INTER-GOVERNMENTAL ACTION GROUP AGAINST
MONEY LAUNDERING IN WEST AFRICA

Ninth Follow Up Report

Mutual Evaluation



SIERRA LEONE

NOVEMBER 2013

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I. INTRODUCTION

1. The Eight Follow-up Report submitted to the 19th Technical Commission/Plenary Meeting of GIABA highlighted the significant progress made by Sierra Leone in advancing the frontier of compliance with international standards on AML/CFT. Among the progress highlighted were; the Passage of the AML/CFT Act, 2012, appointment of a substantive Director of the FIU and enhancement of domestic cooperation in the detection and investigation of trans-national organised crime including money laundering and terrorism financing.

2. Whilst these achievements were noted by the Plenary, it was however observed that three (3) key strategic deficiencies persisted within the AML/CFT regime and called for immediate remedial action. The strategic deficiencies identified in the analysis of the 8th FUR include; the absence of a mechanism and procedures for the implementation of United Nations Security Council Resolutions 1267 &1373, inadequate resourcing of the Financial Intelligence Unit to permit effective functioning and lack of effective AML/CFT supervision across the relevant reporting entities.

3. The Ninth Follow-Up Report is primarily focused on the progress made so far by Sierra Leone in addressing those three (3) key strategic deficiencies. Sierra Leone has completed the drafting of Regulation for the implementation of United Nations Security Council Resolutions 1267 and 1373 and their successor resolutions and is now before the House of Parliament for approval as a Statutory Instrument. The Regulation sets out a distribution chain process for the expeditious dissemination of designated lists by the United Nations, regional Member State List and the domestic List, freezing of funds/assets of designated terrorists/organisations, emergency freezing mechanism, unfreezing procedures and penalties and sanctions for non-compliance with provisions of the Regulation.

4. The Ninth 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.

5. 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)	PARTIAL 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

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIAL COMPLIANT (PC)	NON-COMPLIANT (NC)
		R.20: DNFBPs & Secure Transaction Techniques	R.11: Unusual Transactions
		R.25: Guidelines & Feedback	R.12: DNFBPs- R.5,6,8-11
		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

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIAL COMPLIANT (PC)	NON-COMPLIANT (NC)
			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
			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 (MAY 2013-SEPTEMBER 2013)

(A) REGULATION FOR THE IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS 1267 & 1373.

6. Regulation for the implementation of United Nations Security Council Resolutions 1267 and 1373 have been completed by the Office of the Solicitor General and now before the House of Parliament for its approval. The regulations lay out mechanism for the distribution of list of designated persons and organizations, freezing of funds, conditions under which frozen funds can be utilized, delisting and unfreezing procedure, reporting obligations and penalties and sanctions for non-compliance.

(B) REVIEW OF EXISTING GUIDELINES FOR FINANCIAL INSTITUTIONS AND DEVELOPING OF NEW GUIDELINES FOR THE PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING FOR DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS

7. Following the passage of the AML/CFT Act, 2012, the Financial Intelligence Unit in consultation with the Bank of Sierra Leone and the Sierra Leone Insurance Commission both supervisory authorities for commercial banks and insurance companies has completed the review of the Guidelines for the Prevention of Money Laundering and Terrorism financing for financial Institutions. The revised Guidelines reflect the provisions of the relevant provisions of the AML/CFT Act, 2012. In addressing the issues relating to customer identification and acceptance, the revised guidelines for the prevention of Ml/TF for Financial Institutions recognised the use of the National Biometric Voter Identity as acceptable independent source identification for low risk customers. This ensures the anchoring of the guidelines into the Financial Development Plan which articulates increased access to finance by the unbanked population.

8. To lay the building block for the roll-out of AML/CFT standards for Designated Non-Financial Businesses and Professions, guidelines for the prevention of money laundering and terrorism financing have be drawn to cover activities within the following sectors:

- Dealers in Precious stones
- Casinos/Gaming and betting
- Real estate

(C) BANK OF SIERRA LEONE COMMENCED THE LIVE IMPLEMENTATION OF THE PAYMENT SYSTEM

9. The WAMZ Payments System modernization project for Sierra Leone is now completed and operational. This milestone achievement brings Sierra Leone's Payments System in line with international best Practice and the most advanced systems in the Sub region.

10. The modernization of the Payments System for Sierra Leone, which has been under implementation for the past three years, was funded by the African Development Bank with contributions from the Bank of Sierra Leone and all Commercial Banks in the country. The project benefitted from technical support from the World Bank, the Central Bank of Ghana and the West African Monetary Institute. The Modernized system replaces a manual analog system, with an electronic information technology based system that eliminates physical movements of Cheques from Commercial Banks to the Clearing House at the Bank of Sierra Leone. With the new Payments System inter-bank transactions will be processed within a short period of time, and thus enhances public confidence in the system.

11. The components that make up the new system includes, the Temenos (T24) Core Banking Application (CBA), the Real Time Gross Settlement system, the Scrip less Security Settlement system (SSS), and the Automated Cheque Processing/Automated Clearing House systems (ACP/ACH). The ACP/ACH processes paper instruments (mainly cheques) and electronic instruments such as direct credits; the Real Time Gross Settlement (RTGS) system enables a real-time settlement of transactions on a continuous basis. It is also a platform for large value interbank

transfer of funds and the SSS is a platform that processes Treasury Bills and Treasury Bonds transactions between the commercial banks and the Bank of Sierra Leone on a real time or on a "Delivery Versus Payment" (DvP) basis.

(D) SECURED OFFICE FACILITY RENTED FOR THE OPERATIONS OF THE FIU.

12. Following the provision of operational funds in the July 2013 Supplementary Budget the Financial Intelligence Unit has rented a suitable office facility within the Central Business District (CBD) of Freetown to house the operations of the Unit. This will no doubt serve as a critical enabler for the Unit to recruit additional staff and further strengthen the security of information at its disposal.

(E) RECRUITMENT OF STAFF TO ENHANCE THE CAPACITY OF THE FIU

13. The Financial Intelligence Unit commenced a recruitment drive in August 2013 by putting out Job adverts for eight (8) positions within the structure of the Unit. The ten (10) additional staff who are expected to join the Unit by mid October 2013 include: one Head of legal affairs, three(3) Intelligence Officers, one Analyst, one Administration/HR Officer, one Finance Officer, one Confidential Secretary and two(2) support staff. These new staff will augment the current capacity of the Unit and thus enhance its ability to carry out its core activities.

(F) SIERRA LEONE HOSTED A FINANCIAL LITERACY SEMINAR WITH SUPPORT FROM THE COMMONWEALTH.

14. In keeping with its commitment under the MAYA declaration, the Bank of Sierra Leone hosted a three (3) day seminar on financial literacy and mobile money services from 25th to 27th June. The seminar drew participants from the financial services industry, civil society and regulatory bodies from the sub region. One of the objectives of the seminar was to raise awareness on the benefit of financial services with the view to promoting financial inclusion and narrowing down the cash base system.

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

15. For the period under review the FIU received a total of 64,457 currency transactions reports from all the thirteen (13) commercial banks. Additionally, a total of ten (10) suspicious transactions reports (STRs) were received from seven reporting entities, and one (1) request from law enforcement agency for intelligence. Out of the ten (10) cases processed by the FIU, six (6) were disseminated to the law enforcement for investigation, of which three (3) cases are now been prosecuted in court. Two (2) STRs are currently under review as additional information is being sought to enrich the intelligence and two (2) cases did not merit dissemination after analysis**.**

(H) CURRENCY DECLARATIONS

16. The National Revenue Authority transmitted to the Financial Intelligence Unit declarations made at the country's main International Airport Lungi within the period April to September 2013.

MONTH	GBP	US DOLLAR	EURO	AUS DOLLRA	NAIRA	CFA
Apr-13	£ 139,780	£ 19,793,344	£ 35,110		£ 260,000	
May-13	£ 55,702,513	£ 20,364,706	£ 63,175		£ 30,600	£ 1,200,000
Jun-13	£ 400,680	£ 24,932,600	£ 153,925		£ 102,000	£ 4,001,000
Jul-13	£ 209,155	£ 16,794,204	£ 26,000		£ 157,100	
Aug-13	£ 241,215	£ 21,296,761	£ 185,430	£ 106,000	£ 344,000	
Sep-13	£ 162,955	£ 10,001,406	£ 118,510		£ 41,100	
TOTAL	**£ 56,856,298**	**£ 113,183,021**	**£ 582,150**	**£ 106,000**	**£ 934,800**	**£ 5,201,000**

(I) **ANTI-CORRUPTION CRUSADE INTENSIFY WITH RECORDED NUMBER OF CASES UNDER INVESTIGATION.**

17. Corruption being one of the main predicate offences of money laundering and described by many as a major hindrance to economic growth and social equity, the Anti-Corruption Commission has intensified its effort to clamp down on the menace. For the period April to September 2013 the following case statistics were noted:

ACTIVITY	NUMBER
Total cases Investigated	260
Total Prosecution	41
Completed Prosecutions	6
Number of Convictions	5

(J) **CASELOAD OF OTHER CRIMES HANDLED BY THE CRIMES SERVICES AGENCIES INCLUDING THE TRANSNATIONAL ORGANISED UNIT.**

18. The fight against crime especially those predicate offenses to money laundering is been pursued by various agencies including; the economic crime unit of the criminal investigation department and the Transnational Organised Crime Unit (TOCU).

19. For the period under review the data obtained from the economic crime unit and TOCU on cases investigated are as follows:

OFFENCE	NUMBER OF CASES	AMOUNT INVOLVED IN LEONES	AMOUNT INVOLVED

			IN OTHER CURRENCIES
FRAUULENT CONVERSION	5	Le229million	$198,500
CONSPIRACY TO DEFRAUD	14	Le2.137Billion	$1.135million
OBTAINING MONEY BY FALSE PRETENCES	4	Le133milion	$3,000
FORGERY	1	Le40million	
TAX EVASION	1		€30,000

III. CONCLUSION

20. During the period under review, the country made tremendous progress in addressing the three (3) identified strategic deficiencies in its AML/CFT regime. The provision of budgetary allocation serve as an impetus for the recruitment of additional staff and with an increased capacity it is expected the effective functioning of the Financial Intelligence unit is now assured. The acquisition of a secured office space reinforces the physical and operational independence of the FIU including the security of information at its disposal. The recruitment of key staff to augment the current capacity of the FIU is meant to enhance its effectiveness in the discharge of its AML/CFT responsibilities. The period under review further demonstrated that the Sierra Leone Financial Intelligence Unit is a value-added tool in the combating of financial crimes including money laundering as the unit provided intelligence for all major financial crimes investigation carried out by various law enforcement agencies.

21. 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: April 2013 – September 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	Implemented	Sec. 15 of AML/CFT Act, 2012	To be determine through case law	DPP/Judiciary	Further training of prosecutors and Magistrates & Judges
No judicial decision yet to test the effectiveness of the law	Short-Term	A representation from TOCU held discussion with office of Attorney General and Director of Public Prosecution on considering charges for money laundering in some of the cases already investigated	Judicial decision to test the law	TOCU/DPP/Judiciary	Capacity building in the prosecution of ML/FT. Mentorship for investigation and prosecution of the Transnational Organised

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
					crimes Unit (TOCU)
R3. There are still no ML or FT cases to test the effective implementation of legal provisions	Short-Term	Status remain the same	Effectiveness to be determined through case law	Police/DPP Judiciary	Capacity Building for the Judiciary on the technicalities in the handling of Money Laundering/ Terrorism Financing cases
R5. The country yet to revise the money laundering regulations for effective implementation of the AML/CFT Act	Implemented	The FIU in consultation with The Bank of Sierra Leone and other relevant stakeholders have revised the Guidelines for Prevention of money laundering and terrorism financing for financial institutions. Guidelines for DNFBs completed Money and value transfer services completed	Examination Manual in use on on-site examination Banking Supervision Department staff to be trained on the consolidated compliance examination manual. FIU is temporarily serving as Supervisory Authority for: Casinos Real Estate, Precious Minerals, Car Dealers, Casinos/gaming and betting businesses while	FIU/BSL FIU/BSL FIU	Capacity building for the FIU on ML/CFT compliance for DNFBs

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
			guiding these sectors to build their supervisory capacity.		
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	Status remains the same.	Bank of sierra Leone to roll out basic AML/CFT compliance standards for FOREX Dealers.	FIU/BSL 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.	Implemented Short –Term	now cured by Sec. 16 of AML/CFT Act, 2012 Status remain the same		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
There is no effective implementation of MLR requirements by FOREX dealers. .			Rollout of MLR requirements to Forex Dealers		
R23. Limited and ineffective AML/CFT Supervision	Short-term	Status remains the same	The FIU to work closely with Supervisory Agencies ie Bank of Sierra Leone and SLICOM , ICASL and the General Legal Council to enhance the implementation of adequate AML/CFT Supervision of all sectors.	FIU/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.	Implemented	Funding from the consolidated fund for the operations of the FIU was approved by Parliament in July 2013. This facilitated the following achievements: Office facility acquired through rent and recruitment of additional ten (10) staff to augment the current manpower of just three. Recruitment exercise is expected to be completed by the 15th October 2013	The new staff recruited will require an induction training to equip them with the necessary rudiments to work for the Unit. The office premises are now ready for the installation of the hardware and software components procured by GIABA.	FIU/GIABA	Technical assistance required for installation of software equipments and induction training for old and new staff in the use of the technology.

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
R35. Palermo convention has not been ratified.	On-going.	The Unit's newly hired Head of Legal Affairs will follow up this with A-G's office and Foreign Affairs	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	Status Remains the same			
R40. There is minimal agency to agency co-operation. It's unclear whether "relevant agencies include international or regional bodies as required.	Implemented	As a demonstration of an improved level of cooperation among the intelligence and law enforcement agencies of TOCU, a four (4) day strategic planning retreat was held in September at Bo City, Sierra Leone. The outcome of the retreat was a strategic plan dedicated to the fight against organised crime and measures aimed at further strengthening of bilateral cooperation among agencies of TOCU	Building international cooperation to aid the fight against organised crime. The FIU is reviewing a proposed MOU with the FIU of Togo which will be signed at the forthcoming Plenary meeting in Cotonou, Benin.	FIU/relevant Agencies FIUs Sierra Leone & Togo	
SRI. The CFT Conventions and UN Special Resolutions have not been implemented.	Implemented through the Regulation now before Parliament	The Regulation for the implementation of UNSCRs 1267 & 1373 have been completed and approved by the Minister of Finance and Chairman of The	Implementation of the procedure on UNSCR 1267 and 1373.	FIU/TOCU/ONS/CISU	Technical assistance in area of coordination

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
		Inter-Ministerial Committee. The regulation is now with Parliament for endorsement.			and asset management
SRII. FT has not been criminalized. Furthermore the Act does 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 be read in conjunction with Section 1 of PART I of the Act 2012 If the said provisions are deemed inadequate, the newly hired Head of Legal Affairs will engage the A-G's office on this and seek further direction from the Secretariat.			
SRIII. There is no comprehensive procedure for the effective implementation of UNSCR 1267 & 1373.	Implemented	Regulation for the implementation of UNSCR 1267 and 1373 was completed in September and now at parliament for endorsement.	Implementation of UNSCR 1267 and 1373.	FIU/TOCU/CISU	
SRIV.	Implemented				
SRV. No agency co-operation with regard to FT matters.	Implemented	Inter-agency cooperation on FT matters provided the building blocks for the regulations for the implementation of UNSCRs 1267 & 1373	Implementation of regulations on UNSCRs 1267 & 1373 which relates to 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	Status remains the same			
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.	This has been captured under Sec. 27 of AML/CFT Act, 2012 and the revised Guidelines to FIs.	A nationwide sensitisation workshop will be convened against March 2014 for PEPs and the public. An online reporting form will be designed to encourage reporting of PEP related ML/FT activities when the Unit sets up its Website.		
R7. There are no rules concerning documenting CDD by correspondent banks. There are no rules concerning	Implemented Implemented	Sec. 28 (1) of AML/CFT Act, 2012 and Addressed in the revised Guidelines Sec. 28 (2) of AML/CFT Act, 2012 and Guidelines.			

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
payable through accounts.					
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.	Sec. 26 (1) – (3) effectively covers this area and as well as the Revised AML/CFT Guidelines. Implemented through the revised AML/CFT Guidelines.			
R11. There is no effective implementation of most of the ML requirements. Supervision of compliance does not extend to foreign exchange dealers.	Implemented.	This has been addressed by Sec. 23 of the new AML/CFT Act, 2012 and the revised AML/CFT Guidelines to FIs	The Central Bank supervises implementation and compliance		

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
R12.There are serious gaps in the rules with respect to customer Due Diligence. There has been no implementation of the AML Act.	Implemented	Addressed through Sec. 20 of the AML/CFT Act, 2012 and the revised Guidelines	All supervisory authorities of FIs and DNFBPs have commenced supervision of effective compliance by their reporting entities.		
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 AML Act 2005, Section 14(6).	Implemented.	Full protection provided in Sec. 46 of AML/CFT Act, 2012 and the revised Guidelines. Sec. 45 of the AML/CFT Act 2012 prohibits tipping-off.			
R15. There is no effective implementation of requirements of the AML Act 2005 and the MLR.	Implemented.	Status remains the same			

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
R16. No Implementation of the AML /CFT Act 2012 by DNFBPs to assess its effectiveness.	Short-term	Guidelines for the prevention of Money laundering and terrorism financing for DNFBs have been completed	Enforcement of compliance standards for DNFBPs	FIU/Relevant supervisory Bodies	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	PART XI of AML/CFT Act, 2012 makes adequate provision for penalties for non-compliance of AML/CFT rules	Enforcement of Sanctions.	FIU/Law Enforcement/ Judiciary	Training for Prosecutors and Judiciary
R18. There are no rules with respect to correspondent banking with shell banks and use of shell banks. There is no effective implementation of requirements of the AML Act 2005 and the MLR.	Implemented.	, of AML/CFT Act 2012 prohibits establishment and operation of shell banks and the revised Guidelines have expanded on the issue of correspondent banking and shell banks. Sec. 28 (1) (g) expressly prohibits FIs from entering or continuing business relations with a shell bank. This is continually being monitored by the supervisory authorities and the FIU through on-site inspections			

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
R19.Officials have not considered feasibility of reporting all transactions in currency above a fixed threshold.	Implemented.	There are guidelines on currency reporting threshold. This is monitored through the Cash Transaction Report regime. CTR form and current statistics attached.			
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. Efforts have not been made to reduce the reliance upon cash for transactions.	Short Term. Short-term	This is a priority area for the FIU after country AML/CFT risk assessment.	National AML/CFT Risk assessment is planned for early 2014 This will guide the roll out of AML/CFT requirements to other reporting entities Promoting rural financial access through mobile money services will minimise the preponderance usage of cash in transactions.	FIU/Technical Committee Financial Inclusion working Group of the Bank of Sierra Leone, Ministry of Finance and Economic Development	Financial and Technical Support for AML/CFT risk assessment survey. Institutional support to mobile money to reach out to the vast un-bank who have mobile phone but no access to formal access to financial institutions
R21.There are no effective	Short-term	In addition to the fact that banks take into consideration issues of high	Enhanced supervision of	BSL/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
measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries.		risk jurisdiction in profiling their customers, the offsite review of Banks' AML policies by the FIU/ Bank of Sierra Leone focuses on issues such as the institution's dealing with high risk jurisdictions or Sanctioned.	the financial institutions by the Bank of Sierra Leone and the FIU will help in the enforcement of these requirements		
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	Sec. 37 (1) and (2) of AML/CFT Act, 2012 and the current revised AML/CFT Guidelines.			
R24.Licensing requirement and supervision of casinos do not relate to any gaming or financial transactions	Short-Term	Status remain the same	FIU will 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
performed by them. There are no effective measures to prevent ownership, control or operation of the casino by criminals.		Sections 38 (1) and 39 of AML/CFT Act, 2012 and AML/CFT Guidelines have adequately addressed this concern.			
R25.There is no formal feedback process for either financial institutions or DNFBPs. There are currently no AML/CFT guidelines for DNFBPs.	Implemented Implemented	Feedback process exists between the FIU and reporting entities. Broad-based guidelines for compliance on AML/CFT have been developed for DNFBs.	Enforcement of compliance and understanding the transactions of key DNFBS	Technical assistance in the area of training and study tour to understand the operations of DNFBs FIU/Technical Committee	

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
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	The Sierra Leone Police is the national investigative lead law enforcement agency with the capacity and expertise to handle all types of criminal investigations. Two Money laundering investigations has been conducted over the period Under review, but money laundering was not charged rather it was the predicate offences	Prosecution of money laundering	SLP/TOCU/DPP	Require training support in this area however. Capacity Building for the prosecution of ML/TF cases
R28.There is no evidence to demonstrate the effective implementation and use of the investigative powers	Implemented	Five (5) cases are been investigated by TOCU, two of which have money laundering implications.	Prosecution of money laundering as a separate offence	Law Enforcement/ Judiciary/police	Capacity Building for the investigation and prosecution of ML/TF cases.
R30.FIU – current resources are insufficient.	Short –term	FIU resourced with operational budget; secured office facility, acquisition of furniture and office	Setting up of the FIU and provision of adequate	Sierra Leone Government.	

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
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.		equipment ongoing, recruitment almost completed and relocating by 15th October, 2013	budgetary support for it's operations. Resource s and capacity building for law Enforcement agencies especially TOCU now designated for ML/TF cases		
R31.No agency has been mandated to coordinate the government's AML/CFT policies and international relations. No implementation of the national	Implemented by AML/CFT Act, 2012	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.	Setting up of the FIU as required by the AML/CFT Act, 2012 and	Government of Sierra Leone	

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Strategy on AML/CF			provide it with the needed resources		
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 with regard to asset recovery. MLA and Extradition – there are no statistics available.	Short/medium-term. Short Term Short-term	Resources are due to increase in the coming 2014 Financial Appropriation Budget. This will be addressed before the May 2014 Plenary as the Unit would have been sufficiently staffed with trained and skilled staff to carry out this task Status remains the same	Setting-up of appropriate IT infrastructure, training on software analysis and IT productivity tools. Collect and compile statistics	Government of Sierra Leone/ Development Partners FIU/LEAs	

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R33. No enforcement measures to compel companies to submit annual returns in a timely manner and in view of the fact that company information are are recorded manually, there are doubts regarding the accuracy and reliability	Implemented				
R37.MLA in relation to ML has never been tested.	On-going	Received one request from the US which is been processed	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	Implemented Implemented Short-term	Under Sec. 1 PART I and Sec. 75 PART X of AML/CFT Act, 2012. Status remain the same			

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
There has been no consideration of establishing an asset forfeiture fund.		Status remains the same.	Establish an asset forfeiture fund in consultation with relevant stakeholders.	FIU/Technical Committee/ Govt of Sierra Leone	
R39. Extradition	Implemented				
SRVI. The Act does not provide for MVT operators to maintain list of their Agents for examination.	Short-Term	Status remains the same.	Issue of the guidelines to MVT operators	FIU/BSL	
SRVII. There is no effective implementation of wire transfer rules.	Implemented	8 Onsite examinations conducted by the BSL during the period under review and there was marked improvement in bank's and bureau the change compliance with the exchange control regulation.	Adoption of Risk base approach in the supervision of financial institutions by the BSL	BSL	
SRVIII. Lack of effective implementation of the legal framework for the supervision of NPOs. Weak compliance	Implemented Implemented	Status remain the same There is a supervisory unit within the Ministry of Finance and Economic Development that deals with the	Enforcement of the relevant regulations and	MOFED	

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with record keeping, maintenance of information on purpose and objectives and controlling persons. The sanctions are not dissuasive and proportionate.		registration of NPOs, licenses, monitoring of their activities. Indicating their purpose and objectives are part of the licensing requirements	sanctions for non-compliance.		
SRIX. Cash couriers	Implemented				