INTER-GOVERNMENTAL ACTION GROUP
AGAINST MONEY LAUNDERING IN WEST AFRICA

Fifth Follow Up Report

Mutual Evaluation



SIERRA LEONE

NOVEMBER 2011

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Annex 2: Sierra Leone Follow-up Report for the period May – December, 2010

Summary of progress made

See Country Report for the period May-December 2010 for details

Table 1(a) Prioritized Recommendations rated Partially Compliance (PC)

1	2	3	4	5
FATF Recommendations rated Partially Compliant (PC)	**Recommended actions in the MER**	**Analysis of actions taken to address deficiencies in the Recommendations**	**Future activities to address deficiencies in the Recommendations**	**Technical assistance needed**
R1	• Significant flaws in the wording of offence and its related definitions. • No consideration of applying the offence of ML. • The effectiveness of criminalization has not been tested before the court.	Status of implementation remains the same	Enactment of the AML/CFT Bill into Law	
R3	• There is no provision for confiscating instrumentalities used in commission of a predicate offence or offences related to FT. • There have been no ML or FT related cases to determine how effective and efficient the system is.	Status of implementation remains the same	Enactment of the AML/CFT Bill into Law	
R10	• There is no effective implementation of ML requirements beyond basic customer ID records nor implementation of any requirements by foreign exchange dealers.	Status remains the same	Finalize guidelines for foreign exchange dealers and remittance businesses upon enactment of the AML/CFT	Mentor to provide training to enhance capacity of FIU staff and assist in developing guidelines.

1	2	3	4	5
FATF Recommendations rated Partially Compliant (PC)	**Recommended actions in the MER**	**Analysis of actions taken to address deficiencies in the Recommendations**	**Future activities to address deficiencies in the Recommendations**	**Technical assistance needed**
			Bill into law and issue to reporting entities. .	
R35	Palermo convention has not been ratified. • Not all provisions under the Palermo convention have been provided for in domestic law. • Provisions related to instrumentalities of crime have not been documented. • Has signed but not ratified regional conventions.	No further developments	Obtain approval for ratification.	Courtesy visit to Sierra Leone by GIABA Authorities to discuss with relevant stakeholders

Table 1 (b) Prioritized Recommendations rated Non-Compliance (NC)

FATF Recommendations rated Partially Compliant (NC)	Recommended actions in the MER	Analysis of actions taken to address deficiencies in the Recommendations	Future activities to address deficiencies in the Recommendations	Technical assistance needed
R5	There are no rules concerning CDD measures for existing customers. There is ineffective implementation of certain MLR	The Guidelines have addressed the extent of CDD measures to be undertaken by financial institutions. Commercial banks are now complying with the prescribed CDD requirements.		

FATF Recommendations rated Partially Compliant (NC)	Recommended actions in the MER	Analysis of actions taken to address deficiencies in the Recommendations	Future activities to address deficiencies in the Recommendations	Technical assistance needed
	requirements including those with respect to ID of beneficial owners and controllers. There is ineffective implementation of MLR requirements by FOREX dealers.	On-site examinations are conducted on the commercial banks at least once a year and special examinations are conducted when necessary. Weaknesses relating to CDD implementation identified are highlighted in the reports to the Board and special examinations are conducted to ensure that the respective FIs to comply with specific recommendations to address the weaknesses. Status remains the same	Enactment of the AML/CFT into law. Finalize the guidelines and issue to respective reporting entities. Commence on-site examination of FOREX dealing institutions.	Mentor to provide training to enhance capacity of FIU staff and assist in developing guidelines.
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 MLR requirements by FOREX dealers.	Status remains the same	Enactment of the AML/CFT into law. Finalize the guidelines and issue to respective reporting entities. Commence on-site examination of FOREX dealing institutions.	

FATF Recommendations rated Partially Compliant (NC)	Recommended actions in the MER	Analysis of actions taken to address deficiencies in the Recommendations	Future activities to address deficiencies in the Recommendations	Technical assistance needed
R26	The FIU has not been set-up. The AMLD which is expected to become the formal FIU is not currently performing the functions of an FIU.	No further developments made	Enactment of the AML/CFT Bill into Law, which will establish the Unit as an independent entity and make it fully operational.	Enhance capacity of FIU staff through training on IT productivity tools, STR Analysis including use of software and hands-on experience on FIU. operations;
R36	The process for effecting MLA is not effective. There is no provision to provide MLA for FT purposes.	Status of implementation remains the same	Enactment of the AML/CFT into Law.	
R40	There is minimal agency to agency co-operation.	Status of implementation remains the same	Signing of Memoranda of Understanding with appropriate agencies	
SRI	The CFT Conventions and UN Special Resolutions have not been implemented.	Status of implementation remains the same	Enactment of the Bill into Law and drafting Resolutions for the implementation of UNSCR 1267 and 1373.	
SRII	FT has not been criminalized.	Status of implementation remains the same	Enactment of the AML/CFT Bill into Law	

FATF Recommendations rated Partially Compliant (NC)	Recommended actions in the MER	Analysis of actions taken to address deficiencies in the Recommendations	Future activities to address deficiencies in the Recommendations	Technical assistance needed
SRIII	No legislative, regulatory or institutional action has been taken. There are no processes for dealing with all matters related to 1267 & 1373.	Status of implementation remains the same	Enactment of the AML/CFT Bill into Law Drafting Resolutions for the implementation of UNSCR 1267 and 1373.	Mentor to assist in developing regulations for the implementation of the resolutions.
SRIV	There are no guidelines for implementation of TF requirements.	The AML/CFT guidelines require commercial banks to report to the FIU suspicious transactions relating to both money laundering and terrorism financing.	Enactment of the AML/CFT Bill into Law.	
SRV	There is no provision for FT. FT is not an extraditable offence. No agency co-operation with regard to FT matters.	No further developments	Enactment of the AML/CFT Bill into Law.	Enhance capacity of Judges, Lawyers and Ancillary agencies on AML/CFT issues.