INTER-GOVERNMENTAL ACTION GROUP AGAINST
MONEY LAUNDERING IN WEST AFRICA

Eight Follow Up Report

Mutual Evaluation



SIERRA LEONE

MAY 2013

© 2014 GIABA. All rights reserved.
No reproduction or translation of this publication may be made without prior written permission. Requests for permission to further disseminate, reproduce or translate all or part of this publication should be obtained from GIABA, Complexe Sicap Point E Av Chiekh A. Diop, X Canal IV 1er Etage Immeuble A, BP 32400, Ponty Dakar (Senegal). E-mail: secretariat@giaba.org

I. INTRODUCTION

1. The Seventh Mutual Evaluation Follow-Up report presented by Sierra Leone at the 18th plenary session of GIABA in December 2012, ignited concerns among the International Community on the lack of progress in the AML/CFT regime since the previous report. The Plenary therefore recommended among other things a visit to Sierra Leone by a Special Mission to raise the concerns of the International Community with the authorities in Sierra Leone. As recommended, a special GIABA Mission visited Sierra Leone from 21st -23rd January 2013 and several discussions with various stakeholders. Following the visit of the mission, there was a renewed commitment on the part of Government and key stakeholders to take action in ensuring that the Financial Intelligence Unit is fully constituted and effective. Notable among the actions taken includes the Appointment and confirmation of the Director of the FIU pursuant to section 7 (1) (2) of the AML/CFT Act, 2012.

2. With a Director now in place, the building block for an independent and more effective Financial Intelligence Unit have been laid. Whilst previous reports have failed to present a holistic picture of progress made, this report has accordingly taken into account the contributions and inputs by other agencies whose activities are germane to the AML/CFT regime.

3. The Eighth Follow-up report is being presented in line with the requirements of the enhanced follow-up process, and highlights key developments since the last plenary.

4. The country was subjected to a Mutual evaluation in 2006 and the assessment was based on the then FATF 40+9 recommendations. The report rated the Country as follows:

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIALLY COMPLIANT (PC)	NON-COMPLIANT (NC)
R.4: Secrecy laws consistent with the Recommendations	R.23: Regulation, supervision and monitoring	R.1: ML Offence	R.5: Customer Due Diligence
R. 29: Supervisors		R.2: ML Offence-mental and corporate liability	R.6: Politically Exposed Persons
		R.3: Confiscation and Provisional Measures	R.7: Correspondent Banking
		R.10: Record Keeping	R.8: New technologies and non face-to-face business
		R.20: DNFBPs & Secure Transaction Techniques	R.11: Unusual Transactions
		R.25: Guidelines & Feedback	R.12: DNFBPs-R.5,6,8-11

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIALLY COMPLIANT (PC)	NON-COMPLIANT (NC)
		R.33: Legal Persons-beneficial owners	R.13: Suspicious Transaction Reporting
		R.35: Conventions	R.14: Protection and no tipping-off
		R.37: Dual Criminality	R.15: Internal controls, compliance & audit
			R. 17: Sanctions
			R.18: Shell Banks
			R.19: Other forms of reporting
			R.21: Special attention for higher risk countries
			R.22: Foreign branches & subsidiaries
			R.24: Regulation, supervision and monitoring
			R.26: The FIU
			R.27: Law enforcement authorities
			R.28: Powers of competent authorities
			R.30: Resources, integrity and training
			R.31: National co-operation
			R.32: Statistics
			R.34: Legal arrangements-beneficial owners
			R.36: Mutual Legal Assistance (MLA)
			R.38: MLA on confiscation and freezing
			R.39: Extradition
			R.40: Other forms of co-operation
			SR.1: Implement UN Instruments
			SR.II: Criminalize terrorist financing
			SR.III: Freeze and confiscate terrorist assets
			SR.IV: Suspicious transaction reporting

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIALLY COMPLIANT (PC)	NON-COMPLIANT (NC)
			SR.V: International cooperation
			SR.VI: AML requirements for money/value transfer services
			SR.VII: Wire transfer rules
			SR.VIII: Non-profit organizations
			SR.IX: Cross Border Declaration & Disclosure

II. SUMMARY OF THE PROGRESS MADE BY SIERRA LEONE (OCTOBER 2012-MARCH 2013)

(A) APPOINTMENT OF A DIRECTOR OF THE FINANCIAL INTELLIGENCE UNIT.

5. In line with section(7) (1) (2) of the AML/CFT Act, 2012, the Director of the FIU was appointed on the 31st January 2013 and confirmed by Parliament on the 28th February 2013 and commenced work since 1st March, 2013. The appointment of the Director is expected to expedite the process of transforming the fledging Financial Intelligence Unit to become fully operational and affirm its independence and capacity to lead the fight against money laundering and terrorism financing.

(B) STRENGTHENING OF SUPERVISION AND REGULATIONS OF COMMERCIAL BANKS BY THE CENTRAL BANK OF SIERRA LEONE.

i. The Bank of Sierra Leone as the supervisory authority of financial institutions, has embarked on the implementation of the **V.REG.COSS** software project aimed at strengthening of off-site surveillance of commercial banks. Upon completion of the project, it will ensure real time online submission of returns including the Currency transaction reports.

ii. Issuance of revised Prudential Guidelines for banks consistent with the new Banking Act, 2011 and the Basel Core Principles for Effective Banking Supervision.

iii. Issuance of new schedules of penalties to ensure compliance with the Banking Act, 2011 and Prudential Guidelines.

(C) SIERRA LEONE COMMITTED ITSELF TO THE MAYA DECLARATION TO PROMOTE FINANCIAL INCLUSION.

6. In March 2012, the Bank of Sierra Leone constituted a Financial Inclusion Working Group which is chaired by the Deputy Governor. The working Group was charged with the mandate of

conducting research on financial inclusion, providing policy advice and formulating a national strategy for the promotion of financial inclusion. In line with its mandate, the working group recommended for the adoption by the bank of a number of commitments to promote financial inclusion in Sierra Leone. The commitments include increasing rural financial access, developing appropriate policies and guidelines for the promotion of mobile money services and the completion of the national payment system infrastructure. These commitments were adopted and submitted under the MAYA declaration.

(D) SECOND SECURITY SECTOR REVIEW HIGHLIGHTS GENERIC THREAT TO NATIONAL SECURITY AND POLICY GUIDE ON RESPONSE STRATEGY.

7. A stakeholder consultative process was initiated in 2012 to review the security sector in Sierra Leone. The review process was intended to identify capacity constraints within the security sector and to map out a holistic approach in enhancing the effectiveness of the sector in addressing emerging threats and challenges.

8. The review process also focused on a national threat assessment, which revealed that among other generic threats are the following:

- Terrorism, organised criminal activities, smuggling, illicit mining etc. The document will serve as a guide developing appropriate strategies in addressing the generic and perceive threats to the national security of Sierra Leone.

(E) DOMESTIC INTER-AGENCY COOPERATION YIELDING RESULTS IN THE FIGHT AGAINST ORGANISED CRIMES.

9. With the formation of the Transnational Organised Crime Unit (TOCU) within the regional framework of the West African Coast initiative (WACI), it has thus far demonstrated the effectiveness of multi-agency approach and cooperation in the fight against organised crime including money laundering and terrorism financing. For the year 2012, TOCU handled a total of 53 cases (including referrals by the FIU) on offences such as; organised fraud, human smuggling, stolen vehicle, Cocaine trafficking, Assault, Cultivation of Cannabis Sativa, Smuggling of Goods, Human Trafficking, illegal transhipment, larceny/smuggling timber, money laundering, terrorism, unlawful possession of cocaine and heroine, unlawful possession of stones suspected to be diamonds. Of these 53 cases,

- 17 cases have been charged to court
- 1 case under review at the office of the Attorney General
- 15 cases closed
- 2 Cases referred to civil court
- 18 under investigation

(F) RESUCITATION OF PRECIOUS MINERALS INTERNAL INVESTIGATIONS UNIT (PMIIU) TO TACKLE CRIME WITHIN THE PRECIOUS MINERALS INDUSTRY.

10. The Sierra Leone police in consultation with other agencies including the FIU have resuscitated the Precious Minerals Internal Investigation Unit as one of the specialised units within

the Crime Management Department to tackle the increasing spate of crimes within the precious minerals sector. For the period under review, the Unit handled a total of 16 cases all of which relates to fraud.

- Three (3) cases have been charged to court.
- Three (3) cases resolved without prosecution
- Ten (10) cases under investigation.

11. In light of the fact that the precious minerals industry represents a vulnerability to money laundering and terrorism financing, the resuscitation of PMIIU is critical to narrowing down the opportunity for predatory criminal networks within the industry.

(G) ANTI-CORRUPTION CRUSADE INTENSIFIED WITH ASSET RECOVERY.

12. Corruption has long been an obstacle to Governance, the rule of law and economic development. However, the Anti-Corruption Commission (ACC) in partnership with the FIU and other agencies is taking a strong lead to stamp out corruption. In recent times, the commission has recorded significant progress in the number of cases investigated and prosecuted leading to recovery of a substantial amount of stolen funds.

13. For the year 2012, the ACC completed investigations of 77 cases in total, 35 of these cases were prosecuted, 9 cases completed at prosecution with 22 suspects convicted for corruption and related offences. The commission also recovered for Government an amount of Le2.72billion.

14. For the First quarter of 2013, a total of 199 cases are under investigation, with three (3) completed investigations.

(H) CURRENCY TRANSACTIONS AND SUSPICIOUS TRANSACTIONS REPORTS RECEIVED BY THE FIU.

15. For the period under review the FIU received a total of 50,721 currency transactions reports from all the thirteen (13) commercial banks. Additionally, a total of three (3) suspicious transactions reports (STRs) were received from three different banks. One (1) STR has been processed and intelligence report disseminated to TOCU. Two (2) STRs are currently under review as additional information are being sought to enrich the intelligence**.**

(I) CURRENCY DECLARATIONS

16. The National Revenue Authority in partnership with the FIU and Sierra Leone Police is charged with the responsibility of administering the currency declaration forms at the various points of entry. For the period under review, a total of 584 declarations were recorded, this signals a considerable improvement in the declaration system.

17. To further strengthen the effective implementation of the currency declaration, the Director of FIU and Officials of the National Revenue Authority held discussions on issues bordering on cooperation between the two agencies.

III. CONCLUSION

18. The appointment of the Director of the FIU demonstrates strong political will in the fight against money laundering and terrorism financing. As domestic cooperation take root in the fight against organised crime, a number of successes have been registered in unearthing some criminal networks. These successes if backed by appropriate enforcement of the law will likely serve to change the crime landscape in Sierra Leone and by extension secure the integrity of the financial system against money laundering and terrorism financing.

19. The attached matrix summarizes the actions taken to ensure compliance with the recommendations.

MUTUAL EVALUATION IMPLEMENTATION ACTION PLAN OF SIERRA LEONE

Name of Country: **SIERRA LEONE**

Reasons for initial referral to ICRG: Ten out of the sixteen core and key Recommendations, were rated as non-compliant and four partially compliant.
Date of on-site Mutual Evaluation: **June 2006**
Name of Assessor Institution: **IMF/World Bank**
Date of adoption of last Mutual Evaluation: **June 2007**
Date of Follow-up/Progress Report: **Seventh Follow-up Report for the Period: October 2012 – 27th March 2013**

Ratings for Core and Key Recommendations																
Rec.	1	3	4	5	10	13	23	26	35	36	40	I	II	III	IV	V
	PC	PC	C	NC	PC	NC	LC	NC	PC	NC	NC	NC	NC	NC	NC	NC

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
R1. Self laundering not explicitly criminalised in the Act No judicial decision yet to test the effectiveness of the law	Implememted Short-Term	Section 15(1) (2) and (3) contains definitions sufficiently wide enough to cover self laundering. Note that the section identifies diverse modes of committing the offence of money laundering including self laundering. Three (3) cases currently under investigation by the Transnational Organised crime Unit (TOCU) will be used to test the effectivesness of the AML/CFT Act, 2012	International cooperation and Mutual legal assistance to assist in the finalisation of the investigations	Police/Judiciary	Capacity building in the handling of ML/FT. Technical Support to the Transnational Organised crimes Unit (TOCU) and the judiciary with specialised units for AML/CFT

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
					investigation and prosecution.
R3. There have been no ML or FT related cases to determine how effective and efficient the system is.	Short-Term	The Three (3) cases currently under investigation by TOCU will be used to prosecute possible money laundering offenses. In one of the cases the court granted freezing order for a period of six Months in order to secure the suspected criminal proceeds to allow investigations to be completed.	Outcome of the case to determine the effectiveness and efficiency of the AML/CFT regime.	Police/ Judiciary	Capacity Building for Law enforcement and Judiciary on the technicalities in the handling of Money Laundering/ Terrorism Financing cases
R5. The AML/CFT Act does not explicitly stipulate the modality on how financial institutions are to identify the beneficial owners using relevant information	Implemented	Section 22 of the AML/CFT Act, 2012 contain concise and detailed provisions regarding the procedure for identifying beneficial owners. The Unit conducted 6 onsite examinations and observed that customer identification and verification requirements with respect to beneficial owners and controllers have moderately improved.	Review the MLR so that it will meet FATF Recommendations relating to the identification of beneficial owners Banking Supervision Department to enhance its supervisory manual, in order to incorporate fully AML/CFT compliance supervision. Train supervisors in the use of the methodology and manual, consult with supervised persons (especially the commercial banks) on the design of a compliance training program, and begin examinations based	FIU/BSL FIU/BSL	Assistance needed on the review of the MLR

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
			on the new methodology and manual.		
R10.There is an ineffective implementation of record keeping requirements. Financial Institutions maintained only basic customer records and the lack of implementation of any requirements by foreign exchange dealers.	Implemented Short term	The effectiveness of record keeping requirements are verified during on site examinations as required by section 30 (1-5). Seven (7) banks examined during the period under review revealed that the record keeping is gradually taking root as part of bank's compliance culture. Section 23 addresses the deficiency of currency exchange or transmission businesses.	Implementation of requirements by foreign exchange dealers.	FIU/BSL	
R13. There is no provision for reporting of suspicious Financing of Terrorism transactions in the AML Act 2005. There is no effective implementation of many key MLR. There is no effective implementation of	Implemented Short -Term	Section 41(1) and Section 45 of the AML/CFT Act, 2012 addresses these concerns. Draft Guidelines for Money and value transfers which covers the	Rollout of MLR requirements to Forex Dealers	FIU/BSL	

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
MLR requirements by FOREX dealers. .		activities of Forex dealers will address the deficiency			
R23.Limited and ineffective AML/CFT Supervision	Short-term	The installation of the VREGCOSS software will help enhance the effectiveness in the supervision of commercial banks in particular. The deployment of the Core Banking Application as a major platform for the payment system will further improve the central bank's oversight functions over commercial banks. The Baking Supervision Department has reviewed the prudential guidelines to focus on risk based approach	The BSL to cover formally the entire ML/TF in its supervision and examination. It should apply sanctions as appropriate. SLICOM, ICASL and the General Legal Council supervise and examine their industry.	BSL/ SLICOM/ ICASL/ General Legal Council	Provide substantial AML/CFT training for supervisory bodies.
R26.Pertinent issues regarding the operations of the FIU have not been addressed, such as independence, security of premises, appointment of Director, funding, staffing and technical capacity of staff.	2 months	The Director of the FIU appointed and approved by Parliament and commenced work on the 1st March 2013. The Director of the FIU has prepared a Budget and structure of the Unit in consultation with the Chairman of the Technical committee. Search for secure premises in progress, one private property	To ensure that the FIU has a secured premises capable of housing the full staff complement as envisage in the structure of the Unit.	Government of Sierra Leone	Additional resources required to boost capacity

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
		identified and negotiation is on going			
R35. Palermo convention has not been ratified.	On-going	Status remain the same	Ratification of the Convention	Attorney General's Office/ Ministry of Foreign Affairs and International Cooperation/ Technical Committee	Courtesy visit to Sierra Leone by GIABA Authorities to discuss with stakeholders
R36. The absence of MLA for FT purposes.	Implemented	Part XII (Sections 100 – 113) of the AML/CFT Act, 2012 provides the widest possible range of legal framework for Mutual Legal Assistant in respect of both money laundering and financing of terrorism. Section 101 of the AML/CFT Act, 2012 covers MLA for FT purpose			
R40.There is minimal agency to agency co-operation.	Implemented	Inter-agency cooperation as evident by the formation of TOCU and the establishment of the AML/CFT technical committee under Section 6(2) of the AML/CFT Act, 2012 are already yielding positive results in the fight against organised crime	Signing of bi-lateral Memoranda of Understanding with other relevant agencies.	FIU/relevant Agencies	

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
SRI. The CFT Conventions and UN Special Resolutions have not been implemented.	On-going	Recommendations reached at the consultative workshop to draft a mechanism for the implementation of UNSCR 1267 and 1373 is now been reviewed by all stakeholders. The mechanism will be drafted after feedback s from all stakeholders.	Implementation of the procedure on UNSCR 1267 and 1373.	FIU/TOCU/ONS/CISU	The World Bank to provide technical and material support for the completion of the drafting process
SRII. FT has not been criminalized. Further more the Act dost not stipulate that terrorists financing offences should not require that funds were actually used to carry out or attempt a terrorist act or be limited to specific terrorist act	Implemented	Section 16 (1) which sets out the offence of financing of terrorism should not be read in isolation. Note that section 1 of the Act contains definitions of "terrorist" and "terrorist act" which when read in conjunction, are sufficiently broad enough to criminalise financing of individual terrorists or terrorist organisations. Section 16 deals with the offence of financing of terrorism not the fact as to whether or not such funds were actually used to carry out terrorist acts.			
SRIII. There is no comprehensive procedure for the effective implementation of UNSCR 1267 & 1373.	On-going	The first phase in the drafting of procedures for the implementation of UNSCR 1267 and 1373 was completed in July,2012 and a follow-up workshop is expected to produce a final draft procedure	Finalisation of the procedures for the implementation of UNSCR 1267 and 1373.	FIU/TOCU/World Bank	
SRIV.	implemented				

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
SRV.No agency co-operation with regard to FT matters.	On-going	The ongoing drafting of procedure on the implementation of counter terrorism measures, especially the UNSCR 1267 & 1373 identified key agencies and mode of cooperation on TF issues.	Finalise and implement procedure on counter terrorism measures.	FIU/TOCU/WORLDBANK	

Summary of other Recommendations rated PC or NC

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
R2. The prescribed sanctions are not proportionate and dissuasive.	Implemented	Sections 55 – 60 and 63 of the AML/CFT Act, 2012 has incorporated stringent sanctions to deal with money laundering and terrorism financing and related offences.			
R6. There are no specific provisions regarding appropriate risk management systems to address PEPs. There is no effective implementation of ML requirements, including PEPs.	Implemented	These provisions have been encapsulated in Section 27 of the AML/CFT Act, 2012. Implementation is monitored through on-site AML/CFT examinations of commercial banks.			
R7. There are no rules concerning documenting CDD by correspondent banks. There are no rules concerning payable through accounts.	Implemented	Section 28(1) of the AML/CFT Act, 2012 provide for identification and account opening for correspondent banks and the implementation is monitored through on-site examinations. Section 28(2) provided rules on payable through accounts and monitored through on-site examinations.			

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
R8. There are no rules regarding policies on the specific risk faced by non-face-to-face transactions. There are no risks regarding policies on the misuse of technological developments in ML or non-face-to-face IT schemes.	Implemented	Section 26 of the AML/CFT Act, 2012 makes provision regarding risks faced by non-face-to-face transactions.			
R11.There is no effective implementation of most of the ML requirements. Supervision of compliance does not extend to foreign exchange dealers.	Implemented	Section 41 of the AML/CFT Act 2012 imposes reporting obligations on reporting entities which includes FOREX dealers; Section 23(2) requires FOREX dealers to undertake KYC/CDD when dealing with their customers. Also Section 34(1) makes provision on wire transfers whenever a reporting entity is undertaking wire transfers equal to more than three million Leones or its equivalent in foreign currency. Section 50 (1)(a) provides that the Bank of Sierra Leone shall supervise, monitor compliance, penalise non-compliance and			

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
		enforce compliance with respect to the obligations in the AML/CFT Act, 2012. Section 57 of the Act provides stringent measures for non-compliance with CDD and Section 58 for non-compliance regarding suspicious or other reporting.			
R12.There are serious gaps in the rules with respect to customer Due Diligence. There has been no implementation of the AML Act.	Implemented	Section 20 of the AML/CFT Act, 2012 has provided for reporting entities to undertake CDD and KYC.			
R14. Only good faith reporting of a STR under AML Act 2005. Section 6(4) is protected against criminal and civil liability. There is no tipping off provision in relation to reports made pursuant to	implemented	Section 46 and 47 of the AML/CFT Act, 2012 addresses these weaknesses. Section 45 of the AML/CFT Act, 2012 prohibits against tipping off			

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
AML Act 2005, Section 14(6).					
R15. There is no effective implementation of requirements of the AML Act 2005 and the MLR.	Implemented.	Section 35 (1)- (5) of the AML/CFT Act, 2012 clearly imposes an obligation on all reporting entities to appoint Money Laundering Compliance Officers (MLROs) and their responsibilities have been clearly specified therein.			
R16. No Implementation of the AML /CFT Act 2012 by DNFBPs to assess its effectivenesss.	Short-term	Status remain the same	Develop AML/CFT guidelines for DNFBPs. Enforcement of compliance standards for DNFBPs	FIU/Technical Committee	Technical support needed and Training of operators within DNFBPs
R17.There is no comprehensive system of sanctions application for failure to comply with AML/CFT rules.	Implemented	Sections 55-59 and 63 of the AML/CFT Act, 2012 have provided comprehensive sanctions for failure to comply with AML/CFT rules.	Enforcement of Sanctions.	FIU/Law Enforcement/ Judiciary	Training for LEAs
R18. There are no rules with respect to correspondent banking with shell	Implemented	Section 40 of the Act addresses issues relating to correspondent banking and Section 62 criminalizes the establishment of shell banks. The BSL conducts fit-and-proper persons test on directors and key			

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
banks and use of shell banks. There is no effective implementation of requirements of the AML Act 2005 and the MLR.		shareholders of banks to ensure that qualified and people with integrity entered the financial system. The provisions on fit-and-proper persons test are reinforced in Sections 16 & 17 & 26(2) of the Banking Act 2011.			
R19.Officials have not considered feasibility of reporting all transactions in currency above a fixed threshold.	Implemented.	Section 41 (5) of the AML/CFT Act, 2012 stipulate that "A reporting entity shall provide currency transaction report in accordance with thresholds and modalities determined by the Unit". Accordingly the threshold and modalities were specified in paragraph 207 of the Guidelines for financial institutions on AML/CFT ie Le25Million (individual) and Le100Million (legal entity)			
R20.No assessment on the need to extend AML/CFT requirements to non-financial businesses and professions other than those listed in the FATF standards.	Short-term	Sections 19, 20 and 27 (b) paragraph iii of the AML/CFT Act, 2012 extends AML/CFT requirements to DNFBPs and Non Bank Financial Businesses. Sections 19 and 20 should be read in conjunction with the qualified definition of Reporting Entity in Section 1 of the AML/CFT Act, 2012.	National AML/CFT Risk assessment will help provide a complete threat assessment of other non-financial businesses and professions other than DNFBPs.	FIU/Technical Committee	Financial and Technical Support for AML/CFT risk assessment survey.

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
Efforts have not been made to reduce the reliance upon cash for transactions.	Short-term	The Bank of Sierra Leone has established a Financial Inclusion Working Group chaired by the Deputy Governor. In December 2012, The working Group came up with a policy position aimed at promoting financial inclusion in Sierra Leone. The policy position among other things committed Sierra Leone to the promotion of Rural Financial access, development of Mobile money and completion of the payment system infrastructure. All of these commitments will somehow impact on the level of reliance on cash for transactions. The Bank adopted the commitment and submitted same to the Alliance for Financial Inclusion Under the MAYA Declaration	Implementation of commitments submitted under the Maya Declaration, Implementation of FSDP & Payment System	Bank of Sierra Leone and Ministry of Finance and Economic Development	Continued support from International partners, ie IFAD, IFC, ADB etc
R21.There are no effective measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries.	Short-term	Most banks have included issues dealing with Non-compliance and Sanctioned countries into their risk management processes.	Effective and well constituted FIU will enhance compliance with this recommendation	FIU	Support to the setting-up of a fully functioning FIU.

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
.					
R22.The Law does not explicitly require branches and subsidiaries in host countries to apply the highest standard, where AML/CFT standards of home and host countries differ.	implemented	Section 64 of the AML/CFT Act, 2012 empowers supervisory authority to issue guidelines and Paragraph 227 of the Guidelines on AML/CFT for Financial institution issued by the Central Bank stipulates that: Where the minimum AML/CFT requirements of the home and host countries differ, branches and subsidiaries in host countries should apply the higher standard, to the extent that local laws and regulations of the host country permit.			
R24.Licensing requirement and supervision of casinos do not relate to any gaming or financial transactions performed by them. There are no effective measures to prevent ownership, control or operation of the casino by criminals.	Short-Term	The National Commission for Privatisation spearheaded a legislative development process which resulted to a draft **Gamming and Betting Bill** which is yet to be presented to parliament. The draft Bill addresses the issues of licensing, ownership and control requirements.	FIU should collaborate with NCP & Tourist Board to ensure passage of the Bill into law	FIU/NCP/National Tourist Board	

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
R25.There is no formal feedback process for either financial institutions or DNFBPs. There are currently no AML/CFT guidelines for DNFBPs.	Short –Term On-going	Status remains the same Status remain the same	Develop guidelines for Other Financial Institutions and DNFBPs by second quarter of 2013	FIU and Technical Committee. FIU/Technical Committee	
R27.There is no law enforcement agency which has full investigative powers and has been assigned responsibility to investigate ML and TF cases. No ML investigations have been conducted to date.	Implemented On-going	Investigators at the Transnational organised crime Unit (TOCU) are now mandated to investigate all cases of money laundering and terrorism financing. Section 71 of the AML/CFT Act, 2012 extends the authority to conduct investigation and prosecution to a body having the power to investigate or prosecute unlawful activity under this Act or under any other enactment. Three (3) cases with Money laundering implication is been investigated by TOCU			Capacity Building for the investigation and prosecution of ML/TF cases
R28.There is no evidence to demonstrate the effective implementation and	On-going	Three (3) cases been investigated by TOCU will serve as a litmus test.	Conclude Proceedings	Law Enforcement/ Judiciary/police	Capacity Building for the investigation and prosecution of ML/TF cases.

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
use of the investigative powers of the AML Act 2005.					
R30.FIU – current resources are insufficient. Law Enforcement – there are significant resources and capacity constraints which limit the relevant agencies capabilities to effectively conduct investigations into ML and TF issues. Supervisors – the BSL needs additional AML/CFT training.	Short -term	Status remain the same	Setting up of the FIU and provision of adequate budgetary support for it's operations. Resource s and capacity building for law Enforcement agaencies especially TOCU now designated for ML/TF cases	Sierra Leone Government.	
R31.No agency has been mandated to coordinate the government's AML/CFT policies and international relations.	Implemented	Section 13(1) paragraph o, p, q and s are instructive on the functions of the FIU in relation to coordinating AML/CFT policies and international relations with similar body outside Sierra Leone.			

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
No implementation of the national Strategy on AML/CF			Setting up of the FIU as required by the AML/CFT Act, 2012 and provide it with the needed resources	Government of Sierra Leone	
R32.**FIU** Current resources are insufficient. **Law Enforcement** The absence of ML or TF investigation means the collection of statistics has not been conducted. There is no system to maintain statistics on investigations and prosecutions of ML and TF, or of the use of powers under AML Act 2005 with regard to asset recovery. MLA and Extradition – there	Short/medium-term Short-term	Status remain the same Status remains the same	Setting-up of appropriate IT infrastructure, training on software analysis and IT productivity tools.	Government of Sierra Leone/ Development Partners	

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
are no statistics available.			Collect and compile statistics	FIU/LEAs	
R33.	Implemented				
R37.MLA in relation to ML has never been tested.	On-going	Section 101 of the AML/CFT Act, 2012 has incorporated provisions for the effective implementation of MLA and section 134 on extradition of fugitive offenders on money laundering and terrorism financing.	FIU to meet the requirement for Egmont membership to enhance Mutual Legal Assistance	FIU/ Ministry of Foreign Affairs and International cooperation	
R38.There is no provision for the seizure of instrumentalities of crime. There is no provision for FT There has been no consideration of establishing an asset forfeiture fund.	Implemented Implemented Short-term	Section 82(2) of the AML/CFT Act, 2012 addresses the forfeiture of instrumentalities linked to crime. Section 16 of the AML/CFT Act, 2012 addresses the deficiency Consideration will be given to the establishment of asset forfeiture fund in consultation with the AML/CFT Technical Committee.	Establish an asset forfeiture fund.	FIU/Technical Committee/ Govt of Sierra Leone	
R39.	Implemented				
SRVI. The Act does not provide for MVT operators to maintain list of	Short-Term	Guidelines to be developed for MVT operators.	Deficiency Will be addressed in Guidelines for MVT operators	FIU/BSL	

Recommended Action (as listed in the 6th FUR)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
their Agents for examination.					
SRVII. There is no effective implementation of wire transfer rules.	Implemented	Onsite and Off-site examination of FIs to assess the effectiveness of wire transfers requirements.	Compliance monitoring of Financial institutions on implementation of wire transfer requirements.	BSD/FIU	
SRVIII. There is no legal framework for the supervision of NPOs. The sanctions are not dissuasive and proportionate.	Implemented Implemented	Section 50 (2 and 3) of the AML/CFT Act, 2012 addresses this deficiency. The AML/CFT Act provides comprehensive sanctions that proportionate and dissuasive for failure to comply with AML/CFT rules.	 Implementation of the Act		
SRIX.	Implemented				