUR April 2021)
14.	LC (MER 2018)
15.	PC (MER 2018)
16.	PC (MER 2018)
17.	PC (MER 2018) ↑ LC (FUR February 2022)
18.	PC (MER 2018) ↑ LC (FUR February 2022)
19.	NC (MER 2018)
20.	C (MER 2018)

	↑ C (FUR February 2022)
32.	LC (MER 2018)
33.	PC (MER 2018)
34.	PC (MER 2018)
35.	PC (MER 2018) ↑ LC (FUR April 2021)
36.	PC (MER 2018) ↑ LC (FUR June 2022)
37.	C (MER 2018)
38.	PC (MER 2018) ↑ LC (FUR June 2022)
39.	LC (MER 2018)
40.	LC (MER 2018)

8. Based on these outcomes and levels of effectiveness as indicated in the MER, Senegal was maintained in the enhanced follow-up process.

IV OVERVIEW OF PROGRESS MADE TO IMPROVE TECHNICAL COMPLIANCE

9. In accordance with the GIABA Mutual Evaluation Process and Procedures, this FUR takes into account the progress made by Senegal until May 15, 2024. In accordance with the current GIABA Mutual Evaluation procedures and the FATF Methodology, the analysis carried out by the Reviewers took into account the progress made in addressing the gaps identified in the MER/FUR. The analysis includes all the criteria in each Recommendation considered for re-rating. The analysis is less detailed where the legal, institutional or transactional framework remains unchanged since the adoption of the MER/FUR and there have been no changes to the FATF Standards or their interpretation.

10. This section summarises the progress made by Senegal to improve its Technical Compliance by resolving the relevant deficiencies identified in its MER/FUR.

4.1 Progress made in resolving the Technical Compliance deficiencies identified in the MER and FUR

11. Since the presentation of its 5th FUR , Senegal has considerably improved its AML/CFT/PF legal framework by enacting Law No. 2023-14 of 2nd August 2023 amending the Code of Criminal Procedure establishing the Specialised Judicial Pool in charge of financial offences; Law No. 2024-06 of 9th February 2024 amending Law No. 2012-30 of 28th December 2012 establishing the National Anti-Fraud and Corruption Office (OFNAC); Law No. 2024-07 of 9th February 2024 amending Law No. 2014-17 of 2nd April 2014 establishing the Asset Declaration;; Decree No. 2023-2182 of 7th November 2023 repealing Decree No. 2023-1696 amending Decree No. 2022-2308 of 30th December 2022 establishing the regime for the implementation of Targeted Financial Sanctions related to Terrorist Financing and Proliferation Financing. The main change in Senegal since the adoption of 5th FUR is the promulgation of Act 2024-08 of 14 February 2024 on the fight against money laundering, terrorist financing and the proliferation of weapons of mass destruction (AML/CFT/FP). This law transposes the new WAEMU directive 01/2023, giving it the effect of law in Senegal. It repeals and replaces Act 2018-03 of 23 February 2018, whose achievements it incorporates and whose shortcomings it corrects. This reviewed legal framework has resolved most of the deficiencies identified in the 2018 MER and successive FURs in Senegal's AML/CFT system, significantly improving the country's technical compliance with the FATF standards. Senegal has therefore made progress in addressing the Technical Compliance gaps identified in the MER and FURs with regard to, Recommendations 6, 7, 10, 12, 16, 19, 22, 23, 25, 33 and 34, among others. As a result of this progress made, the said Recommendations have been re-rated.

Recommendation 6 - (initially rated PC)

12. In its 3rd FUR, Senegal was rated PC on Recommendation 6. The deficiencies identified were related, among other things, to the fact that the Senegalese system did not ensure the immediate implementation of TFS as well as the lack of provision protecting the rights of *bona fide* third parties and the lack of guidelines for FIs and DNFBPs in the implementation of their TFS-related obligations. The reviewed legal framework has enabled Senegal to resolve most of these deficiencies.

13. **Criterion 6.1a** The Minister of Finance is the competent authority to propose persons or entities to the 1267/1989 Committee and the 1988 Committee (Decree No. 2022-2308, Art. 5).

14. **Criterion 6.1b** Senegal has established an Advisory Commission for Administrative Freezing (CCGA) which can propose targets for designation to the Minister of Finance (Art. 2, Order no. 000398 of 10th January 2023). The CCGA comprises members of all the competent authorities in CFT-related issues (order no. 000398 of January 10, 2023, art. 3). When considering a designation, the Minister of Finance must ensure that the designated persons or entities meet the designation criteria established by the UNSCR (Decree no. 2022-2308, art. 5).

15. **Criterion 6.1c** In making a proposal for designation, the Minister of Finance must ensure that there are reasonable grounds or a reasonable basis for the designation. He must issue a detailed statement explaining the reasonable grounds for the designation (Decree no. 2022-2308, art. 9). Designation proposals are not subject to the existence of any criminal lawsuit (Decree no. 2022-2308, art. 9). However, the Decree broadly defines "reasonable grounds" by listing TF offences instead of providing guidance on the type and level of evidence required for the determination (Decree no. 2022-2308, art. 4). This approach could be interpreted as a more restrictive threshold of grounds for designation, which would not include reasonable grounds to "suspect or believe that the designated person meets the designation criteria".

16. **Criterion 6.1d** The Minister of Finance is required to follow the procedures and standard registration forms adopted by Committee 1267/1989 and Committee 1988 (Decree no. 2022-2308, art. 5).

17. **Criterion 6.1e** The Minister of Finance, when making a proposal for designation, shall provide relevant information on the identity of the proposed person or entity and issue a detailed statement on the reasonable grounds or reasonable basis of the proposals. The Minister shall also decide whether to make the status of Senegal as a designating country public (Decree no. 2022-2308, art. 5).

18. **Criterion 6.2a** The Minister of Finance shall be the competent authority for the designation of persons and entities financing or supporting terrorist activities, under Resolution 1373. He acts on national initiative or at the request of another State (Law no. 2024-08, art.124 para.1 and Decree no. 2022-2308, art. 6).

19. **Criterion 6.2b** Senegal has created an Advisory Commission for Administrative Freezing (CCGA) which can propose individuals to the Minister of Finance for inclusion on the national sanctions list (order 000398 of 10th January 2023, art. 2). The CCGA comprises members of all the competent authorities in charge of CFT (Order No. 000398 of January 10, 2023, art. 3). The Minister of Finance may also receive a well-informed request for inclusion on the national list, from the Minister of the Armed Forces, Minister of Security, Minister of Foreign Affairs or Minister of Justice. (Decree No. 2022-2308, art. 7).

20. **Criterion 6.2c** The Minister of Finance shall promptly determine the existence of reasonable grounds for designation when reviewing requests received from another country based on United Nations Security Council Resolution 1373 (Decree No. 2022-2308, art.6). To do so, the Minister of Finance relies on the CCGA according to the procedure described in criterion 6.2b. However, no indication has been given as to the time laps to which 'promptly' refers.

21. **Criterion 6.2d** The Minister of Finance shall ensure that there are reasonable grounds or a reasonable basis to suspect or believe that the person or entity proposed for designation meets the criteria of Resolution 1373 of the United Nations Security Council (Decree No. 2022-2308, arts. 4, 6 and 27). Designation proposals are not subject to the existence of any criminal lawsuit (Decree No. 2022-2308, art. 9). However, the Decree broadly defines "reasonable grounds" by listing TF offences instead of providing guidance on the type and level of evidence required for the determination (Decree no. 2022-2308, art. 4). This approach could be interpreted as a more

restrictive threshold of grounds for designation, which would not include reasonable grounds to "suspect or believe that the designated person meets the designation criteria".

22. **Criterion 6.2e** The Minister of Finance may request a third country to give effect to actions taken under a freezing mechanism. In this case, it shall provide the requested State with all useful information on the identity of the person or entity designated and the reasons for the designation (Decree No. 2022-2308, art. 24 para.3).

23. **Criterion 6.3a** The Minister of Finance has the power to request for the disclosure of information from all relevant sources in order to identify persons and entities who meet the designation criteria (Decree No. 2022-2308, art. 8). Requests for information in this context follow standard administrative procedures. However, this Article appears in paragraph 2 dealing with "Identification and designation under United Nations Security Council Resolution 1373 (2001) and subsequent Resolutions". It is therefore unclear whether the said Article is applicable in the context of the designation proposals under Resolutions 1267/1989 and 1988.

24. **Criterion 6.3b** The Decree allows the competent authorities to act *ex parte* and without prior notification against any person or entity that has been identified and whose (proposed) designation is under consideration (Decree No. 2022-2308, art. 9).

25. **Criterion 6.4** The Senegalese law prescribes the immediate implementation of freezing measures taken by the UNSC (based on Res 1267) and by the national authorities of Senegal or a third country (based on Res 1373) within the framework of Targeted Financial Sanctions related to TF (Law no. 2024-08, art.124 and 175). 'Without delay' means a maximum period of 24 hours (Law no. 2024-08, art. 2.58).

26. With regard to TFS taken by the UNSC (Res.1267/1989 and 1988), the freezing of funds as well as all other necessary measures are directly applicable upon publication of the designation lists or their updates by the UNSC (Decree n°2023-2182, art.12).

27. With regard to the national sanctions lists, the Minister of Finance shall decide by order, the freezing of all funds and other economic and financial resources belonging to persons and entities designated under Resolution 1373 without delay. With regard to the national sanctions list prepared on Senegal's initiative, it shall take the administrative freezing decision, after having designated a person or entity on the national list (Decree No. 2022-2308, art. 24). The Minister of Finance shall give effect, without delay, to the request for an administrative freezing received from another country as long as there are reasonable grounds to suspect or believe, based on observable facts, that a natural or legal person is qualified as a terrorist or terrorist financier, a terrorist organization or individual terrorist (Decree No. 2022-2308, art. 25).

28. **Criterion 6.5a** Reporting entities in the financial sector and non-financial sector as well as any natural or legal person on the national territory are required to implement, without delay and without prior notice, the freezing of all funds, assets and other economic and financial resources of persons or entities covered by the TFS related to TF (Decree 2023-2182, art.18).

29. **Criterion 6.5b** The freezing obligation extends to all funds and assets mentioned under this sub-criterion, including funds or other assets of persons and entities acting on behalf and on the directives of the designated persons and entities (Decree 2023-2182, art.15).2023-2182, art.15).

30. **Criterion 6.5c** Senegal forbids its nationals, as well as any person or entity located on Senegalese territory, from providing funds or other assets, economic resources or financial or other services, directly or indirectly, in full or otherwise, to designated persons or entities, to entities owned or controlled, directly or indirectly, by the designated persons or entities; as well as to persons and entities acting on behalf or on the Directives of designated persons or entities, unless otherwise authorised or notified, in accordance with the applicable Security Council Resolutions (Decree 2023-2182, art.17).

31. **Criterion 6.5d** The Senegalese authorities publish the sanctions lists and the freezing decision on the FIU website, the Official Gazette and Legal bulletins. They also have an automated communication tool for FIs and DNFBPs enabling them to communicate designations to FIs and DNFBPs instantly (Law n°2024-08, art.177

para.1; Decree n°2022-2308, art. 20 and 21). Clear guidelines have been issued for FIs and DNFBPs regarding their obligations under the freezing mechanisms (Appendix to Order No. 000398 of 10th January, 2023).

32. **Criterion 6.5e** FIs and DNFBPs are required to report to the competent authorities (Minister of Finances and CCGA) all frozen assets and measures taken in accordance with the relevant UNSCR prohibitions, including attempted transactions (Law No. 2024-08, art.90 and Decree 2022-2308, art.19).

33. **Criterion 6.5f** The *bona fide* implementation (by action or omission) of freezing measures in the context of targeted financial sanctions by third parties, in particular FIs and DNFBPs, does not result in any civil or criminal liability for the latter (Law n°2024-08, art.92 and Decree n°2022-2308, art.23).

34. **Criterion 6.6a** Senegal has procedures in place to submit delisting requests to the relevant United Nations Sanctions Committee. Indeed, where in the opinion of Senegal, a person subject to designation on the sanctions lists of the United Nations Security Council does not or no longer meets the designation criteria, a request for delisting is sent to the competent United Nations Sanctions Committee, in accordance with the procedures adopted by the 1267/1989 Committee or the 1988 Committee, depending on the case. Where the dispute concerns a decision to freeze funds and other economic and financial resources taken pursuant to a United Nations Security Council Resolution, it must comply with the appropriate procedure provided for within the framework of the relevant Security Council Resolutions. These procedures are widely disseminated by the Minister of Finance (Law n°2024-08, art.177 and 181 and Decree n°2022-2308, art.31). These procedures are accessible to the general public (https://www.Finances.gouv.sn/app/uploads/SEN-GUIDE-PRATIQUE-TFS.pdf).

35. **Criterion 6.6b** The Senegalese authorities have the powers and procedures or mechanisms to remove from the lists and release all funds or other assets of persons and entities, designated under UNSCR 1373, who no longer meet the designation criteria (Law No. 2024-08, arts. 177 and 181 and Decree No. 2022-2308, arts. 29-33).

36. **Criterion 6.6c** With regard to designations made pursuant to UNSCR 1373, Senegal has procedures allowing, at the request of the person concerned, to have designation decisions reviewed by the administrative tribunal (Law n°2024-08, art.181 and Decree n°2022-2308, art.31).

37. **Criterion 6.6d** With regard to designations pursuant to UNSCR 1988, Senegal has procedures to facilitate review by the 1988 Committee in accordance with any applicable guidelines or procedures adopted by the 1988 Committee, including those relating to the Focal Point mechanism established by UNSCR 1730. These procedures are widely disseminated by the Minister of Finance (Decree No. 2022-2308, art.31).

38. **Criterion 6.6e** A person who no longer meets the criteria for designation may submit a request for delisting to the Office of the United Nations Ombudsman in accordance with Resolutions 1904, 1989 and 2083 (Decree No. 2022-2308, art. 31). These procedures are accessible to the general public (https://www.Finances.gouv.sn/app/uploads/SEN-GUIDE-PRATIQUE-TFS.pdf).

39. **Criterion 6.6f** Senegal has publicly known procedures for releasing funds or other assets of persons and entities bearing the same or similar name as a designated person or entity, and who inadvertently would have been affected by a freezing mechanism (i.e. in the case of a "false positive"), after verifying that the person or entity concerned is not a designated person or entity (Law n°2024-08, art.181; Decree n°2022-2308, art.31 and 33; Appendix to Order n°000398 of 10th January 2023 published on the website of the Ministry of Finance and Budget: https:// www.Finances.gouv.sn/app/uploads/SEN-GUIDE-PRATIQUE-TFS.pdf).

40. **Criterion 6.6g** Senegal has put in place mechanisms to communicate delisting and releasing decisions to FIs and DNFBPs as soon as these decisions are made (in accordance with the standard administrative procedure), and to provide guidelines to FIs, DNFBPs and others regarding their obligations regarding delisting and releasing actions (Law n°2024-08, art.177; Decree n°2022-2308, art.32 and 35; guidelines published on the website of the Ministry of Finance and Budget : https://www.Finances.gouv.sn/app/uploads/SEN-LIGNES-DIRECTRICES_TFS.pdf).

41. **Criterion 6.7** The Minister of Finance may authorize access to funds and other frozen assets considered necessary to cover basic expenses, the payment of certain types of charges, fees and honoraria for services or extraordinary expenses, in accordance with the procedures of UNSCR 1452 and any subsequent Resolution. For the same reasons, it may authorize access to funds and other assets where freezing measures are applied to persons and entities designated in application of UNSCR 1373 (Law no. 2024-08, art. 178 and 179; Decree no. °2022-2308, art.34, 36 and 38).

Weighting and conclusion

42. Senegal has passed new legislations to resolve the deficiencies identified in the MER/FUR under R.6. These include Uniform AML/CFT/PF Law 2024-08 of 14th February 2024, Decree 2022-2308 of 30th December 2022 establishing the implementation regime for TFS related to TF amended by Decree no. 2023-2182 of 7th November 2023 and Order No. 0398 of 10th January 2023 establishing the mandate, composition and functioning of the Advisory Commission for Administrative Freezing (CCGA). With these texts, Senegal has made progress in its system for the implementation of TFS related to TF, thus resolving most of the deficiencies identified in its system. Senegal can now immediately implement the TFS related to TF while providing FIs and DNFBPs with guidelines on the implementation of the TFS and making available to the public all information on the designation procedures, delisting and release of funds subject to freezing, all with the protection of the rights of *bona fide* third parties. However, there are still some outstanding minor deficiencies that do not significantly affect the implementation of TFS. The Senegalese system seems to maintain a more restrictive threshold for designation purposes, which would not include reasonable grounds to "suspect or believe that the designated person meets the designation criteria" (c6.1c). It is not clear whether the Senegalese system allows the Minister of Finance to request for the disclosure of information from all relevant sources in the context of designation proposals under Resolutions 1267/1989 and 1988 (c6.3a).

43. **In the light of the foregoing, R.6 is rated Largely Compliant (LC).**

Recommendation 7 - (initially rated PC)

44. In its 2nd FUR, Senegal was rated PC on Recommendation 7. The deficiencies identified were related, among other things, to the fact that the Senegalese system did not ensure the immediate implementation of TFS related to PF as well as the lack of clear guidelines that should be provided to FIs and DNFBPs regarding their obligations under the freezing mechanisms and the lack of a provision to sanction non-compliance by FIs and DNFBPs with the obligations set out in Recommendation 7. The reviewed legal framework has enabled Senegal to resolve most of these deficiencies.

45. **Criterion 7.1** The Senegalese law requires the immediate implementation of freezing measures taken by the UNSC within the framework of targeted financial sanctions related to PF (Law n°2024-08, art.124 and 175). In this regard, the freezing of funds as well as all other necessary measures are directly applicable upon publication of the designation lists or their updates by the UNSC (Decree No. 2023-2182, art.12). 'Without delay' means a maximum period of 24 hours (Law no. 2024-08, art. 2.58).

46. **Criterion 7.2a** Reporting entities in the financial sector and non-financial sector as well as any natural or legal person on the national territory are required to implement, without delay and without prior notice, the freezing of all funds, assets and other economic and financial resources of persons or entities covered by the TFS related to PF (Decree 2023-2182, art.18).

47. **Criterion 7.2b** The freezing obligation extends to all funds and assets mentioned under this sub-criterion, including funds or other assets of persons and entities acting on behalf and on the directives of the designated persons and entities (Decree 2023-2182, art.15).2023-2182, art.15).

48. **Criterion 7.2c** Senegal forbids its nationals, as well as any person or entity located on Senegalese territory, from providing funds or other assets, economic resources or financial or other services, directly or indirectly, in full or otherwise, to designated persons or entities, to entities owned or controlled, directly or indirectly, by the designated persons or entities; as well as to persons and entities acting on behalf or on the Directives of

designated persons or entities, unless otherwise authorised or notified, in accordance with the applicable Security Council Resolutions. (Decree 2023-2182, art.17)

49. **Criterion 7.2d** The Senegalese authorities publish the sanctions lists and the freezing decision on the FIU website, the Official Gazette and Legal bulletins. They also have an automated communication tool for FIs and DNFBPs enabling them to communicate designations to FIs and DNFBPs instantly (Law n°2024-08, art.177 para.1; Decree n°2022-2308, art. 20 and 21). Clear guidelines have been issued for FIs and DNFBPs regarding their obligations under the freezing mechanisms (Appendix to Order No. 000398 of 10th January, 2023).

50. **Criterion 7.2e** FIs and DNFBPs are required to report to the competent authorities (Minister of Finances and CCGA) all frozen assets and measures taken in accordance with the relevant UNSCR prohibitions, including attempted transactions (Law No. 2024-08, art.90 and Decree 2022-2308, art.19).

51. **Criterion 7.2f** The bona fide implementation (by action or omission) of freezing measures in the context of targeted financial sanctions by third parties, in particular FIs and DNFBPs, does not result in any civil or criminal liability for the latter (Law n°2024-08, art.92 and Decree n°2022-2308, art.23).

52. **Criterion 7.3** Senegal has put in place measures to monitor and ensure compliance by financial institutions and designated non-financial businesses and professions with applicable laws and enforcement means implementing the obligations set out in Recommendation 7 (Law n°2024-08, art107-c-j).

53. For non-compliance with the obligations of Recommendation 7, the supervisory authority with sanctioning power may automatically take administrative measures, disciplinary and/or financial sanctions, under the conditions provided for by specific legislative and regulatory texts in force (Law n°2024-08, art.182).

54. The Senegalese system also provides for criminal sanctions: five (5) to ten (10) years in prison and a fine equal to at least five times the value of the assets or funds on which the proliferation financing transactions were carried out for FIs and DNFBPs who are complicit in PF. The worsening circumstance of using the facilities provided by the practice of a professional doubles these sanctions (Law n°2024-08, art.192-194).

55. **Criterion 7.4a** Senegal has procedures known to the public giving the possibility for listed persons and entities to send their request for delisting to the Focal Point established in accordance with UNSCR 1730. A practical guide is made available to the public to inform designated persons and entities that they may contact the Focal Point directly (Decree n°2022-2308, art.31, https://www.Finances.gouv.sn/app/uploads/SEN-GUIDE_-PRACTICE-TFS.pdf).

56. **Criterion 7.4b** Senegal has publicly known procedures for releasing funds or other assets of persons and entities bearing the same or similar name as a designated person or entity, and who inadvertently would have been affected by a freezing mechanism (i.e. in the case of a “false positive”), after verifying that the person or entity concerned is not a designated person or entity (Law n°2024-08, art.181; Decree n°2022-2308, art.31 and 33; Appendix to Order n°000398 of 10th January 2023 published on the website of the Ministry of Finance and Budget.

57. **Criterion 7.4c** Senegal has procedures to authorize access to funds or other assets in accordance with the procedures established by Resolutions 1718 and 2231 where the country considers that the exemption conditions established by these Resolutions are met. The law provides for authorization to access funds in particular circumstances, for example if the funds or economic and financial resources are necessary to cover, for a natural person, current family household expenses or, for a legal person, costs enabling him to pursue an activity compatible with the public order requirements. The said sum may also cover legal assistance costs (Law n°2024-08, art.178).

58. **Criterion 7.4d** Senegal has put in place mechanisms to communicate delisting and releasing decisions to FIs and DNFBPs as soon as these decisions are made (in accordance with the standard administrative procedure), and to provide guidelines to FIs, DNFBPs and others regarding their obligations regarding delisting and releasing actions (Law n°2024-08, art.177; Decree n°2022-2308, art.32 and 35; guidelines published on the website of the Ministry of Finance and Budget.

59. **Criterion 7.5a** Senegal allows for the frozen accounts to be credited, in accordance with Resolutions 1718 or 2231, with interest or other income due on these accounts or payments due under contracts, agreements or obligations arising prior to the date on which these accounts were frozen (Law n°2024-08, art.176). Such interest, income and payments are also subject to freezing (Decree 2023-2182, art.15).

60. **Criterion 7.5b** The Senegalese system provides that the Minister of Finance may authorize a designated person or entity to make any payment due under a contract concluded before the inclusion on the list of such a person or entity, subject to compliance with the following three conditions: (i) the contract has nothing to do with any of the items, materials, equipment, assets, technologies, assistance, training, financial assistance, investments, brokerage services and other prohibited services referred to in the Resolution 2231 or any subsequent Resolution; (ii) the payment is not received directly or indirectly by any person or entity subject to the measures of paragraph 6 of Appendix B of Resolution 2231; (iii) notification is given to the Security Council by the Minister of Finance, of the intention to make or receive payments or to authorize, where applicable, the release of funds, other financial assets and economic resources for such purposes, ten (10) working days prior to such authorization (Law n°2024-08, art.179-180; Decree n°2022-2308, art.37).

Weighting and conclusion

61. All the criteria are met.

62. **In the light of the foregoing, R.7 is rated Compliant (C).**

Recommendation 10 - (initially rated PC)

63. In its 1st FUR, Senegal was rated PC on Recommendation 10. The gaps identified were related to the following issues: exemptions from the obligation to identify and verify the identity of the permanent customer provided for online payments ; lack of obligation for FIs to understand the purpose and intended nature of the business relationship; Inadequacy of the due diligence measures required for legal entities, particularly identification requirements limited to partners and corporate managers and not extending to all relevant persons occupying management positions in the legal person; provisions provided for the identification of unsatisfactory BOs in case of doubt or non-identification; lack of customer due diligence for legal arrangement customers; non-compliance with the due diligence requirement for beneficiaries of life insurance contracts; risk-based approach and incomplete enhanced or simplified due diligence obligations. The enactment of Law No. 2024-08 enabled Senegal to resolve most of these deficiencies.

64. **Criterion 10.1** FIs are forbidden from opening anonymous accounts or accounts under fictitious names (Law n°2024-08, art.20).

65. **Criterion 10.2** FIs are required to take customer due diligence measures when establishing business relationships (Law n°2024-08, art.16, para.1); when carrying out occasional transactions with individual amounts or, if they are related transactions, the cumulative amount exceeding 9 million), where there is a suspicion of ML and TF or where the origin of funds is not certain with regard to occasional customers (Law n°2024-08, art.16 and 17); during a transfer of funds at national or international level (Law n°2024-08, art.16 and 17); where they have suspicions as to the veracity or relevance of the customer's identification data previously obtained (Law n°2024-08, art.16 and 17).

66. **Criterion 10.3** FIs are required to identify their customers, whether they are permanent or occasional, and whether they are natural or legal persons or legal arrangements and beneficial owners, and to verify their identity using independent and reliable documents, sources, data or information (Law no. 2024-08, art. 17 para.1). However, exemptions from the obligation to identify and verify the identity of permanent customers are provided for online payments with funds originating and intended for an account opened in Senegal or in a country considered to be a State imposing equivalent AML/CFT obligations as provided for under Article 86 of the law.

67. **Criterion 10.4** FIs are required to verify that any person claiming to act on behalf of the customer is

authorised to do so (Law n°2024-08, art.17 para.1j). However, it should be noted that, as worded, this provision does not require FIs to identify and verify the identity of the person purporting to act on behalf of the customer.

68. **Criterion 10.5** FIs are required to identify the beneficial owners and verify their identity using independent and reliable documents, sources, data or information (Law n°2024-08, art.17 para.1). This obligation is also applicable to the beneficial owner of a legal arrangement as defined under Article 2.12 of Law No. 2024-08. Beneficial owner(s) are defined as: 'the natural person(s) who ultimately own(s) or control(s) the customer, the customer's agent or the beneficiary of life insurance policies, and/or the natural person(s) for whom a transaction is carried out or a business relationship is entered into'.

69. **Criterion 10.6** FIs are required to collect and analyse the information necessary to know their customer as well as the purpose and nature of the business relationship, to assess the ML/TF/PF risk (Law No. 2024-08, art. 16.c).

70. **Criterion 10.7a** FIs are required to apply constant due diligence regarding any business relationship and to carefully examine the transactions carried out to ensure that they are consistent with what they know about their customers, their business activities, their risk profile and, where applicable, the source of their funds (Law n°2024-08 art. 20 para.1).

71. **Criterion 10.7b** FIs are required, throughout the duration of the business relationship, to collect, update and analyse all strings of information, among those appearing on the list prepared for this purpose, by the supervisory authority, which makes it possible to develop appropriate knowledge of their customer (Law n°2024-08 art. 19). However, the list of information to be collected as provided for in this clause has not been defined by the supervisory authority.

72. **Criterion 10.8** FIs are required, for customers who are legal persons or legal **arrangements**, to understand the nature of their transactions as well as their ownership and control structure (Law n°2024-08 art.26 para.1).

73. **Criterion 10.9** FIs are required to identify and verify the identity of the legal person or legal arrangement by obtaining the following information: a) the company name, legal form and constitutive texts; b) the identity and powers of the partners and corporate managers of the legal person and the agent of the legal arrangement as well as the names of the relevant persons occupying management positions within the legal person or legal arrangement or who have a power of control over it; c) the address of its head office and its main centre of activity, if different from that of the head office (Law n°2024-08 art.26 para.1).

74. **Criterion 10.10** With regard to customers who are legal persons, FIs are required to identify and take reasonable steps to verify the identity of the beneficial owners by obtaining the following information: a) the identity of the natural person(s) who ultimately hold a controlling interest (25%) in the legal person (Law No. 2024 -08 art.2-12); b) the identity of the natural person(s) exercising control over the legal person by other means, where: i. there are doubts following the verification provided for in paragraph a), as to whether the persons with a controlling interest are the beneficial owners; ii. no natural person exercises control over the legal person through participation; c) the identity of the relevant natural person occupying the position of Managing Director, where no natural person is identified in the context of implementing the requirements provided for in paragraphs a) or b) (Law No. 2024 -08 art.26 para.2).

75. **Criterion 10.11** With regard to customers that are legal arrangements, FIs are required to identify beneficial owners and take reasonable steps to verify their identity using the following information: a) for trusts, the identity of the settlor of the trust, the trustee(s), the protector, the beneficiaries or the class of beneficiaries and any other natural person ultimately exercising effective control over the trust, including through a chain of control or ownership; b) for other types of legal arrangements, the identity of persons occupying positions equivalent or similar to those listed in point a) (Law n°2024-08 art.26 para.3).

76. **Criterion 10.12** FIs are required to implement the following due diligence measures with regard to beneficiaries of life insurance contracts and other insurance-related investment products, provided these

beneficiaries are identified or designated: a) identify the name of the beneficiaries, in the case where they are natural or legal persons or legal arrangements nominally identified; (b) obtain sufficient information on the beneficiaries so that the financial institution has the assurance that it will be able to establish their identity at the time of payment of benefits in the case where the beneficiaries are designated by characteristics, categories or other means; c) in the cases referred to in points a) and b) above, verification of the identity of the beneficiaries must take place at the time of payment of benefits (Law n°2024-08 art.28 para.1).

77. **Criterion 10.13** FIs are required to treat the beneficiary of the life insurance contract as a relevant risk factor, when determining whether enhanced due diligence measures are applicable. If they establish that the beneficiary who is a legal person or legal arrangement presents a higher risk, the enhanced due diligence measures they take must include reasonable measures to identify and verify the identity of the beneficial owner at the time of payment of the funds (Law n°2024-08 art.28 para.2).

78. **Criterion 10.14** Financial institutions may complete the verification after the establishment of the business relationship provided: a) this occurs as soon as possible and latest before the completion of the first transaction; b) it is essential so as not to interrupt the normal course of business; c) the risks of money laundering, terrorist financing and proliferation are effectively managed (Law n°2°24-08 art.18 para.2).

79. **Criterion 10.15** FIs are required to adopt risk management procedures with regard to the conditions under which a customer could benefit from the business relationship prior to verification (Law n°2°24-08 art.18 para.3).

80. **Criterion 10.16** Where FIs have good reason to believe that information previously obtained in the context of implementing customer due diligence obligations is no longer accurate or relevant, they shall update them as soon as possible. Such provisions are to be understood as including the case of existing customers on the date of entry into force of the new national provisions. (Law n°2024-08 art.16 para.2). This obligation is implemented according to the importance of the risks (Law n°2024-08 art.6). Although the risk-based approach requires, among other things, updating the files of existing customers by applying the due diligence measures decreed by a new law, the provisions of Articles 6 and 16 do not allow this to be done systematically.

81. **Criterion 10.17** FIs are required to implement enhanced due diligence measures where the risk of money laundering and terrorist financing is higher (Law n°2024-08 art.84 para.1).

82. **Criterion 10.18** FIs may apply simplified due diligence measures where the ML/TF risk is identified as lower, through a risk analysis carried out by them or by the competent authorities. Simplified due diligence measures must be adapted to lower risk factors (Law n°2024-08 art.84 para. 2). Simplified due diligence measures must be enhanced where there is a suspicion of money laundering, terrorist financing or proliferation or in specific higher risk cases (Law n°2024-08 art.84 para.3).

83. **Criterion 10.19** Where the FI is not in a position to comply with the due diligence obligations, it shall implement the following measures: a) refuse to open the account when it comes to entering into a business relationship; b) refuse to carry out the transaction when it is a one-off transaction; c) terminate the business relationship if dealing with an account-holding customer. In any case, the FI shall file a suspicious transaction report concerning the customer (Law n°2024-08 art.25 paras.1&2). However, this obligation to systematically file a suspicious transaction report does not take into account the flexibility given to FIs to assess the suitability of filing such a report.

84. **Criterion 10.20** FIs may refrain from implementing due diligence obligations where they suspect that a transaction relates to money laundering, terrorism or proliferation financing and can reasonably believe that by carrying out their due diligence, they would alert the customer. In this case, they would file a suspicious transaction report to the FIU (Law n°2024-08 art.25 para.3).

Weighting and conclusion

85. By enacting the AML/CFT/PWMD Law No. 2024-08, Senegal has put in place a solid legislative framework enabling the country to largely address its customer due diligence gaps. However, there are minor outstanding

gaps such as the requirement for FIs to verify that any person claiming to act on behalf of the customer is authorised to do so and also to identify and verify the identity of that person. The list of information to be collected in implementing due diligence has not been defined by the supervisory authority. Exemptions from the obligation to identify and verify the identity of the permanent customer are provided for online payments, with funds originating from and intended for an account opened in Senegal or in a country considered to be a State imposing equivalent AML/CFT obligations under Article 86 of Law n°2024-08. The provisions of Law No. 2024-08 are not designed to systematically reconsider the case of existing customers at the time of the entry into force of new national provisions providing for more demanding due diligence measures. No flexibility is given to FIs to assess the suitability of an STR when they cannot implement due diligence measures.

86. **In the light of the foregoing, Recommendation 10 is re-rated LC.**

Recommendation 12 - (initially rated PC)

87. In the 1st FUR, Senegal was rated PC on Recommendation 12 due to the following deficiencies: The restrictive nature of the definition of PEPs and family members, given by the Uniform Law (Article 1.44) imposes a restrictive approach to the definition of foreign PEPs which is inconsistent with the FATF definition. There was no legal provision requiring FIs to implement the requirements of criteria 12.1 and 12.2 to family members of national PEPs and international organizations. No provision explicitly specifies that the due diligence measures imposed on insurance companies by criterion 12.4 must be implemented latest at the time of payment of benefits. With the enactment of Law No. 2024-08, most of these gaps have been addressed. Indeed, for all of the criteria below, the definition of PEP complies with that of the FATF Glossary (Article 2.50 of law no. 2024-08). While the definition of PEP in Article 2.50 clearly distinguishes between foreign PEPs, domestic PEPs and PEPs of an international organisation, Article 29 applies to all three categories without distinction. Henceforth, in accordance with Article 29 of the said law, a customer who no longer holds an important public position is considered based on a risk assessment and not on prescribed timelines.

88. **Criterion 12.1a** FIs are required to put in place a risk management system based on formalised procedures in order to determine whether a customer or beneficial owner is a PEP (Law n°2024-08 art.29 para.1a).

89. **Criterion 12.1b** FIs are required to obtain the approval of senior management before entering into a business relationship or carrying out a transaction with or on behalf of any PEP (Law no. °2024-08 art.29 al1b). However, FIs are not required to obtain this approval prior to continuing a business relationship with an existing customer who eventually becomes a PEP.

90. **Criterion 12.1c** FIs are required to take all appropriate measures to establish the origin of all assets and funds of customers and beneficial owners identified as PEPs (Law No. 2°24-08 art.29 al1c).

91. **Criterion 12.1d** FIs are required to carry out continuous and enhanced monitoring of the business relationship (Law n° 2°24-08 art.29 para.1d).

92. **Criterion 12.2a** FIs are required, when entering into business relationships or carrying out transactions with or on behalf of national PEPs or persons occupying or have occupied an important position within or on behalf of an international organization, to take reasonable measures to determine whether the customer or beneficial owner is such a person (Law no. 2024-08 art. 2.50 b) and art. 29 para.1a).

93. **Criterion 12.2b** FIs are required, when entering into business relationships or carrying out transactions with or on behalf of national PEPs or persons occupying or have occupied an important position within or on behalf of any international organization, to apply the measures provided for under criteria 12.1 (b) to (d) where business relations with such persons present a higher risk (Law No. 2024 -08 art. 2.50 b) and art. 29 para.1d). However, FIs are not required to obtain approval from senior management before continuing a business relationship with an existing customer who eventually becomes a PEP (See analysis of criterion 12.1.b).

94. **Criterion 12.3** FIs are required, when entering into business relationships or carrying out transactions with or on behalf of family members of foreign or domestic PEPs or persons occupying or have occupied an

important position within or on behalf of any international organization and to persons closely associated with them, to apply on them the relevant obligations of criteria 12.1 and 12.2 (Law n) 2024-08 art. 2.50b and art.29 para.1a&d). However, FIs are not required to obtain this authorization before continuing a business relationship with an existing customer who eventually becomes a PEP.

95. **Criterion 12.4** With regard to life insurance contracts, FIs are required to take reasonable steps to determine whether the beneficial owner of an insurance policy is a PEP. This determination must be done latest at the time of payment of benefits. Where higher risks are identified, they are required to obtain approval from their senior management before paying out the funds and to carry out an enhanced review of the entire business relationship with the contract holder. They are required to file a suspicious transaction report to the FIU in case of suspicion (Law n°2024-08 art. 29 para.2, art.28 para.1a-c). However, the expression "beneficial owner of an insurance policy" used by the law is restrictive and does not appear to cover both the beneficiaries of the contract and the beneficial owner of the beneficiary of the contract.

Weighting and conclusion

96. The enactment of AML/CFT/PWMD Law n°2024-08 has enabled Senegal to mostly meet the requirements of the standards on PEPs. However, there are minor outstanding gaps. FIs are not required to obtain senior management approval before continuing a business relationship with an existing customer who eventually becomes a PEP. Regarding life insurance, FIs are required to apply the PEP requirements only to the beneficial owner of an insurance policy and not to the beneficiaries of the contract and the beneficial owner of the beneficiary of the contract.

97. **In the light of the foregoing, Recommendation 12 is re-rated LC.**

Recommendation 16 - (initially rated PC)

98. In its 1st FUR, Senegal was rated PC due to the following deficiencies: The financial institution of the ordering party was not required to transmit, upon request, all the information accompanying the transfer to the beneficiary's financial institution or the Law Enforcement Authorities within 3 working days on receipt of the request. The originator's financial institution is not prohibited from executing wire transfers that do not meet the requirements of criteria 16.1 to 16.7. Beneficiary FIs are not required to verify the identity of the beneficiary of cross-border transfers of $1,000 or more, where such identity has not been previously verified, and to maintain this information in accordance with the Recommendation 11. The obligation to file a suspicious transaction report in all countries affected by the suspicious wire transfer and to make relevant transaction information available to the Financial Intelligence Unit (FIU) is not explicitly mentioned in the extant regulations. Targeted financial sanctions are provided for in the processing of wire transfers, but they are not applicable to domestic transfers. The enactment of Law No. 2024-08 has resolved most of these deficiencies.

99. **Criterion 16.1** Cross-border transfers, regardless of the amount, must be accompanied by the information as required by this criterion, both for the originator and the beneficiary. And for the originator, the accuracy of the required information must be verified (Law n°2024-08 art. 39, paras. 1, 2 and 3).

100. **Criterion 16.2** The requirements relating to the collection, verification of the accuracy and disclosure of the information required from the originator and the beneficiary apply when several wire transfers, emanating from the same originator, are transmitted in batches to the beneficiaries. The batch must contain the required and accurate originator information and complete beneficiary information. The route of information on the originator and the beneficiary must be able to be entirely reconstructed by the financial institution of the beneficiary in the receiving country. FIs are required to include the account number of the originating party or the unique transaction reference number (Law 2024-08 art. 39).

101. **Criteria 16.3 and 16.4** Senegal does not apply a minimum threshold. The measures provided for under Article 39 of Law No. 2024-08 are applicable to all wire transfers.

102. **Criterion 16.5** National wire transfers must contain the same information on the originator under the

conditions provided for in Criterion c.16.1. This information may be made available to the beneficiary's financial institution and the authorities concerned by any other means (Law n°2024-08 art. 39, para. 4.a).

103. **Criterion 16.6** The originator's FI may accompany the transfer only with the account number or a unique transaction reference number, when the following conditions are met: a) the information referred to in the first and second paragraphs of this Article (required and accurate information from the originator and required information from the beneficiary), which must accompany the wire transfer, may be made available to the financial institution of the beneficiary and the authorities concerned by other means; b) the account number or the unique reference number is used to reconstruct the route of the transaction to the originator or beneficiary (Law n°2024-08, art. 39 para.4). Furthermore, the ordering FI is required to make this information available within three working days on receipt of the request from the beneficiary's FI (Law no. 2024-08, art. 40 para.2). In addition, article 103 of the same law empowers CENTIF to request that the documents kept in application of the provisions of article 23 (keeping and documenting of documents relating to the identity and transactions of customers, etc.) be communicated to it, regardless of the medium used to keep them, and within the deadlines set by it. However, apart from CENTIF, no provision requires the FI to make this information available to other appropriate competent authorities within three working days of receipt of the request. Similarly, there is no provision empowering the Law enforcement authorities to make FIs to immediately produce such information.

104. **Criterion 16.7** The originator's FI is required to keep all information collected on the originator and the beneficiary, under the conditions set out in Article 23, in accordance with Recommendation 11 (obligation to keep records and documents for 10 years after the accounts have been closed and for 10 years after the transaction has been carried out) (Law n°2024-08, art. 40).

105. **Criterion 16.8** The originator's financial institution shall refrain from executing the transfer without the information provided for under Article 39 (obligations to collect, verify and transmit the required information) as required by criteria 16.1 to 16.7 (Law no. 2024-08, art. 42).

106. **Criterion 16.9** Financial institutions acting as intermediaries in the context of wire transfers including international (cross-border) wire transfers, shall ensure that the latter are accompanied by all information on the originator and the beneficiary (Law n°2024-08, art. 43).

107. **Criterion 16.10** Where technical limitations prevent the information referred to under Article 39 (obligation to collect, verify and transmit required information) on the originator or the beneficiary, contained in a cross-border wire transfer, from being transmitted with the corresponding wire transfer, the intermediary financial institution is required to keep, under the conditions set out under Article 23 (record keeping for a period of 10 years), all the information received from the originator's financial institution or from another intermediary financial institution (Law No. 2024-08, Art. 44).

108. **Criterion 16.11** Intermediary FIs are required to take reasonable measures, consistent with end-to-end processing, to identify cross-border wire transfers (inter-community and international as provided for under Article 39) for which information is missing referred to under Article 39 on the originator or beneficiary (Law no. 2024-08, art. 45 para.1).

109. **Criterion 16.12** Intermediary FIs are required to have formalised risk-based policies and procedures to decide: a) when to execute, reject or suspend wire transfers that do not include the information referred to under Article 39 on the originator or beneficiary; b) appropriate consecutive actions (Law n°2024-08, art. 43 para.2).

110. **Criterion 16.13** The beneficiary's FI shall take reasonable measures, which may include post-facto monitoring or real-time monitoring where possible, to detect wire transfers in which the information referred to under Article 39 on the originator or the beneficiary is missing (Law n°2024-08, art. 46 para.1).

111. **Criterion 16.14** The beneficiary's FI shall verify the identity of the beneficiary where this has not been done previously and keep such information as provided for under Article 23 on record-keeping for a period of 10 years in line with Recommendation 11 (Law n°2024-08, art. 46 para.2).

112. **Criterion 16.15** The requirements set out under Article 43 (see analysis of criterion 16.12) are applicable to the beneficiary's financial institution (Law n°2024-08, art. 47).

113. **Criterion 16.16** Money or value transfer service providers are required to comply with all applicable obligations of R.16 in the countries in which they operate, directly or through their agents (Law n°2024-08, art.34).

114. **Criterion 16.17** Where a money transfer service provider monitors both the placing of an order and the receipt of a wire transfer, it must: a) take into account all information from the originator and the beneficiary in order to determine whether a suspicious transaction report should be filed; b) file a suspicious transaction report to the FIU, where applicable (Law no. 2024-08, art. 34 para.2). However, there is no provision requiring them to file a suspicious transaction report in all countries affected by the suspicious wire transfer as required by criterion 16.17(b).

115. **Criterion 16.18** The measures referred to particularly under Articles 89 to 92 and Articles 175 to 181, on the freezing and prohibition of carrying out transactions with persons and entities designated in accordance with the obligations established in the United Nations Security Council Resolutions are applicable to wire transfers (Law no. 2024-08, art.41). According to Article 89 cited, it is strictly prohibited for reporting entities to make, directly or indirectly, assets and funds subject to the freezing measure available to natural or legal persons, entities or organizations designated in the lists referred to under Article 89. Article 124, persons or entities controlled by them or acting on their behalf or on their directives as well as any other natural or legal person. Furthermore, Articles 15 and 17 of Decree No. 2023-2182 provide for the application of asset freezing measures and the prohibition of carrying out transactions with persons and entities designated in accordance with the obligations established under the relevant United Nations Security Council Resolutions on the prevention and suppression of terrorism and terrorist financing, such as Resolutions 1267 and 1373 and their subsequent Resolutions.

Weighting and conclusion

116. **The** enactment of AML/CFT/PWMD Law No.2024-08 has enabled Senegal to address most of its gaps relating to wire transfers. However, there are minor outstanding deficiencies, including the lack of obligation for a funds or value transfer service provider, when monitoring both the placing of an order and the receipt of a wire transfer, to file a suspicious transaction report in all countries affected by a suspicious wire transfer; the lack of obligation for the FI of the originating party to make information available to the appropriate competent authorities other than CENTIF within three working days of receipt of the request; and the lack of provisions empowering the Law enforcement authorities to oblige FIs to immediately produce such information.

117. **In the light of the foregoing, Recommendation 16 is re-rated LC**.

Recommendation 19 - (initially rated NC)

118. Senegal was rated NC on Recommendation 19 due to the following deficiencies: FIs in Senegal were not required to apply enhanced due diligence measures, proportionate to the risks, in their business relationships and transactions with natural and legal persons from countries for which the FATF requires them to do so. There was no specific provision that required the country to apply countermeasures proportionate to the risks, when requested to do so by the FATF. No provision explicitly provided for the obligation to provide measures to advise FIs on the deficiencies of other AML/CFT regimes. Law No. 2024-08 contains relevant provisions that now resolve most of these deficiencies.

119. **Criterion 19.1** FIs shall apply enhanced due diligence measures, proportionate to the risks, in their business relationships and transactions with natural and legal persons, particularly financial institutions as well as legal arrangements of countries for which the FATF requires them do so (Law n°2024-08, art. 30 para.1).

120. **Criterion 19.2** Competent authorities apply effective and risk-proportionate countermeasures when so required by the FATF or independently of any requirement by the FATF. Such countermeasures are clearly stated by the competent authority (Law n°2024-08, art. 30 para.2). However, the applicable countermeasures have not been listed.

121. **Criterion 19.3** The competent authorities shall put in place measures to ensure that financial institutions are informed of concerns raised by the deficiencies of the AML/CFT/PWMD regimes of other countries (Law n°2024-08, art. 30 para.3). Senegal is informing FIs of the concerns raised by deficiencies in other countries' AML/CFT systems through a publication on the CENTIF website (https://www.centif.sn/fatf.php). This is a link to the FATF's 'blacklist' and 'grey list'. Apart from the FATF lists, the mechanism in place does not inform FIs of any concerns that Senegal or any other country may have regarding deficiencies in the AML/CFT systems of the countries it has identified.

Weighting and conclusion

122. **The** AML/CFT/PWMD Law No. 2024-08 has enabled Senegal to resolve most of the deficiencies identified in its MER. However, there are minor outstanding deficiencies. These include the non-clarification by the competent authorities of the applicable countermeasures where the FATF so requires or independently of its call. Apart from the FATF lists, the mechanism in place does not inform FIs of any concerns that Senegal or any other country may have regarding deficiencies in the AML/CFT systems of the countries it has identified.

123. **In the light of the foregoing, Recommendation 19 is re-rated LC.**

Recommendation 22 - (initially rated PC)

124. **In** its 1st FUR, Senegal was rated PC on Recommendation 22 due to the following deficiencies: The deficiencies identified relating to criteria 10.2, 10.3, 10.5, 10.7, 10.16 to 10.18 also are applicable to criterion 22.1(a). The record-keeping requirement is not applicable to all DNFBPs. DNFBPs have no obligations relating to third parties as provided for under Recommendation 17. Law No. 2024-08 has addressed most of these gaps.

125. **Criterion 22.1a** DNFBPs are subject to the due diligence obligations provided for under Articles 16 to 26 (customer due diligence obligation), 28 to 30 (specific due diligence measure concerning beneficiaries of life insurance contracts, PEPs and higher-risk countries) and 35 to 38 (Implementation of due diligence obligations by a third party) of Law No. 2024-08 (Article 48). With regard to casinos, in addition to the obligations provided for under Article 48 above subjecting all DNFBPs to customer due diligence measures, they are required to identify their occasional customers and beneficial owners of all transactions as well as verify the information on their identity where the amount of the transaction or related transactions exceeds the CFAF 1,000,000 threshold (approximately 1,524 EUR) (Law n°2024-08, art.49, Article 5 of Decision No. 021 of 12/21/2023/CM/UMOA). Furthermore, Article 50 of the law and Article 6 of Decision No. 021 of 12/21/2023/CM/UMOA set at CFAF1,000,000 (approximately 1,524 EUR) the threshold from which the identification of players who purchase, bring or exchange tokens or plaques is mandatory. See the gap under C.22.1e.

126. **Criterion 22.1b** Real estate agents who carry out, monitor or advise customers on real property transactions, are required to implement the customer due diligence obligations referred to under Article 48 cited above, when they are involved in transactions involving the purchase or sale of real property. Due diligence measures are applicable to buyers and sellers of real property (Law n°2024-08, art.55). See gap under C.22.1e.

127. **Criterion 22.1c** Dealers in gems and precious metals are required to implement the customer due diligence obligations referred to under Article 48 (see above), when they carry out a cash transaction with a customer for an amount greater than or equal to CFAF 9,000,000 (approx. 13,720 EUR) (Law n°2024-08, Art.54 and Article 3 of Decision N° 003 of 03/28/2024/CM/UMOA). See gap under C.22.1e.

128. **Criterion 22.1d** Lawyers, notaries, other independent legal professionals and accountants are required to implement the customer due diligence obligations referred to under Article 48 when preparing or carrying out transactions for their customers concerning the following activities: a) managing capital, securities or other assets; b) managing bank, savings or securities accounts; c) organizing inputs for the creation, transaction or management of companies; d) establishing, transacting or administering legal persons or legal arrangements and the purchase and sale of commercial entities (Law n°2024-08, art.51). Implementation of the customer due diligence obligations referred to under Article 48 is mandatory for DNFBPs and particularly for independent legal and accounting

professionals when they are involved in the purchase or sale of real property (Article 55). See the gap under C.22.1e.

129. **Criterion 22.1e** Company and trust service providers implement the customer due diligence obligations provided for under Article 48 of the Law, when they provide, on a commercial basis, to third parties, services related to the activities mentioned under criterion 22.1.e (Law n°2024-08, art.53).

130. For all paragraphs a) to e) above, the relevant gaps identified under Recommendation 10 ae applicable. Most of the deficiencies identified in the MER have been resolved. Indeed, DNFBPs are not required to identify and verify the identity of the person who claims to act on behalf of the customer. The list of information to be collected in the implementation of due diligence measures is yet to be defined by the supervisory authority. Exemptions from the obligation to identify and verify the identity of the permanent customer are provided for online payments with funds originating from and intended for an account opened in Senegal or in a country considered to be a State imposing equivalent AML/CFT obligations as provide for under by Article 86 of the AML/CFT/PF law. The provisions of the AML/CFT/PF law do not systematically reconsider the case of existing customers at the time of the entry into force of new national provisions for more stringent due diligence measures. No flexibility is given to DNFBPs to assess the suitability of any STR when they cannot implement due diligence measures.

131. **Criterion 22.2** DNFBPs are subject to the provisions of Article 48 of the AML/CFT/PWMD Law no. 2024-08 which refers to the record-keeping obligations provided for under Article 23 in accordance with FATF Recommendation 11. DNFBPs are obliged to keep all the documents indicated under recommendation 11 for a period of 10 years and to make them readily available to the competent national authorities (Law no. 2024-08, art.23 & 48).

132. **Criterion 22.3** DNFBPs are subject to the provisions of Article 48 of AML/CFT/PWMD Law No.2024-08 which refers to the obligations concerning relations with PEPs provided for under Article 29 (see analysis of Recommendation 12).

133. **Criterion 22.4** DNFBPs must identify and assess ML/TF/PF risks inherent in: a) new products and new business practices, including new distribution mechanisms; b) the use of new or developing technologies in connection with new or pre-existing products. This risk assessment must be carried out prior to the launch or use of these products, practices and technologies (Law n°2024-08, art.15). Reporting entities shall implement appropriate measures to manage and mitigate such risks. These provisions meet the requirements of criterion 15.2. However, the gap identified in the analysis of 15.1 (non-assessment of ML/TF/PADM risks related to new technologies) impacts this criterion.

134. **Criterion 22.5** DNFBPs are subject to the provisions of Article 48 of Law No. 2024-08, particularly those relating to the implementation of due diligence obligations by a third party provided for under Articles 35 to 38. The law indicates that where a DNFBP uses a third party for the execution of due diligence obligations (customer identification; beneficial ownership identification and understanding of the nature of the activity), it shall be ultimately responsible for compliance with said due diligence obligations (Art 35). The third party which DNFBPs may use must be an FI or DNFBP and therefore it is required to immediately obtain the necessary information on customer identification; beneficial ownership identification and understanding the nature of the activity (art 36 of the law). The third party which carries out the due diligence obligations shall immediately make available to the DNFBPs, information on the identity of the customer and the beneficial owner as well as the purpose and nature of the business relationship. The third party shall transmit to the DNFBP, at its initial request, a copy of the customer and beneficial ownership identification documents as well as any relevant document to implement these procedures (Art.37). Article 38 of the Law takes into account all the requirements of criterion 17.3 on the use of third parties belonging to the same group. Senegal determines the countries in which third parties that comply with the conditions may be established by requiring those countries to impose equivalent AML/CFT/PF obligations (to those of Senegal), without taking into account the available information on the countries' risk-level.

Weighting and conclusion

135. The AML/CFT/PWMD Law No. 2024-08 has enabled Senegal to resolve a sizeable portion of the

deficiencies identified in its MER under Recommendation 22. However, there are minor outstanding deficiencies. Indeed, the deficiencies identified under Recommendations 10 and121 are applicable here. Similarly, Senegal has not provided information on the conduct of an AML/CFT/FP risk assessment related to new technologies; Senegal determines the countries in which compliant third parties may be established by requiring that these countries impose equivalent AML/CFT/FP obligations (to those of Senegal), without taking into account available information on the level of risk related to the countries.

136. **In the light of the foregoing, Recommendation 22 is re-rated LC.**

Recommendation 23 - (initially rated PC)

137. In its 1st FUR, Senegal was rated PC on Recommendation 23 due to the following deficiencies: The lack of obligation for DNFBPs to comply with the requirements for higher-risk countries, in accordance with Recommendation 19. DNFBPs are not required to report attempted suspicious transactions and file transaction reports to the FIU without delay, in accordance with R.20.

138. **Criterion 23.1a** As reporting entities, DNFBPs are required to immediately declare to the FIU all sums recorded in their books, transactions or attempted transactions involving sums they suspect or have good reason to suspect that they are derived from an offence of money laundering, terrorist financing or proliferation of weapons of mass destruction or a predicate offence (Law no. 2024, art. 60). This obligation is applicable to all DNFBPs under the circumstances provided for in paragraphs a, b and c of criterion 22.1 including lawyers, notaries, other independent legal professionals and accountants when, they carry out any financial transaction in connection with the activities on behalf of any customer, as described in criterion 22.1(d) (Law n°2024-08, art. 2.26(d) and (e) and 60).

139. Criterion **23.1b** As reporting entities, DNFBPs are required to immediately declare to the FIU all sums recorded in their books, transactions or attempted transactions involving sums of which they suspect or have good reason to suspect that they come from an offence of money laundering, financing of terrorism or the proliferation of weapons of mass destruction or a predicate offence (Law n°2024-08, art. 60). This obligation is applicable to all DNFBPs under the circumstances provided for in paragraphs a, b and c of criterion 22.1 including dealers in gems or precious metals - when they carry out cash transactions with a customer equal to or greater than CFAF 9,000 .000 (approx. 13,720 EUR) (Article 3 of Decision No. 003 of 03/28/2024/CM/UMOA, Articles 2.26(c) and 60 of law no. 2024-08).

140. **Criterion 23.1c** As reporting entities, DNFBPs are required to immediately declare to the FIU all sums recorded in their books, transactions or attempted transactions involving sums which they suspect or have good reason to suspect are derived from an offence of money laundering, financing of terrorism or the proliferation of weapons of mass destruction or a predicate offence (Law n°2024-08, art. 60). This obligation is applicable to all DNFBPs under the circumstances provided for in paragraphs a, b and c of criterion 22.1 including trust and company service providers - when, on behalf of a customer, they carry out a transaction related to the activities referred to under criterion 22.1(e) (Articles 2.26(f) and 60 of law no. 2024-08).

141. **Criterion 23.2** As reporting entities, DNFBPs are required to have formalised policies, procedures and control measures to effectively identify, mitigate and manage the risks of money laundering, terrorist financing and proliferation identified at their level as well as at the national, regional and international levels ((Law n°2024-08, art.12 al1). Generally, DNFBPs are required to comply with internal control obligations as reflected in the analysis under Recommendation 18 (Law n°2024-08, art.12 and 14. However, they are not required to include selection procedures in their AML/CFT/PF programs guaranteeing the recruitment of employees based on very tough criteria.

142. **Criterion 23.3** DNFBPs are subject to the due diligence obligations relating to higher-risk countries as provided for under Article 30 of law n°2024-08 (Article 48) (see analysis under Recommendation 19).

143. **Criterion 23.4** DNFBPs are subject to the obligations relating to disclosure and confidentiality as provided for under Articles 63 and 67 to 69 of Law No. 2024-08 in accordance with the requirements of Recommendation

21.

Weighting and conclusion

144. The AML/CFT/PWMD Law No. 2024-08 has enabled Senegal to resolve most of the deficiencies identified in its MER on the implementation by DNFBPs of other AML/CFT/PWMD measures. However, the Senegalese legal system still has minor gaps: DNFBPs are not required to include in their AML/CFT/PF programs selection procedures guaranteeing the recruitment of employees based on very stringent criteria as required under criterion 18.1.b). Other deficiencies were also identified, including those identified under R.19 such as the non-clarification by the competent authorities, of the applicable countermeasures when the FATF so requires or independently of its call.

145. **In the light of the foregoing, Recommendation 23 is re-rated LC.**

Recommendation 25 - (initially rated PC)

146. **In** its 2nd FUR , Senegal was rated PC on Recommendation 25 due to the following deficiencies: lack of obligation to maintain information on the trustee, protector, beneficiary or class of beneficiaries and other agents providing services to the trust; lack of explicit provision requiring trustees to declare their status to financial institutions and DNFBPs when establishing a business relationship; lack of a formal mechanism for exchanging information available at national level on trusts or other legal arrangements; lack of sanctions against non-professional trustees for non-compliance with their obligations; lack of sanctions for non-compliance with the obligation to make information on trusts available to the competent authorities without delay. Law No. 2024-08 has addressed most of its deficiencies. The new legal framework clarifies the legal regime for legal arrangements in Senegal: express trusts may not be created in Senegal; a form of legal arrangement known as a 'fiducie' may be set up in Senegal. Trusts and all other forms of legal arrangement created abroad may operate on Senegalese jurisdiction, in which case they are subject to the legal provisions in force in Senegal. The various criteria are analysed on the basis of these principles.

147. **Criterion 25.1a&b** Senegalese law does not allow the creation of an express trust. There is therefore no express trust governed by Senegalese law although the latter recognizes the existence of trusts and similar legal arrangements (case of trusts) incorporated abroad as foreign entities that may be operating in Senegal.

148. **Criterion 25.1c** Trustees are required to keep the information referred to in C.25.1a&b for a period of at least ten (10) years after the cessation of their involvement in the trust (Law n°2024-08 art.82 a & d).

149. **Criterion 25.2** Trustees are required to update the information held without delay within the framework of Recommendation 25 (Law no. 2024-08 art.82 c).

150. **Criterion 25.3** Trustees are required to declare this status to FIs and DNFBPs when establishing a business relationship or carrying out an occasional transaction for an amount greater than a threshold set by the competent authority (Law n°2024-08 art.82e).

151. **Criterion 25.4** Trustees shall provide the competent authorities with all information about the trust. In addition, they communicate to financial institutions and DNFBPs, upon request, information on the beneficial owners and assets of the trust held or managed within the framework of the business relationship (Law n°2024-08 art.83).

152. **Criterion 25.5** Competent authorities and, in particular, law enforcement authorities, have timely access to information held by persons acting in a fiduciary capacity and other parties, including information held by FIs and DNFBPs on: a) the beneficial owners, b) the residence of the trustee and c) any assets held or managed by the FI or DNFBP in connection with any trustee with whom they have a business relationship or for which they carry out any occasional transaction. They may also consult the BO register for this purpose (Law n°2024-08, art.109 and 123).

153. **Criterion 25.6a** Senegal promptly provides international cooperation regarding information on trusts and other legal arrangements, including beneficial ownership information, in accordance with Recommendations 37 and 40. Competent authorities **exchange** information with their foreign counterparts, in ML/TF/PF and predicate offences, including the processing of requests relating to transparency on the beneficial ownership of legal arrangements, in particular by facilitating access for the competent authorities to registers (Law n°2024-08, art.135 para.1c).

154. **Criterion 25.6b** Following the same framework described in the analysis of criterion 25.6a, the competent authorities exchange with their foreign counterparts all information available at the national level on trusts or other legal arrangements (Law n°2024-08, art.135 para.1c).

155. **Criterion 25.6c** Following the same framework described in the analysis of criterion 25.6a, the competent authorities use, the investigative powers they have to obtain beneficial ownership information for foreign counterparts, in compliance with the domestic law (Law n°2024-08, art.135 para. 3b).

156. **Criterion 25.7** Where trustees disregard their obligations, the competent authorities may impose administrative, disciplinary and/or financial sanctions. The State Prosecutor is contacted when a criminal offence is identified with a view to implementing criminal sanctions (Law n°2024-08, art.107p), 182, 183 and 199). However, the administrative and criminal sanctions are yet to be determined and therefore their proportionate and dissuasive nature could not be assessed.

157. **Criterion 25.8** Proportionate sanctions of a criminal, civil or administrative nature shall be applicable to FIs and DNFBPs for non-compliance with their obligation to make available to the competent authorities, without delay, all relevant information including on trusts (Law n°2024-08, art.107j) & p), 182, 183 and 199). However, these sanctions are yet to be determined and therefore their dissuasive and proportionate nature could not be assessed.

Weighting and conclusion

158. The enactment of Law 2024-08 has enabled Senegal to make progress in its compliance with transparency and effective beneficiaries of legal arrangements. However, there are outstanding minor deficiencies related to the sanctions regime for non-compliance with the obligations prescribed by Recommendation 25: the administrative, disciplinary, financial and criminal sanctions provided for in the principle are yet to be determined and therefore their dissuasive and proportionate nature could not be assessed.

159. **In the light of the foregoing, Recommendation 25 is re-rated LC.**

Recommendation 33 - (initially rated PC)

160. In its MER, Senegal was rated PC on Recommendation 33. It was then concluded that Senegal has been keeping AML/CFT statistics but they are fragmentary and inadequate. The statistical system is still poorly developed. The statistics kept do not sufficiently reflect the effectiveness and efficiency of its AML/CFT regime. Some progress has been made since the MER was adopted.

161. **Criterion 33.1a** Senegal maintains comprehensive statistics on STRs received and disseminated, including detailed statistics by accountable profession. The statistics indicate which STRs are being processed and which are being filed.

162. **Criterion 33.1b** Senegal maintains statistics on money laundering and terrorist financing investigations, prosecutions and convictions related to money laundering and terrorist financing. Mechanisms, such as DACORE, recently put in place to ensure more effective centralization and comprehensiveness of these statistics, are being deployed.

163. **Criterion 33.1c** Senegal maintains statistics on frozen, seized or confiscated assets. These statistics have been more consolidated since the operationalisation of ONRAC. The ONRAC system enables Senegal to

gradually move towards comprehensive relevant statistics.

164. **Criterion 33.1d** Senegal maintains statistics on mutual legal assistance or other international requests for cooperation issued and received. These statistics are available from all competent authorities involved in international cooperation. Mechanisms, such as the BEPI, recently put in place, facilitate the movement towards the comprehensiveness of these statistics.

Weighting and conclusion

165. Senegal keeps statistics on issues relating to the effectiveness and efficiency of its AML/CFT system. The comprehensiveness of these statistics is improving thanks to the various mechanisms recently put in place.

166. **In the light of the foregoing, Recommendation 33 is re-rated LC.**

Recommendation 34 - (initially rated PC)

167. In its 3rd FUR, Senegal was rated PC on Recommendation 34. The main reason was that the DNFBPs did not receive guidelines and feedback due to the lack of supervision by their Supervisory Authorities.

168. **Criterion 34.1** Guidelines were developed for foreign exchange dealers in January 2020 and the decentralised financial system in July 2020. These latest guidelines are the result of collaboration between the FIU and the supervisory authorities of these respective sectors. These guidelines enable most players in Senegal's financial sector to have detailed information on how to meet their AML/CFT obligations and, in particular, how to detect and report suspicious transactions. The Financial sector supranational supervisory authorities have adopted specific regulations and guidelines to combat ML/TF in their respective sectors. These include Regulation No. 007-09-2017 – on the terms of implementation of the Uniform AML/CFT Law in FIs, Circular No. 05-2017/cb/c establishing the management of compliance with standards in force by credit institutions and financial companies of the UMOA, Directive No. 35/2008 on ML within the regional capital market (amended and replaced by Directive No. 59/2019/CREPMF of 09/30/2019, on Anti- money laundering and Counter Financing of terrorism within approved players in the UMOA regional capital market) and Regulation No. 001/CIMA/PCMA/PCE/SG/ 2021 for the insurance sector. These Directives and regulations largely contain elements clarifying how FIs can in practice implement the obligations contained in the enforcement texts.

169. Senegal has issued guidelines for all DNFBPs in 2022 and 2023. These guidelines were issued through collaboration between the FIU and the various supervisory authorities. These guidelines strengthen the understanding of the obligations of NPDFIs with regard to their AML/CFT/P obligations; this has also had an impact on the implementation of the reporting obligations of DNFBPs over the last three years (STRs and CTRs).

170. The feedback is done in two frameworks. The supervisory authorities provide feedback through and following on-site or off-site inspections carried out on FIs and DNFBPs. With regard to DNFBPs in particular, the supervisory authorities have been operationalised, conducted several inspection missions and provided feedback in order to guide DNFBPs in the implementation of their AML/CFT obligations. The FIU communicates to FIs, DNFBPs and their supervisory authorities all information it has on ML/TF mechanisms (typologies, indicators and trends) with a view to guiding those reporting entities in the implementation of their reporting obligations. This feedback is provided after the processing of suspicious transaction reports (Article 108 of law 2024-08). The FIU's feedback is also provided during the sensitization training and workshops it organizes.

Weighting and conclusion

171. Senegal provides guidelines and provides feedback to FIs and DNFBPs.

172. **In the light of the foregoing, Recommendation 34 is re-rated C.**

V CONCLUSION

173. Overall, Senegal has made significant progress in addressing the Technical Compliance gaps identified in Recommendations 6, 7, 10, 12, 16, 19, 22, 23, 25, 33 and 34 such that only minor gaps remain. Senegal, within the framework of the re-rating exercise, was deemed to be Compliant on Recommendations 7 and 34 and Largely Compliant on the 9 other Recommendations indicated above.

174. Table 2 below presents the ratings included in Senegal's MER and reflects the progress made, including re-ratings based on this report.

Table 2. Technical Compliance Ratings[1] (November 2024)

Recommendation	Note
1.	PC (MER 2018) ↑ LC (FUR June 2022)
2.	LC (MER 2018) ↑ C (FUR June 2022)
3.	LC (MER 2018)
4.	PC (MER 2018) ↑ C (FUR June 2022)
5.	PC (MER 2018) ↑ C (FUR February 2022)
6.	NC (MER 2018) ↑ PC (FUR June 2022) ↑ LC (FUR Nov. 2024)
7.	NC (MER 2018) ↑ PC (FUR February 2022) ↑ C (FUR Nov. 2024)
8.	PC (MER 2018)
9.	C (MER 2018)
10.	PC (MER 2018) ↑ LC (FUR Nov. 2024)
11.	LC (MER 2018)
12.	NC (MER 2018) ↑ PC (FUR April 2021) ↑ LC (FUR Nov. 2024)
13.	NC (MER 2018) ↑ LC (FUR April 2021)
14.	LC (MER 2018)
15.	PC (MER 2018)
16.	PC (MER 2018) ↑ LC (FUR Nov. 2024)
17.	PC (MER 2018) ↑ LC (FUR February 2022)
18.	PC (MER 2018) ↑ LC (FUR February 2022)
19.	NC (MER 2018) ↑ LC (FUR Nov. 2024)
21.	C (MER 2018) C (FUR February 2022)
22.	PC (MER 2018) ↑ LC (FUR Nov. 2024)
23.	PC (MER 2018) ↑ LC (FUR Nov. 2024)
24.	PC (MER 2018) ↑ LC (FUR June 2022)
25.	NC (MER 2018) ↑ PC (FUR February 2022) ↑ LC (FUR Nov. 2024)
26.	PC (MER 2018)
27.	C (MER 2018)
28.	NC (MER 2018) ↑ PC (FUR February 2022)
29.	LC (MER 2018)
30.	LC (MER 2018)
31.	PC (MER 2018) ↑ C (FUR February 2022)
32.	LC (MER 2018)
33.	PC (MER 2018) ↑ LC (FUR Nov. 2024)
34.	PC (MER 2018) ↑ C (FUR Nov. 2024)
35.	PC (MER 2018) ↑ LC (FUR April 2021)
36.	PC (MER 2018) ↑ LC (FUR June 2022)
37.	C (MER 2018)
38.	PC (MER 2018) ↑ LC (FUR June 2022)
39.	LC (MER 2018)

[1] **Note**: There are four possible Technical Compliance levels: Compliant (C), Largely Compliant (LC), Partially Compliant (PC) and Non-Compliant (NC).

20.	C (MER 2018)	40.	LC (MER 2018)

175. Senegal has 36 Recommendations rated C/LC. In accordance with the decisions of the 41st GIABA Plenary held in May 2024, Senegal has exited the follow-up process to enable the country stage preparations for its 3rd Round of Mutual Evaluation scheduled for 2026.

Appendix to the FUR

Summary of Technical Compliance – deficiencies underlying the ratings

Recommendations	Rating	Factor(s) justifying the rating
1. Risk assessment and implementation of a risk-based approach	PC (MER 2018) **↑ LC (FUR June 2022)**	• FIs and DNFBPs are not required to incorporate information on higher risks identified by the NRA into their risk assessments; which slightly affects the implementation of their risk-based approach. • The lack of an express provision requiring supervisory authorities to ensure that FIs and DNFBPs implement their obligations under Recommendation 1 may limit the scope of their supervision, particularly when FIs and DNFBPs implement simplified due diligence measures in low-risk scenarios.
2. National cooperation and coordination	LC (MER 2018) **↑ C (FUR June 2022)**	• All the criteria are met
3. Money laundering offence	LC (MER 2018)	• The Senegalese system does not explicitly provide for the possibility of incorporating in the bonds of prevention any individual who "should have known or had knowledge".
4. Confiscation and provisional measures	PC (MER 2018) **↑ C (FUR June 2022)**	• All the criteria are met
5. Terrorist financing offence	PC (MER 2018) **↑ C (FUR February 2022)**	• All the criteria are met
6. Targeted financial sanctions related to terrorism and terrorist financing	NC (MER 2018) **↑ PC (FUR June 2022)** **↑ LC (FUR Nov. 2024)**	• The Senegalese system seems to maintain a more restrictive threshold for reasons for designation, which would not include reasonable grounds to "suspect or believe that the designated person meets the criteria" for designation (c6.1c). • It is not clear whether the Senegalese system allows the Minister of Finance to request for the communication of information from all relevant sources in the context of designation proposals under Resolutions 1267/1989 and 1988 (c6.3a).
7. Targeted financial sanctions related to proliferation	NC (MER 2018) **↑ PC (FUR February 2022)** **↑ LC (FUR Nov. 2024)**	• All the criteria are met.
8. Nonprofit organizations	PC (MER 2018)	• Senegal has not conducted any sectoral study identifying NPOs at high risk of TF. The measures taken to promote supervision of NPOs are neither targeted nor based on the TF risks the NPOs are exposed to. • There is no evidence that Senegal ensures the implementation of cooperation, coordination and exchange of information among all appropriate authorities and organizations holding relevant information on NPOs. • The country has not worked with NPOs to develop best practices to address terrorist financing risks and vulnerabilities, thereby protecting NPOs from being misused for terrorist financing purposes.
9. FI Professional Secrecy Laws	C (MER 2018)	• All the criteria are met
10. Customer Due Diligence	PC (MER 2018)	• No obligation for FIs to verify that any person claiming to act on behalf of the customer is authorised to do so and also to identify and verify the identity of that person.

Recommendations	Rating	Factor(s) justifying the rating
	↑ LC (FUR Nov. 2024)	• The list of information to be collected in the implementation of the due diligence obligation has not been defined by the supervisory authority. Exemptions from the obligation to identify and verify the identity of the permanent customer are provided for online payments with funds originating from and are intended for an account opened in Senegal or in a country considered to be a State imposing equivalent obligations in AML/CFT as provide for under Article 86 of Law n°2024-08. • The provisions of Law No. 2024-08 do not systematically reconsider the case of existing customers at the time of the entry into force of new national provisions providing for more stringent due diligence measures. • No flexibility is accorded to FIs to assess the suitability of any STR when they cannot implement due diligence measures.
11. Record-keeping	LC (MER 2018)	• The AML law does not explicitly provide that the records relating to transactions are sufficient to allow the re-arrangement of individual transactions. The specific texts make no similar provision for other financial Directives either.
12. Politically Exposed Persons	NC (MER 2018) ↑ PC (FUR April 2021) ↑ LC (FUR Nov. 2024)	• FIs are not required to obtain senior management approval before continuing a business relationship with an existing customer who eventually becomes a PEP. • In matters of life insurance, FIs are required to apply the PEP requirements only to the beneficial owner of an insurance policy and not to the beneficiaries of the contract and the beneficial owner of the beneficiary of the contract.
13. Correspondent Banking	NC (MER 2018) ↑ LC (FUR April 2021)	• No obligation for financial institutions to determine whether the correspondent has been the subject of any investigation or measure by an AML/CFT supervisory authority, and to clearly understand the respective responsibilities of each institution involved in the AML/CFT correspondent banking relationship.
14. Money or Value Transfer Services	LC (MER 2018)	• No texts regulating providers of money or value transfer services using agents.
15. New Technologies	PC (MER 2018)	• The risks that may arise from the use of a new technology or business practice and those that may arise from VASP-related activities have not been assessed. • The monitoring and supervisory authorities of FIs, in particular the Banking Commission, the BCEAO and the Ministry of Finance, have powers of inspection and sanction. However, the regulations do not explicitly mention that they have the same powers to ensure that VASPs comply with their AML/CFT obligations, and to sanction violations. • Senegal does not prohibit VASPs, but neither does it subject them to an approval or registration regime. Thus, no AML/CFT obligation is applicable to them and no supervision or sanction regime is provided for.
16. Wire Transfers	PC (MER 2018) ↑ LC (FUR Nov. 2024)	• No obligation for a money or value transfer service provider, when monitoring both the placing of an order and the receipt of a wire transfer, to file a suspicious transaction report in all countries affected by a suspicious wire transfer • No obligation for the FI of the originator of a wire transfer to make available the information to the appropriate competent authorities within three working days of receipt of the request • No provision empowering Law enforcement authorities to oblige FIs to immediately produce such information
17. Reliance on third parties	PC (MER 2018)	• The list of countries where third parties must be established is not established taking into account the information available on the level of risk related to the countries.

Recommendations	Rating	Factor(s) justifying the rating
	↑ LC (FUR February 2022)	
18. Internal controls and foreign branches and subsidiaries	PC (MER 2018) ↑ LC (FUR February 2022)	• No provision stating that where relevant and appropriate for risk management, branches and subsidiaries should also receive this information from group compliance positions.
19. Higher-risk countries	NC (MER 2018) ↑ LC (FUR Nov. 2024)	• • No clarification by the competent authorities of the countermeasures that can be applied when the FATF so requires or independently of its call. • The country has not put in place the necessary measures to ensure that FIs are informed of concerns raised by the deficiencies of other countries' AML/CFT/PWMD regimes.
20. Suspicious Transactions Reporting	C (MER 2018)	• All the criteria are met
21. Disclosure and confidentiality	C (MER 2018) C (FUR February 2022)	• All the criteria are met
22. Designated non-financial businesses and professions: customer due diligence	PC (MER 2018) ↑ LC (FUR Nov. 2024)	• The deficiencies identified under Recommendations 10, 11,12, 17 and criterion 15.1 are applicable here.
23. Designated non-financial businesses and professions: other measures	PC (MER 2018) ↑ LC (FUR Nov. 2024)	• DNFBPs are not required to include in their AML/CFT/PF programs selection procedures ensuring the recruitment of employees according to stringent criteria as required by criterion 18.1.b) • Gaps under R.19
24. Transparency and beneficial ownership of legal persons	PC (MER 2018) ↑ LC (FUR June 2022)	• No mechanisms in place to prevent the abusive use of legal persons to issue shares registered in the name of nominees • No mechanism requiring Competent Authorities to monitor the quality of assistance they receive from other countries in response to requests for basic and beneficial ownership information.
25. Transparency and beneficial ownership of legal arrangements	NC (MER 2018) ↑ PC (FUR February 2022) ↑ LC (FUR Nov. 2024)	• The administrative, disciplinary, financial and criminal sanctions provided for in the principle are yet to be determined and their dissuasive and proportionate nature cannot be assessed.
26. Regulation and supervision of FIs	PC (MER 2018)	• The Senegalese regulatory system does not explicitly mention that the supervision of these structures is risk-based. • The legal and regulatory system in Senegal does not require that the frequency and extent of on-site and off-site inspections conducted in AML/CFT by supervisory authorities on financial institutions or financial groups to be based on ML/TF risks identified in the country. • There is no practice indicating that the supervisory authority reviews the assessment of the ML/TF risk profile of any financial institution or financial group on a regular basis and as soon as significant events or developments occur in the management and transactions of the financial institution or financial group.

Recommendations	Rating	Factor(s) justifying the rating
27. Powers of Supervisory authorities	C (MER 2018)	• All criteria are met
28. Regulation and supervision of designated non-financial businesses and professions	NC (MER 2018) **↑ PC (FUR February 2022)**	• No measures to prevent criminals or their accomplices from becoming the beneficial owners of a significant stake or control in casinos and other DNFBPs; • No obligation for supervisory and self-regulatory authorities to implement risk-based supervision; supervision taking into account the ML/TF risk profile of DNFBPs.
29. Financial Intelligence Units (FIUs)	LC (MER 2018)	• The conclusion of agreements between the FIU and an Intelligence Service of a third State requires the prior approval of the Minister of Finance (Art. 24 AML), which may constitute an obstacle to its independence in its areas of operation, in case of refusal thereof, even though no refusal to conclude an agreement has been decided by this authority since the inception of the FIU, which has concluded over thirty cooperation agreements • Impossibility for the FIU to disclose the results of its analyses to the competent authorities other than the State Prosecutor, including the tax and customs departments, but it is authorised to exchange information with all the services and structures which are members of the intelligence community
30. Responsibilities of Law Enforcement Authorities	LC (MER 2018)	• OFNAC is empowered to conduct financial and asset investigations but does not have the authority to freeze or seize any property, the subject of the investigations.
31. Powers of Law enforcement authorities and investigative authorities	PC (MER 2018) **↑ C (FUR February 2022)**	• All criteria are met
32. Cash couriers	LC (MER 2018)	• The contradictory provisions of Regulation R09 and the CFT do not make for adequate implementation of the regulations on financial relations with foreign countries, particularly in counter terrorist financing.
33. Statistics	PC (MER 2018) **↑ LC (FUR Nov. 2024)**	• The comprehensiveness of these statistics has been progressive thanks to the various mechanisms recently put in place.
34. Guidance and feedback	PC (MER 2018) **↑ LC (FUR Nov. 2024)**	• All criteria are met.
35. Sanctions	PC (MER 2018) **↑ LC (FUR April 2021)**	• The specific texts regulating certain DNFBPs (such as real estate agents or travel agencies) do not provide for administrative sanctions applicable to AML/CFT by their supervisory authorities.
36. International instruments	PC (MER 2018) **↑ LC (FUR June 2022)**	• Regarding the implementation of the relevant provisions of the Palermo and Merida Conventions, there are outstanding minor gaps relating to the status of politically exposed persons, the transparency of legal entities, the obligations and supervision of financial institutions and DNFBPs.
37. Mutual Legal Assistance	C (MER 2018)	• All criteria are met
38. Mutual legal assistance: freezing and confiscation	PC (MER 2018) **↑ LC (FUR June 2022)**	• There are no factual elements indicating that in practice, there is coordination with other States in matters of seizure and confiscations
39. Extradition	LC (MER 2018)	• Senegal does not specify how its current extradition mechanism is simplified.

Recommendations	Rating	Factor(s) justifying the rating
40. Other forms of international cooperation	LC (MER 2018)	• Prior approval of the Minister of Finance before concluding any MOU. • No information on exchanges of information among financial sector supervisory authorities (R.40) and are not authorised to exchange information with non-peer authorities. • No legal basis for Law Enforcement Authorities to establish joint investigation teams to conduct investigations in a cooperative manner and, where necessary, establish bilateral or multilateral agreements to authorize such joint investigations.

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

Follow-up Report & Technical Compliance Re-Rating

This FUR analyses Senegal's progress in addressing the technical compliance requirements of the FATF Recommendations, which have been re-rated since their Mutual Evaluation in November 2018.

Follow-up Report