INTER-GOVERNMENTAL ACTION GROUP AGAINST
MONEY LAUNDERING IN WEST AFRICA

Sixth Follow Up Report

Mutual Evaluation



SIERRA LEONE

MAY 2012

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I. INTRODUCTION

1. The Fifth mutual evaluation report presented at the 16th Technical Commission/Plenary meeting of GIABA was analysed and it was adjudged by the plenary that the country had not taken satisfactory steps to deal with the identified deficiencies with respect to the effective implementation of the Financial Action Task Force (FATF) 40+9 Recommendations. The plenary therefore resolved to maintain Sierra Leone on the Enhanced Follow-up process and subsequently issued a public statement on lack of progress on the AML/CFT regime in Sierra Leone. The plenary made specific reference to the fact that a substantial number of actions to be taken to address the deficiencies in the country's AML/CFT regime were contingent on the enactment of the AML/CFT Bill which has been pending since April 2009.

2. The country was subjected to a mutual evaluation in 2006 by a joint IMF/World Bank team under the Financial Sector Assessment Programme (FSAP). The assessment was based on the FATF 40+9 recommendations and the report rated Sierra Leone 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
		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

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIALLY COMPLIANT (PC)	NON-COMPLIANT (NC)
			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

COMPLIANT	LARGELY COMPLIANT(LC)	PARTIALLY COMPLIANT (PC)	NON-COMPLIANT (NC)
			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

3. The country has taken a number of measures to improve on its compliance, notably, the enactment of the AML/CFT Bill in 2012.

II. SUMMARY OF THE PROGRESS MADE BY SIERRA LEONE (Oct 2011-March 2012)

(A) Enactment of AML/CFT Bill

In a bid to stave-off the potential risk of further measures by GIABA after a public denunciation of Sierra Leone in a public statement issued on 16th November 2011, the process of enactment of the AML/CFT Bill was expedited. It evolved through a series of events starting with a pre-legislative conference held on 11th December 2011, followed by parliamentary approval of the Bill on 9th February 2012 and presidential assent granted for it to become Law on 15th February 2012.

With the passing of Bill into Law, a number of deficiencies inherent in the AML/CFT regime will be addressed. The Act criminalizes money-laundering and the financing of terrorism, establishes structures to oversee, monitor and suppress these crimes. The Act also recognizes the Financial Intelligence Unit as a legally established body corporate.

Other strengths of the AML/CFT Act 2012 includes: Section 75 (3) which states the extension of the powers for freezing order from 72 hours to ten (10) working days, Sections 55-60 and 63 made provision for proportionate and dissuasive sanctions for non-compliance with provisions of the Act.

(B) INTER-AGENCY COOPERATION ON TRANSNATIONAL ORGANISED CRIMES

At the behest of the Transnational Organised Crimes Unit (TOCU), cooperation among key law enforcement and intelligence agencies are being strengthened. The Financial

Intelligence Unit (FIU) being a member of TOCU stands to benefit immensely from this inter-agency cooperation and by extension impact positively on the fight against Money Laundering and Terrorism Financing.

(C) ROAD MAP AGREED BY THE TECHNICAL COMMITTTEE ON AML/CFT

With the enactment of the AML/CFT Act 2012, the Technical Committee on AML/CFT met on the 20th March 2012 to discuss the way forward for the implementation of the provisions of the Act. Key action points agreed at the Committee include the following:

- Setting up the FIU
- Appointment of the Director by the President.
- National sensitization drive on AML/CFT issues.
- Ratification of relevant conventions
- Strengthening Currency Declaration system
- Review of the National Strategy

(D) CURRENCY DECLARATION SYSTEM

The weaknesses in the implementation of the Currency Declaration have been thoroughly reviewed and key action points reached at the TOCU Board meeting to address the identified weaknesses, inter alia include the following:

- Follow-up on UNODC's promise to provide funding for the printing of Currency Declaration Forms.

- There are plans for the FIU and TOCU to collaborate with the World Bank to organise training for staff of Customs, Police and Immigration on procedures for handling currency declaration.

(E) The Bank of Sierra Leone has succeeded in getting the revised Bank of Sierra Leone and Banking Bills enacted in December, 2011. The enactment of these Bills will further strengthen the oversight functions of the Central Bank over the banks and non-bank financial institutions.

III. CONCLUSION

4. The AML/CFT Act, 2012 addressed most of the weaknesses identified in the AML/CFT regime of Sierra Leone. It provides among other things proportionate and dissuasive sanctions for non-compliance with its provisions.

5. The country's AML/CFT regime will be strengthened by subsequent developments in the financial system.

6. The attached matrix summarizes the actions taken to ensure compliance with the recommendations which were rated non-compliant and partially compliant.

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: **Sixth Follow-up Report for the Period: October 2011 – 30th March 2012**

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 MER)	**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. Significant flaws in the wording of offence and its related definitions.	Implemented	The AML/CFT Act, 2012 contain provisions which significantly address these Deficiencies.			
No consideration of applying the offence of ML.	Implemented				
The effectiveness of criminalization has not been tested before the court.	Short-Term	A case has been charged to court and proceedings have started	Outcome of the case to prove the effectiveness of criminalization	Police/Judiciary	Capacity building in the handling of ML/FT. Technical Support to the

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
					Transnational Organised crimes Unit (TOCU) and the judiciary with specialised units for AML/CFT investigation and prosecution.
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.	Implemented Short-Term	Deficiency has been addressed in Section 82 of the AML/CFT Act 2012. A case has been charged to court for money laundering and proceedings have started	Outcome of the case to determine the effectiveness and efficiency of the system	Police/ Judiciary	Capacity Building in the area of technicalities in the handling of Money Laundering/ Terrorism Financing Issues
R5. There are no rules concerning CDD measures for existing customers.	Implemented	This deficiency has been addressed in Section 22(4) of the AML/CFT Act, 2012			

Recommended Action (as listed in the MER)	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 ineffective implementation of certain MLR requirements including those with respect to ID of beneficial owners and controllers.	Medium-term	Section 22 of the AML/CFT Act of 2012 has made provision for the ID of beneficial owners and controllers. The Unit during the period under review has conducted 6(six) examinations wherein a number of banks are yet to implement requirements with respect to ID of beneficial owners and controllers. The Unit is presently training staff of the Banking Supervision on AML/CFT on-site examination	Review the MLR so that it will meet FATF Recommendation 5 regarding application of CDD to existing customers, and Recommendation 7 regarding payable through accounts, and Recommendation 8, regarding AML risk from new technologies. The Banking Supervision Department to cover all CDD measures in its supervision and examination. Develop an ongoing program to analyze AML/CFT CDD risks, create an AML/CFT CDD supervisory methodology for its supervision manual, 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	FIU/Technical Committee FIU/BSD	Assistant needed on the review of the MLR

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
			examinations based on the new methodology and manual. Review MLR		
There is ineffective implementation of MLR requirements by FOREX dealers.	Short-term	Section 23 of the AML/CFT Act 2012 made provision for the implementation of MLR requirements by currency exchange or transmission businesses.		FIU/Technical Committee	Training on the development of the guidelines
R10.There is neither an effective implementation of ML requirements beyond basic customer ID records nor implementation of any requirements by foreign exchange dealers.	Implemented Short-term	Sections 133 and 135 of the AML/CFT Act 2012 gives the Unit the power to issue guidelines to reporting institutions. Section 23 addresses the deficiency of currency exchange or transmission businesses.	Implementation of requirements by foreign exchange dealers.	FIU/Technical Committee	Training on the development of the guidelines
R13.There is no provision for reporting of suspicious Financing of Terrorism transactions in the AML Act 2005.	Implemented Medium-term	Section 41 of the AML/CFT Act 2012 provides for the reporting of suspicious transactions relating to both ML and FT by all reporting entities including designated non-financial businesses and professions.	Review the MLR		

Recommended Action (as listed in the MER)	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 many key MLR. There is no effective implementation of MLR requirements by FOREX dealers.	Short-term	Section 41 (5) of the AML/CFT Act, 2012 obligated reporting entities to report currency transactions in excess of the prescribed threshold Section 50 (a) of the AML/CFT Act, 2012 mandated the BSL to supervise financial institutions and currency exchange and transmission businesses	Review of the MLR.	FIU, Technical Committee FIU/Technical Committee	Assistant needed on the review of the MLR Training on the development of the guidelines
R23.Only aspects of AML contained in the Examination Manual are subject to examination and supervision.	Implemented	Section 50 of the AML/CFT Act 2012 has extended obligation on AML/CFT examination to the following bodies: i. The BSL supervises FIs and currency exchange and transmission businesses; ii. The SLICOM shall supervise Insurance industry; iii. The General Legal Council supervises legal practitioners; iv. ICASL supervises chartered accountants. Section 52 of the Act gives the above bodies the power to examine records etc relevant to ensuring compliance.	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 responsible bodies.

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
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.	Short-term	Section 2 of the AML/CFT Act, 2012 establishes the FIU as a body corporate having perpetual succession.	To fully operationalize the Unit so that it can concentrate on its core functions.	Government of Sierra Leone	
R35. Palermo convention has not been ratified. Not all provisions under the Palermo convention have been provided for in the domestic law. • Provisions related to instrumentalities of crime have not been documented. • Has signed but not ratified regional conventions.	On-going Implemented Short-term	Provisions of the Palermo Convention have been comprehensively addressed in the AML/CFT Act, 2012 The AML/CFT Act, 2012 has domesticated the provisions of Palermo and other relevant conventions. Status remains 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

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
			Ratification of regional conventions	Attorney General's Office, Ministry of Foreign Affairs and International Cooperation and Technical Committee	Courtesy visit to Sierra Leone by GIABA Authorities to discuss with stakeholders
R36. The process for effecting MLA is not effective. There is no provision to provide MLA for FT purposes.	Implemented	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 respectively.			
R40.There is minimal agency to agency co-operation.	Short-term	Section 13(1)(s) enhances inter-agency cooperation.	Signing of bi-lateral Memoranda of Understanding with relevant agencies.	FIU/relevant Agencies	
SRI. The CFT Conventions and UN Special Resolutions have not been implemented.	Implemented	World Bank in collaboration with TOCU and the FIU have consented to organised a training that will review the drafted UNSCR 1267 and 1373 procedures	Implementation of UNSCR 1267 and 1373.	FIU/TOCU/World Bank	
SRII. FT has not been criminalized.	Implemented	Section 16 of the AML/CFT Act, 2012 comprehensively criminalizes terrorist financing offences.			
SRIII. No legislative, regulatory or institutional action has been taken.	Implemented	Section 75 of the AML/CFT Act, 2012 has incorporated provisions for freezing and confiscation of terrorist assets.			

Recommended Action (as listed in the MER)	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 are no processes for dealing with all matters related to 1267 & 1373.	On-going	Training was organised by the World Bank on the essence of developing procedures for the implementation of UNSCR 1267 and 1373 with all agencies of TOCU.	Implementation of the procedures for the implementation of UNSCR 1267 and 1373.	FIU/TOCU/World Bank	
SRIV. There are no guidelines for implementation of TF requirements.	Implemented	In accordance with Sections 133 and 135 of the AML/CFT Act, 2012 provides the legal framework to implement guidelines on TF that had been issued previously to FIs.			
SRV.There is no provision for FT. FT is not an extraditable offence. No agency co-operation with regard to FT matters.	Implemented Implemented	Section 16 of the AML/CFT Act, 2012 provides for FT FT is an extraditable offence according to Section 134 of the AML/CFT Act, 2012. TOCU has created a specialized Unit to investigate ML and TF.	.		

Summary of other Recommendations rated PC or NC

Recommended Action (as listed in the MER)	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 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 MER)	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 Short-term	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) indicated that the Bank of Sierra Leone shall supervise, monitor compliance, penalise non-compliance and enforce compliance with respect to the obligations in the AML/CFT Act, 2012.	Finalize the guidelines and issue to respective reporting entities.	BSL/FIU/ Technical Committee	Training

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
		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 AML Act 2005, Section 14(6).	Implemented 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			
R15. There is no effective	Implemented.	Section 45 of the AML/CFT Act, 2012 clearly imposes an obligation on all			

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
implementation of requirements of the AML Act 2005 and the MLR.		reporting entities to appoint Money Laundering Compliance Officers (MLROs) and their responsibilities have been clearly specified therein.			
R16. There has been no implementation of the AML Act 2005 by DNFBPs.	Short-term	The AML/CFT Act, 2012 provides for the implementation of requirements relating to DNFBPs.	Develop AML/CFT guidelines for DNFBPs.	FIU/Technical Committee	Training
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 banks and use of shell banks. There is no effective implementation of requirements of the AML Act	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 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.			

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
2005 and the MLR.					
R19.Officials have not considered feasibility of reporting all transactions in currency above a fixed threshold.	Implemented.	Section 68 of the AML/CFT Act, 2012 explicitly specifies the currency or negotiable bearer instruments reporting threshold for both natural and legal persons with sanction for failing to comply.			
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.	Medium-term Short-term	Sections 23 & 24 of the AML/CFT Act, 2012 extends AML/CFT requirements to DNFBPs and Non Bank Financial Businesses. Modernization of the National Payments System is on going. When fully implemented, electronic products that will help narrow down cash based transactions will be introduced and effectively monitored.	National AML/CFT Risk assessment will help provide a complete threat assessment of other non-financial businesses and professions other than DNFBPs. Implementation of FSDP & Payment System	FIU/Technical Committee Bank of Sierra Leone and Ministry of Finance and Economic Development	Financial and Technical Support for AML/CFT risk assessment survey.
R21.There are no effective measures in place to ensure that financial	Short-term	The AML/CFT Act, 2012 put measures in place to address this deficiency	Effective and well constituted FIU will enhance Compliance with	FIU	Support to the setting-up of the FIU.

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. There is no effective implementation of ML requirements.	Implemented		this recommendation		
R22.There are no rules with respect to communication with home country supervisor or compliance with CDD measures at the group level. There is no effective implementation of requirements of the AML Act and the MLR.	Implemented	Section 45 of the Banking Act, 2011 empowers the Central Bank to enforce compliance with prudential requirements of all licence institutions their branches and subsidiaries outside Sierra Leone. Section 37 of the AML/CFT Act, 2012 provides that "If the laws of the country where the branch or majority owned subsidiary is situated prevent compliance with the sections referred to in subsection (1) for any reason, the financial institution shall immediately advise its competent supervisory authority, which may take or authorize other appropriate steps to accomplish the purposes of this Act."			

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
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	Section 39 refers to Subsection (1) of Section 38 that it shall apply to casinos, with the necessary modifications, in relation to the proof of the lawful origin of the initial capital of the casino, the identification of gamblers and the maintenance of other business transaction records; but the requirement for the identification of customers shall apply to gamblers who buy, bring or exchange chips or tokens for a sum exceeding five million Leones.	FIU should collaborate with NCP & Tourist Board to strengthen licensing requirements and create a gaming and betting organization to regulate and supervise.	FIU/NCP/National Tourist Board	
R25.There is no STR form. There is no formal feedback process for either financial institutions or DNFBPs. There are currently no AML/CFT guidelines for DNFBPs.	Implemented Short –Term Short-term	STR forms were developed and issued to FIs. Section 41 (2) extends STR reporting requirement to include other financial institutions and DNFBPs. Section 50 empowers the FIU and other supervisory bodies to supervise DNFBPs where such supervisory agencies are non-existent until these bodies are established accordingly. Status remains the same	Develop guidelines for Other Financial Institutions and DNFBPs.	FIU and Technical Committee. FIU/Technical Committee	Training

Recommended Action (as listed in the MER)	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	Section 71 of the AML/CFT Act, 2012 has extended powers of investigation to include other LEAs; broadened the definition of Competent Authority. One is presently in Court	Signing of bi-lateral Memoranda of Understanding with relevant LEAs. Conclude Proceedings	FIU and Law Enforcement Agencies. TOCU/judiciary /police	Capacity Building for the investigation and prosecution of ML/TF cases
R28.There is no evidence to demonstrate the effective implementation and use of the investigative powers of the AML Act 2005.	On-going	Scope of compete authority is broadened which will facilitate cooperation among LEAs investigating ML and predicate offences. Predicate offences investigated by TOCU were drug trafficking, tax evasion and subject failed to licence fishing company to transact business. One case is presently in Court for all of the above mentioned offences.	Conclude Proceedings	Law Enforcement/ Judiciary/police	Capacity Building for the investigation and prosecution of ML/TF cases.
R30.FIU – current resources are insufficient.	Short -term	Section 9 of the AML/CFT Act, 2012 establishes the fact that the FIU shall have a budget which will be largely financed from the Consolidated Revenue Fund. The FIU has been set-up as an independent entity, pursuant to Section 2 of the AML/CFT Act, 2012.	Setting up of the FIU and provision of adequate budgetary support for it operations.	Sierra Leone Government.	

Recommended Action (as listed in the MER)	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.					
R31.No agency has been mandated to coordinate the government's AML/CFT policies and international relations.	Implemented	The Inter-Ministerial Committee has been established to oversee the implementation of AML/CFT requirements. A Technical Committee has also been established to discuss technical issues and seek approval from the Inter-Ministerial Committee for its decisions. This structure ensures the effective coordination and partnership among domestic as well as International agencies. The establishment of the TOCU has also facilitated domestic inter-agency cooperation.	Signing of MOUs with relevant Agencies	FIU and relevant Agencies	

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
The mechanism for domestic co-operation and co-ordination has not been effective. The level of consultation among the critical AML/CFT relevant bodies has been minimal.					
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.	Short/medium-term	The FIU received some equipment from the UNODC which are being used to enhance analysis and intelligence dissemination to appropriate LEAs.	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 MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
MLA and Extradition – there are no statistics available.	Short-term	Status remains the same	Collect and compile statistics	FIU/LEAs	
R33.There is no enforcement mechanism to compel companies to submit annual returns in a timely manner.	Implemented	Sections 317 and 318 of the Companies Act 2009 compel Companies to submit annual returns, and Section 41 of the Banking Act, 2011 and Section 23 of the OFS Act 2001 provide such powers.			
R37.MLA in relation to ML has never been tested.		Section 101 of the AML/CFT Act, 2012 has incorporated provisions for the effective implementation of MLA and Section extradition treaties.			
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 Medium-term	Weaknesses addressed in Section 69 of the AML/CFT Act, 2012. Enactment of the AML/CFT Act, 2012	Establish an asset forfeiture fund.	FIU/Govt of Sierra Leone	

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
R39. There is no provision to prosecute nationals who are not extradited.	Implemented	Addressed in the AML/CFT Act, 2012.			
SRVI. The supervision, examination and monitoring of compliance by banks with AML/CFT measures is incomplete.	Implemented	The AML/CFT Act, 2012 addresses these deficiencies			
SRVII. There is no effective implementation of wire transfer rules.	Implemented	The AML/CFT examination addresses this deficiency.			
SRVIII. There is no legal framework for the supervision of NPOs. The sanctions are not dissuasive and proportionate.	Implemented Short-term	Section 50 (2 and 3) of the AML/CFT Act, 2012 addresses this deficiency. The Act provides comprehensive sanctions for failure to comply with AML/CFT rules.	 Implementation of the Act		
SRIX. The requirement to report cross-border	Implemented	The Currency Declaration Form (CDF) has been designed and is being	Information bill boards at arrival and departure sheds	Technical Committee/	

Recommended Action (as listed in the MER)	Timetable for adoption of corrective measures	Action(s) already taken	Remaining Actions to be taken (with timelines, if known)	Responsible Institution	Technical Assistance Required
transportation of currency and bearer negotiable securities, pursuant to Section 20 of the AML Act 2005 has not been implemented.		implemented by the National Revenue Authority (NRA).	of the airport and public sensitization campaigns.	development partners.	