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Circular to all Banks, Other Financial Institutions (OFIs) and Payment Service Providers (PSPs)

CENTRAL BANK OF NIGERIA (ANTI MONEY LAUNDERING, COMBATING THE FINANCING OF TERRORISM AND COUNTERING PROLIFERATION FINANCING OF WEAPONS OF MASS DESTRUCTION IN FINANCIAL INSTITUTIONS) REGULATIONS 2022.

The Central Bank of Nigeria reviewed the CBN AML/CFT Regulations 2013 and its amendments to comply with provisions of the Money Laundering (Prevention and Prohibition) Act, 2022, Terrorism (Prevention and Prohibition) Act, 2022 and relevant extant AML/CFT/CPF regulations.

This resulted in the issuance of a new Regulation titled Central Bank of Nigeria (Anti Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction In Financial Institutions) Regulations, 2022.

These Regulations, which revoked the CBN AML/CFT Regulations 2013, is issued by the CBN to promote compliance with AML/CFT laws and regulations and safeguard financial institutions from being used for financial crimes.

Therefore, all banks, other financial institutions and payment service providers are directed to note and immediately comply with provisions of the CBN (Anti Money Laundering, Combating

the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction
in Financial Institutions



CHIBUZO A. EFORIN (in Financial Institutions) Regulations 2022.

DIRECTOR, FINANCIAL POLICY AND REGULATION DEPARTMENT

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COMBATING THE FINANCING OF TERRORISM AND
COUNTERING PROLIFERATION FINANCING OF WEAPONS OF
MASS DESTRUCTION IN FINANCIAL INSTITUTIONS)
REGULATIONS, 2022



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CENTRAL BANK OF NIGERIA (ANTI-MONEY LAUNDERING
COMBATING THE FINANCING OF TERRORISM AND
COUNTERING PROLIFERATION FINANCING OF WEAPONS
OF MASS DESTRUCTION IN FINANCIAL INSTITUTIONS)
REGULATIONS, 2022

In exercise of the powers conferred upon me by the provisions of section 28 of the Money Laundering (Prevention and Prohibition) Act, 2022 and section 95 of the Terrorism (Prevention and Prohibition) Act 2022 and all other powers enabling me in that behalf, I, Abubakar Malami, SAN Attorney-General of the Federation and Minister of Justice, make the following Regulations—

PART I—OBJECTIVES, SCOPE AND APPLICATIONS Objectives.

1. The objectives of these Regulations are to—

(a) provide Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing ("AML, CFT and CPF") compliance guidelines for Financial Institutions under the regulatory purview of the Central Bank of Nigeria ("CBN") as required by relevant provisions of the Money Laundering (Prevention and Prohibition) Act (MLPPA), 2022, the Terrorism (Prevention and Prohibition) Act (TPPA), 2022, and other relevant laws and regulations ;

(b) enable the CBN to diligently enforce AML, CFT and CPF measures and ensure effective compliance by Financial Institutions ; and

(c) provide guidance on Know-your-Customer ("KYC") measures to assist Financial Institutions in the implementation of these Regulations.

2. These Regulations cover the relevant provisions of the MLPPA, TPPA

Scope.

and any other relevant laws or regulations that includes— (a)

the key areas of AML, CFT and CPF Policy ;

(b) development of Compliance Unit and function ;

(c) Compliance Officer designation and duties ; (d) the requirement to co-operate with the competent or supervisory authorities ;

(e) conduct of Customer Due Diligence ;

(f) monitoring and filing of suspicious transactions to the Nigerian Financial Intelligence Unit ("NFIU") and other reporting requirements ;

(g) record keeping ; and

(h) AML, CFT and CPF employee training.

Application. 3. These Regulations shall apply to all Financial Institutions under the regulatory purview of the Central Bank of Nigeria.

PART II—DESIGNATED MONEY LAUNDERING, TERRORISM AND PROLIFERATING FINANCING OFFENCES

Designated categories of predicate offences.

4.—(1) Financial Institutions shall identify and file suspicious transaction reports to the NFIU, where funds, assets or property are suspected to have been derived from any, but not limited to, the following criminal activities—

- (a) participation in an organized criminal group and racketeering ;
- (b) terrorism, including terrorism financing ;
- (c) financing the proliferation of weapons of mass destruction ;
- (d) trafficking in persons and migrant smugglings ;
- (e) sexual exploitation, including sexual exploitation of children ;
- (f) illicit trafficking in narcotic drugs and psychotropic substances ; (g) illicit arms trafficking ;
- (h) illicit trafficking in stolen and other goods ;
- (i) corruption ;
- (i) bribery ;
- (k) fraud ;
- (l) currency counterfeiting ;
- (m) counterfeiting and piracy of products ;
- (n) environmental crime ;
- (o) murder ;
- (p) grievous bodily injury ;
- (q) kidnapping, illegal restraint and hostage-taking ; (r) robbery or theft ;
- (s) smuggling, including smuggling done in relation to customs and excise duties and taxes ;
- (t) tax crimes, related to direct taxes and indirect taxes ;
- (u) extortion ;
- (v) forgery ;
- (M) piracy ;
- (y) insider trading and market manipulation ; or
- (z) any other predicate offence under the MLPPA, TPPA, other relevant laws and regulations.

Terrorism financing offences.

5. —(1) Terrorism financing offences extend to any person or entity, within or outside Nigeria, in any Inanner, who, directly or indirectly, and willingly

provides, solicits, acquires, collects, receives, possesses, or makes available property, funds or other services, or attempts to provide, solicit, acquire, collect, receive, possess or make available property, funds or other services with the intention or knowledge, or having reasonable grounds to believe that it will be used, in full or in part to finance a terrorist or terrorist group in line with relevant sections of TPPA.

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(2) Under these Regulations, terrorism financing offences are predicate offences for money laundering and shall apply regardless of whether the person or entity alleged to have committed the offence is in the same country or a different country from the one in which the terrorist or terrorist organization is located, or the terrorist act occurred or will occur.

6 Financial Institutions shall undertake targeted financial sanctions in relation to TP and PF as provided for under T PPA and Regulations.

*targeted financial sanctions related to terrorism financing and financing of proliferation or weapons of mass destruction.

(2) Financial Institutions shall report to the NFIU any assets frozen, or actions taken in compliance with—

(a) the prohibition requirements of the relevant United Nations Security Council Resolutions ('UNSCRs') on terrorism, financing of proliferation of

weapons of mass destruction, any future successor resolutions ; and

(b) the T PPA and Regulations and any amendments that may be reflected by the competent authorities.

30 The reports in sub-regulation (2) of this regulation shall include all transactions involving attempted and concluded transactions in compliance with the MLPPA, T PPA and Regulations and any amendments that may be reflected by the competent authorities.

(4) The sanctions contained in the extant CBN AML, CFT and CPF (Administrative Sanctions) Regulations, BOFIA, MLPPA, T PPA or in T PPA Regulations shall be imposed by the CBN any Financial Institution under its regulatory purview that fails to comply with the provision of these Regulations.

7.—(1) Banking secrecy or preservation of customer confidentiality shall not be invoked as a ground for objecting to the measures set out in

Limitation or secrecy and confidentiality

these Regulations or for refusing to be witness to facts likely to constitute an infraction or offence under these Regulations, the relevant provisions of the MLPPA, T PPA and any other relevant subsisting laws or Regulations.

(2) The relevant laws cited in sub-regulation (1) of this regulation have given the relevant authorities the powers required to access information to properly perform their functions in combating money laundering (ML), terrorism financing (TF) and proliferation financing (PF), the sharing of information between competent authorities, either domestically or internationally, and the sharing of information between Financial Institutions as may be required from time to time.

AML, CFT and CPF institutional

8.—(1) A Financial Institution shall—

(a) adopt policies stating its commitment to comply with Anti-Money Laundering ('AML'), Combating Financing of Terrorism (CFT) and

framework.

Countering Proliferation Financing of Weapons of Mass Destructions ('CPF') obligations under subsisting laws, regulations and regulatory directives and to actively prevent any transaction that otherwise facilitates criminal activities, Money Laundering, Terrorist Financing and Proliferation Financing (ML, TF and PF) ;

(b) formulate and implement internal controls and other procedures to deter criminals from using its facilities for ML, TF and PF ;

(c) adopt a risk-based approach in the identification, assessment and management of their ML, TF and PF risks in line with the requirements of these Regulations ;

(d) comply promptly with requests made pursuant to AML, CFT and CPF legislations and provide information to the Central Bank of Nigeria ("CBN"), Nigeria Financial Intelligence Unit ("NFIU") and other competent authorities ;

(e) not in any way inhibit the implementation of the provisions of these Regulations and shall co-operate with the regulators and law enforcement agencies in the implementation of a robust AML, CFT and CPF regime in Nigeria ;

(f) render statutory reports to competent authorities as required by law and shall guard against any act that will cause a customer or client to avoid compliance with AML, CFT and CPF Legislations ;

(g) identify, review and record other areas of potential ML, TF or PF risks not covered by these Regulations and report same to the CBN ;

(h) reflect AML, CFT and CPF policies and procedures in their strategic policies ;

(i) conduct ongoing due diligence and where appropriate, enhanced due diligence on all business relationships and shall obtain information on the purpose and intended nature of the business relationship of their potential customers ; and

(j) ensure that their employees, agents and others doing business with them, clearly understand the AML, CFT and CPF programme.

Formal

9.1

(1) The ultimate responsibility for AML, CFT and CPF

compliance

board approval of the

is placed on the Board and top management of every Financial Institution in Nigeria.

AML, CFT and CPF

(2) The Board of a Financial institution shall ensure that a comprehensive operational AML, CFT and CPF Policy and Procedure is formulated by

PART III—AML, CFT and CPF INSTITUTIONAL POLICY FRAMEWORK

compliance.

management and presented to the Board for consideration and approval.

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Copies of the approved AML, CFT and CPF Policy and Procedure in sub-regulation (2) of this regulation shall be forwarded to the FIU within six months of the release of these Regulations.

Monthly reports on the AML, CFT and CPF compliance status of a institution shall be presented to the Board by the Chief Compliance Officer for its information and necessary action.

Financial Institutions shall have a comprehensive AML, CFT and compliance programme to guide its efforts, ensure diligent implementation

Comprehensive AML, CFT and CPF

and entrench in the institution a culture of compliance to minimize

compliance programme.

the use of the institution being used to launder the proceeds of crime, or the funding of and proliferation of weapons of mass destruction and provide protection against reputational and financial risks.

Financial Institutions shall ...

take appropriate steps to identify, assess and understand its ML, T F risks for customers, countries or geographic areas of its operations, services and delivery channels; document its risk assessments profile; consider all relevant risk factors before determining the overall level and the appropriate level and type of mitigation to be applied; keep the risk assessments up to date; and have the appropriate mechanisms to provide risk assessments reports

assessment.

Financial Institutions shall—

Risk mitigation.

have policies, controls and procedures which are approved by its directors to enable it to manage and mitigate the risks that have been identified (either by the CBN and other competent authorities or by the institution); monitor the implementation of the controls and enhance them where

enhanced measures to manage and mitigate the risks where risks are identified.

() Financial Institutions shall designate Chief Compliance Officer Designation
-h the relevant competence, authority and independence to invlement and duties
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compliance

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(b) receiving and vetting suspicious transaction reports ('STRs') from staff ;

(c) filing STRs with the NFIU:

(d) filing other regulatory returns with the CBN and other relevant regulatory and supervisory authorities ;

(e) rendering "nil" reports to the CBN and NFIU, where necessary to ensure compliance ;

(f) ensuring that the financial institution's compliance programme is implemented ;

(g) coordinating the training of board, management and staff in AML, CFT and CPF awareness, detection methods and reporting requirements ; and

(h) serving both as a liaison officer between his institution, the CBN and NFIU and a point-of-contact for all employees on issues relating to ML, TF and PE.

Internal controls.

compliance and audit.

4. (1) Financial Institutions shall establish and maintain internal procedures, policies and controls to prevent ML, TF and PF, which have regard

to their ML or TF risks and the size of the business and communicate these to their employees.

(2) The procedures, policies and controls established by Financial

Institutions shall cover operational matters including the CDD, record retention, detection of unusual and suspicious transactions and the reporting obligations.

(3) The Compliance Officer and appropriate staff are to have timely access to CDD information, account and transaction records, including information and all analysis of transactions and activities and other relevant information.

(4) Financial Institutions are accordingly required to develop programmes against ML, TF and PF, such as—

(a) the development of internal policies, procedures and controls, including appropriate compliance management arrangements and adequate screening procedures to ensure high standards when hiring employees ;

(b) ongoing employee training programmes to ensure that employees are kept informed of new developments, including information on current ML, TF and PF techniques, methods and trends ;

(c) providing clear explanation of all aspects of AML, CFT and CPF laws and obligations, and in particular, requirements concerning CDD and suspicious transaction reporting ; and

(d) adequately resourced and independent audit function to test COInpliance with the procedures, policies and controls.

(5) Financial groups shall implement group-wide programmes against ML, TF and PF, applicable and appropriate to all branches and majority-owned subsidiaries of the group, including the measures as set out in sub-regulation (4), of this Regulations and—

(a) policies and procedures for sharing information required for the purposes of CDD and ML, TF and PF risk management ;

(b) the provision at group-level, audit and AML, CFT and CPF functions of the information as included in sub-regulation (3) of this regulation from branches and subsidiaries when necessary for AML, CFT and CPF purposes ; provided that branches and subsidiaries should receive such information from these group-level functions when relevant and appropriate to risk management ; and

(c) adequate safeguards on the confidentiality and use of information exchange, including safeguards to prevent tipping-off.

(6) Financial Institutions shall put in place a structure that ensures the operational independence of the CCO and Compliance Officers.

15.41) Financial Institutions shall subject its AML, CFT and CPF Compliance Programme to independent-testing or require its internal audit function to determine the adequacy, completeness and effectiveness of the programme.

Testing for the adequacy of the AML, CFT and CPF compliance programme.

(2) Report of compliance by Financial Institutions shall be rendered to the CBN by 31st December of every financial year and any identified weaknesses or inadequacies promptly addressed by the Financial Institutions.

Prohibition of numbered or anonymous accounts, accounts in fictitious names and shell banks.

16.—(1) Financial Institutions shall not keep anonymous accounts or accounts in fictitious names.

(2) Financial Institutions shall not establish or continue correspondent relationships with shell banks with no physical presence in any country or with correspondent banks that permit their accounts to be used by such banks.

(3) Shell banks are prohibited from operating in Nigeria as provided in MLPPA.

Foreign branches and subsidiaries.

(4) Financial Institutions shall take all necessary measures to satisfy itself that respondent Financial Institutions in a foreign country do not permit their accounts to be used by shell banks.

17.—(1) Financial Institutions shall ensure that foreign branches and subsidiaries observe AML, CFT and CPF measures consistent with the provisions of these Regulations and apply the measures to the extent that the local or host country's laws and Regulations permit.

(2) Financial Institutions shall ensure that the principle referred to in sub-regulation (1) of this regulation is observed by their branches and subsidiaries in countries which do not or insufficiently apply the requirements of these Regulations.

(3) Where the minimum AML, CFT and CPF requirements contained in these Regulations and those of the host country differ, branches and subsidiaries of Nigerian Financial Institutions in the host country shall apply the higher standard provided in these Regulations and such standards shall be applied to the extent that the host country's laws, regulations or other measures permit.

(4) Financial Institutions shall inform the CBN in writing when their foreign branches or subsidiaries are unable to observe the appropriate

AML, C FT and CPF measures where they are prohibited to observe such measures by the host country's laws, regulations or other measures.

(5) Financial Institutions shall subject to the AML, CPT and CPF principles contained in these Regulations, apply consistently the CDD measures at their group levels, taking into consideration the activity of the customer with the various branches and subsidiaries.

operation

(In)competent
authorities.

18.—(1) Financial Institutions shall promptly comply with all the requests made pursuant to the provisions of relevant AML, C FT and CPF laws and regulations and provide all requested information to the CBN and other competent authorities.

(2) Financial Institutions's procedures for responding to authorized requests for information on ML, TF and PF shall meet the following—

(a) searching immediately the financial institution's records to determine whether it maintains or has maintained any account for, or has engaged in any transaction with any individual, entity or organization named in the request ;

(b) reporting promptly to the requesting authority the outcome of the search ; and

(c) protecting the security and confidentiality of such requests.

PARAGRAPH IV—CUSTOMER DUE DILIGENCE MEASURES

Customer
Due
Diligence
(“CDD”) measures.

19.—(1) Financial Institutions shall undertake Customer Due Diligence (“CDD”) measures when—

(a) business relationships are established ;

(h) carrying out occasional transactions above the applicable and designated threshold of US\$,000 or its equivalent in other currencies or as ~~may~~ be determined by CBN from time to time, including where the transaction is carried out in a single operation or several operations that appear to be linked •

(c) carrying out occasional transactions that are wire transfers, including cross-border and domestic transfers between Financial Institutions and when credit or debit cards are used as a payment method to effect money transfer ;

(d) there is a suspicion of ML, TF and PF regardless of any exemptions or any other thresholds referred to in these Regulations ; or

(e) there are doubts on the veracity or adequacy of previously obtained customer identification data.

(2) The measures in paragraphs (a), (h) and (c) of sub-regulation (1) of this regulation, shall not apply to payments in respect of—

(a) any transfer flowing from a transaction carried out using a credit or debit card so long as the credit or debit card number accompanying such transfers flow from the transactions such as withdrawals from a bank account through an ATM machine, cash advances from a credit card or payment for goods ; and

(h) Inter-financial institution transfers and settlements where both the originator-person and the beneficial-person are Financial Institutions acting on their own behalf.

(3) Financial Institutions are not required to repeatedly perform identification and verification exercise every time a customer conducts a transaction except there is a suspicion that the previously obtained information is not complete or has changed.

21.—(1) Financial Institutions shall identify customers, whether permanent or occasional, natural or legal persons, or legal arrangements, and verify the customers' identities using reliable, independently sourced documents, data or information.

Identification and verification of Identity of customers.

(2) Financial Institutions shall carry out the full range of the CDD Measures contained in these Regulations, the relevant provisions of the MLPPA and any other relevant laws or regulations.

(3) Financial Institutions shall apply the CDD Measures on a risk-sensitive basis.

(4) Types of customer information to be obtained and identification data to be used to verify the information shall be as provided by the CBN from time to time.

(5) Financial Institutions shall determine whether any person purporting to act on behalf of the customer is so authorized, and identify and verify the identity of that person.

(6) Where the customer is a legal person or a legal arrangement, the Financial Institution shall identify and verify its identity through the following information—

(a) the name and the legal status of the legal person or legal arrangement by obtaining proof of incorporation from the Corporate Affairs Commission ('CAC') or similar evidence of establishment or existence and any other relevant information ;

(b) the powers that regulate and bind the legal persons or arrangement, ;

(c) the names of the relevant persons holding senior management positions in the legal persons or arrangement ; and

(d) the address of the registered office, and if different, a principal place of business.

Verification of beneficial ownership.

21.—(1) Financial Institutions shall—

(a) understand the nature of the customer's business, its ownership and control structure including board and senior management ;

(b) identify and take reasonable steps to verify the identity of a beneficial owner, using relevant information or data obtained from reliable

sources to satisfy itself that it knows who the beneficial owner is through methods including—

(a) for legal persons—

(i) identifying and verifying the natural persons, where they exist, that have ultimate controlling ownership interest in a legal person, taking into cognizance the fact that ownership interests can be so diversified that there may be no natural persons, whether acting alone or with others, exercising control of the legal person or arrangement through ownership ; (ii) to the extent that there is doubt under sub-paragraph (i) of this paragraph that the persons with the controlling ownership interest are the beneficial owners or where no natural person exerts control through ownership interests, identify and verify the natural persons, where they exist, exercising control of the legal person or arrangement through other means ; and

(iii) where a natural person is not identified under sub-paragraph (i) or (ii) of this paragraph, Financial Institutions shall identify and take reasonable measures to verify the identity of the relevant natural person who holds senior management position in the legal person ;

(b) for legal arrangements such as trust arrangement, Financial Institutions shall identify and verify the identity of the settlor, the trustee, the protector where they exist, the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate or effective control over the trust including through a chain of control or ownership ; and

(c) for other types of legal arrangements, the Financial Institutions shall identify and verify persons in equivalent or similar positions.

(2) Financial Institutions shall take reasonable measures in respect of customers that are legal persons or legal arrangements to—

(a) understand the ownership and control structure of such a customer ; and

(b) determine the natural persons that ultimately own or control the customer.

(3) In the exercise of its responsibility under this regulation, Financial Institutions shall take into account that natural persons include those persons who exercise ultimate or effective control over the legal person or arrangement and factors to be taken into consideration to satisfactorily perform this function

include—

(a) for companies—the natural persons shall own the controlling interests and comprise the mind and management of the company ; and

(b) for trusts—the natural persons shall be the settlor, the trustee or

person exercising effective control over the trust and the beneficiaries.

(4) Where a customer or an owner of the controlling interest is a company listed on a stock exchange and subject to disclosure requirements (either by stock exchange rules or by law or other enforceable means) which impose requirements to ensure adequate transparency of beneficial ownership, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of the company.

(5) The relevant identification data referred to in the foregoing regulation may be obtained from a public register, the customer and other reliable sources, and for this purpose, ownership of 5% interest or more in a company is applicable.

(6) Financial Institutions shall understand and obtain information on the purpose and intended nature of the business relationship of its potential customers as appropriate.

(7) Financial institutions shall conduct on-going due diligence on a business relationship.

(8) The conduct of on-going due diligence includes scrutinizing the transactions undertaken by the customer throughout the course of the Financial Institution and customer relationship, to ensure that the transactions being conducted are consistent with the Financial Institutions knowledge of the customer, his business, risk profiles and the source of funds.

(9) Financial Institutions shall ensure that documents, data or information collated under the CDD process are kept up-to-date and relevant by undertaking regular periodic reviews of existing records, particularly the records in respect of higher-risk business-relationships or customer categories.

Timing of
verification.

22.41) Financial Institutions shall obtain and verify the identity of the customer, beneficial-owner and occasional customers before or during the course of establishing a business relationship or conducting transactions for them.

(2) Financial Institutions are permitted to complete the verification of the identity of the customer and beneficial owner following the establishment of the business relationship, only where—

- (a) this can be done within 48 hours ;
- (b) it is essential not to interrupt the nonnal business conduct of the customer in cases of non-face-to-face business ; or
- (c) the money laundering risks can be effectively managed.

(3) Where a customer is permitted to utilize the business relationship prior to verification, Financial Institutions shall adopt risk management procedures relevant to the conditions under which this luay occur.

(4) The procedures contemplated under sub-regulation (3) of this regulation shall include a set of nmeasures such as—

- (a) limitation of the number, types or amount of transactions that may be performed ; and
- (b) the monitoring of large or complex transactions being carried out outside the expected notins for that type of relationship.

Application

23.—(I) Financial Institutions shall apply CDD requirements to existing

existing customers.

customers on the basis of materiality and risk, and continue to conduct due diligence on such existing relationships at appropriate times.

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(2) The appropriate time to conduct CDD by Financial institutions in the following non-limitative cases, when—

- (a) a transaction of significant value takes place ;
- (b) a customer documentation standards change substantially ;
- (c) there is a material change in the way that the account is operated ; or (d) the institution becomes aware that it lacks sufficient information about an existing customer.

(3) Financial Institution shall properly identify the customer in accordance with the criteria contained in these Regulations and the customer identification records shall be made available to the compliance officer, other appropriate staff and competent authorities.

Failure to complete CDD.

24. (1) A Financial Institution that is unable to comply with the CDD measures pursuant to these Regulations shall—

- (a) not be permitted to open the account, commence business relations or perform the transaction with the concerned persons ; and
- (b) be required to render a Suspicious Transaction Report to the NFIU.

(2) A Financial Institution that has commenced the business relationship prior to the conduct of CDD shall terminate the business relationship and render Suspicious Transaction Reports to the NFIU.

(3) Where Financial Institutions suspects that transactions relate to money laundering, terrorism financing or proliferation financing, during the establishment or course of the customer relationship, or when conducting occasional transactions, it shall immediately—

- (a) obtain and verify the identity of the customer and the beneficial owner, whether permanent or occasional, irrespective of any exemption or any designated threshold that might otherwise apply ; and
- (b) render a Suspicious Transaction Report to the NFIU immediately.

(4) Where Financial Institutions suspects that a transaction relates to ML, TF and PF and it believes that performing the CDD process shall tip-off the customer, it shall—

- (a) not pursue the CDD process, and
- (b) file an STR to the NFIU immediately.

(5) A Financial Institution shall ensure that its employees are aware of, and sensitive to the issues mentioned under this regulation.

(6) When assessing risk, Financial Institutions shall consider all the relevant risk factors before determining the level of overall risk and the appropriate level of mitigation to be applied.

(7) Financial Institutions are allowed to differentiate the extent of measures, depending on the type and level of risk for the various risk factors and in a particular situation they may apply—

- (a) normal CDD for customer acceptance measures ;
- (b) enhanced CDD for on-going monitoring ; or
- (c) any of the procedures as may be considered appropriate in the circumstance.

25.—(1) Financial Institutions are permitted to apply simplified CDD measures only where lower risks have been identified through an adequate analysis of the risks. Lower risk customers, transactions or products.

(2) The simplified measures should be commensurate with the lower risk factors but are not acceptable whenever there is suspicion of ML, TF or PF, or specific higher risk scenarios apply.

26.—(1) Financial Institutions may adopt physical or electronic Know-Your-Customer (e-KYC) approach to on-board customers; and the procedures adopted by Financial Institutions on e-KYC shall comply with the requirements of CBN's Guidance on e-KYC. Tiered KYC measures.

(2) A tiered KYC standard shall be utilized to ensure application of flexible account opening requirements for low-value and medium value accounts which shall be subject to caps and restrictions.

(3) As the transactions and value increases, the account opening requirements shall increase progressively with less restrictions as may be specified by the CBN on operations.

(4) Financial Institutions shall have mechanisms in place for monitoring of accounts opened under the Tiered Know Your Customer procedures to ensure that such accounts are not misused for ML or TF.

27.—(1) A Financial Institution that relies upon another FI or DNFBP to conduct its CDD shall—

(a) ensure that the Financial Institution and DNFBP are subject to and have measures in place for compliance with the record keeping requirements

prescribed under these Regulations ; and

(b) satisfy itself that copies of identification data and other relevant documentation relating to the CDD requirements shall be made available from the third party upon request without delay.

(2) A Financial Institution shall satisfy itself that a third party is a regulated and supervised institution and that it has measures in place to comply with requirements of CDD reliance on intermediaries and other third parties on CDD as contained in these Regulations.

Reliance on intermediaries and third parties on CDD function.

(3) Financial Institutions relying on intermediaries or other third parties who have no outsourcing, agency, business relationships, accounts or transactions with it or their clients shall perform some of the elements of the CDD process on the introduced business.

(4) The criteria to be met in carrying out the elements of the CDD process by the financial institution referred to in sub-regulation (3) of this regulation are

(a) immediately obtain from the third party the necessary information concerning certain elements of the CDD process ;

(b) take adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to CDD requirements shall be made available from the third party upon request without delay ;

(c) satisfy themselves that the third party is regulated and supervised in accordance with core principles of AML, CFT and CPF and has measures in place to comply with the CDD requirements set out in these Regulations ; and

(d) ensure that adequate Know-your-Customer ("KYC") provisions are applied to the third party in order to obtain account information for competent authorities.

(5) Notwithstanding the conditions specified in this regulation, the ultimate responsibility for customer identification and verification shall be with the Financial Institution relying on the third party.

(6) When determining in which countries the third party that meets the conditions can be based, Financial Institutions shall have regard to information available on the level of country risk.

(7) For Financial Institutions that rely on a third party that is part of the same financial group, relevant competent authorities may also consider that the requirements of the criteria above are met in the following circumstances—

(a) the group applies CDD and record-keeping requirements, in line with programmes against ML, TF or PF ;

(b) the implementation of those CDD and record-keeping requirements and AML, CFT and CPF programmes is supervised at a group level by a competent authority ; and

(c) any higher country risk is adequately mitigated by the group's AML, CPT and CPF policies.

PART V—ADDITIONAL CUSTOMER DUE DILIGENCE
MEASURES FOR SPECIFIC CUSTOMERS AND ACTIVITIES

28. Financial Institutions shall perform Enhanced Due Diligence (EDD) for higher risk customers, business relationship or transactions including—
- (a) non-resident customers ;
 - (b) private banking customers ;
 - (c) legal persons or legal arrangements such as trusts that are personal assets-holding vehicles ;
 - (d) companies that have nominee-shareholders or shares in bearer form ;
 - (e) Politically Exposed Persons ('PEPs') ;
 - (f) cross-border banking and business relationships, and
 - (g) any other businesses, activities or professions as may be prescribed by regulatory, supervisory or competent authorities.

Application of enhanced due diligence to higher risk customers and activities.

29.—(1) PEPS are individuals who are or have been entrusted with prominent public functions in Nigeria or in foreign countries, and people or entities associated with them and include—

Politically Exposed Persons (PEP).

- (a) Heads of State or Government ;
- (b) State Governors ;
- (c) Legislators ;
- (d) Local Government Chairmen ;
- (e) senior politicians ;
- (f) senior government, judicial or military officials ;
- (g) senior executives of State-owned corporations ;
- (h) important political party officials ;
- (i) family members or close associates of PEPS ; and (i) members of royal families.

(2) PEPS also include persons who are, or have been, entrusted with a prominent function by an international organization including members of senior management such as directors, deputy directors and members of the board or equivalent functions and their family members and close associates.

(3) Financial Institutions shall in addition to performing CDD measures, establish appropriate risk management systems to determine whether a potential customer or existing customer or the beneficial owner is a PEP.

(4) Financial Institutions shall obtain senior management approval before they establish business relationships with a PEP and shall render monthly returns on all transactions with PEPS to the CBN and NFIU.

(5) Where a customer has been accepted or has an ongoing relationship with a Financial Institution and the customer or beneficial-owner is subsequently found to be or becomes a PEP, the Financial Institution shall obtain senior management approval to continue the business relationship.

(6) Financial Institutions shall take reasonable measures to establish the source of wealth and the source of funds of customers and any beneficialowner identified as PEP.

(7) A Financial Institution that is in a business relationship with a PEP shall conduct enhanced on-going monitoring of that relationship and in the event of any abnormal transaction, the Financial Institutions shall flag the account and report the transaction immediately to the NFIU as a suspicious transaction.

Cross border 3 0 (1) For cross-border and correspondent banking and other similar relationships, Financial Institutions shall, in addition to performing the normal

correspondent banking. CDD measures, take the following measures—

(a) gather sufficient information about a respondent institution to understand fully the nature of its business and determine from publicly available information, the reputation of the institution and the quality of supervision, including whether or not it has been subject to ML, TF or PF investigation or regulatory action ;

(b) assess the respondent institution's AML, CFT and CPF controls and ascertain that they are in compliance with FAT F Standards ;

(c) obtain approval from senior management before establishing correspondent relationships ; and

(d) clearly understand and document the respective AML, CPT and CPF responsibilities of each respondent institution.

(2) Where a correspondent relationship involves the maintenance of payable through-account, the financial institution shall—

(a) be satisfied that its customer (the respondent bank or Financial Institution) has performed the normal CDD obligations on its customer that have direct access to the accounts of the correspondent Financial Institution ; and

(b) be satisfied that the respondent financial institution is able to provide relevant CDD information upon request to the correspondent financial institution.

(3) A Financial Institution shall establish clear understanding of the respective AML, CFT and CPF responsibilities of each corresponding institution.

31.—(1) A Financial Institution shall identify and assess the ML, TF and PF risks that may arise in relation to the development and deployment of new products and business practices including new delivery mechanisms and the use of new or developing technologies for both new and pre-existing products.

New technologies and non-face-to-face transactions.

(2) Financial Institutions are required to undertake risk assessment prior to the launch of the new products, business practices or the use of new or developing technologies, which shall be documented and appropriate measures taken to identify and mitigate such risks on a continuous basis.

(3) Financial Institutions shall have policies and procedures in place to address any specific risk associated with non-face-to-face business relationships or transactions.

(4) The policies and procedures required to be taken shall be applied automatically when establishing customer relationships and conducting ongoing due diligence and measures for managing the risks are to include specific and CDD procedures that apply to non-face-to-face customers.

Money or Value Transfer services (MVTS).

32.—(1) All natural and legal persons performing Money or Value Transfer Service ('MVTS operators') shall be licensed by the CBN and shall be subject to the provisions of these Regulations, the relevant provisions of the MLPPA, TPPA and other relevant laws or regulations.

(2) MVTS Operators shall maintain a current list of their agents and render quarterly returns to the CBN and the NFIU.

(3) In addition to the requirement specified in this regulation, MVTS Operators shall gather and maintain sufficient information about their agents and correspondent operators or any other operators or institutions they are or likely to do business with.

(4) MVTS Operators shall—

(a) assess their agents' and correspondent operators' AML, CFT and CPF controls and ascertain that such controls are adequate and effective ; (b) obtain approval from the CBN before establishing new correspondent relationships ;

(c) document and maintain a checklist of the respective AML, CFT and CPF responsibilities of each of their agents and correspondent operators ; (d) provide accurate originator and beneficiary information, on wire transfers and related messages, and that the information remains with the wire transfer or related message throughout the payment chain ;

(e) take appropriate measures to monitor all transfers for the purpose of detecting those which lack originator and beneficiary information ; and

(f) take freezing action in processing transfers to prohibit transactions with designated persons and entities in line with the obligations set out in the

relevant United Nations Security Council resolutions, Nigerian laws, and other relevant authorities.

(5) MVTS provider that controls both the ordering and the beneficiary side of the wire transfer shall—

(a) take into account all the information from both the ordering and beneficiary sides in order to determine whether STR should be filed ; and

(b) file an STR of the wire transfer and provide relevant transaction information to the NFIU.

Wire 33.—(1) For every wire transfer of US\$ 1,000 or its equivalent in other transfers. foreign currencies or more, the ordering Financial Institution shall obtain and maintain the following information relating to the originator of the wire transfer— (a) the name of the originator and beneficiary ;

(b) the originator's account number (or a unique reference number where no account number exists) ;

(c) the originator's address which may be substituted with a national identity number ;

(d) unique identification number ; and

(e) the beneficiary account number where such an account is used to process the transaction or, in the absence of an account, a unique transaction reference number which permits traceability of the transaction.

(2) For every wire transfer of US\$ 1,000 or its equivalent in other foreign currencies—

(a) the ordering Financial Institution shall obtain and verify the identity of the originator in accordance with the CDD requirements contained in these Regulations ;

(b) the beneficiary Financial Institution shall obtain and verify the identity of the beneficiary and maintain record of information in accordance with the CDD and record keeping requirements contained in these Regulations where it has not been previously obtained.

(3) For cross-border wire transfers of US\$ 1,000 or its equivalent in other foreign currencies , the ordering Financial Institution shall include the full originator information in sub-regulation (I) of this regulation in the message or the payment form accompanying the wire transfer.

(4) Where however, several individual cross-border wire transfers of US\$ 1,000 or its equivalent in other foreign currencies, from a single originator are bundled in a batch-file for transmission to beneficiaries in another country, the ordering Financial Institution, should only include the originator's account number or unique identifier and full beneficiary information that is fully traceable on each individual cross-border wire

transfer, provided that the batch-file (in which the individual transfers are batched) contains full originator information that is fully traceable within the recipient country.

(5) For every domestic wire transfer, the ordering financial institution

(a) include the full originator and beneficiary information in the message or the payment form accompanying the wire transfer ; or

(b) include only the originator and beneficiary account number or a unique identifier, within the message or payment form provided that this number or identifier will permit the transaction to be traced back to the originator or the beneficiary and can be made available to the beneficiary Financial Institution and to the competent authorities within three business days of receiving the request.

(6) The inclusion of the originator's account number or the originator's unique identifier alone should be permitted by Financial Institutions only where the originator's full information can be made available to the beneficiary financial institution and to the appropriate authorities within three business days of receiving the request.

(7) Each intermediary and beneficiary Financial Institution in the payment chain shall ensure that all the originator and beneficiary information that accompanies a wire transfer is transmitted with the transfer.

(8) Where cross border wire transfers that lacked required originator or beneficiary information, or where technical limitations prevent the full originator information accompanying a cross-border wire transfer from being transmitted with a related domestic wire transfer, during the necessary time to adapt payment systems, a record shall be kept for five years by the receiving intermediary Financial Institution of all the information received from the ordering financial institution.

(9) intermediary Financial Institution shall take reasonable measures that are consistent with straight-through processing to identify cross border transfer that lack required originator or beneficiary information.

(10) Beneficiary and intermediary Financial Institution shall adopt effective risk-based policies and procedures for determining—

(a) when to execute, reject or suspend a wire transfer lacking required originator or beneficiary information ; and

(b) reasonable measures and appropriate follow up actions to be taken, not later than 24 hours.

(11) The lack of complete originator's information shall be considered as a factor in assessing whether a wire transfer or related transactions are suspicious and Financial Institution shall immediately file a STR on wire transfers with incomplete originator's transaction information to the NFIU or where necessary, request the NFIU to contact the FIU of the country affected by the suspicious wire transfers.

(12) The beneficiary's Financial Institution shall restrict or even terminate its business relationship with the Financial Institutions that fail to meet the standards specified in this regulation.

(13) For every wire transfer, Financial Institutions shall take freezing action and prohibit transactions with persons and entities designated as terrorists or with terrorist activities under any relevant United Nations Security Council resolutions, Nigerian laws and other relevant authorities.

(14) Cross-border and domestic transfers between Financial Institutions are not applicable to the following types of payments—

(a) any transfer that flows from a transaction carried out using a credit or debit card so long as the credit or debit card number accompanies all transfers flowing from the transaction, such as withdrawals from a bank account through an ATM machine, cash advances from a credit card or payments for goods and services, provided that where credit or debit card are used as a payment system to effect a money transfer the necessary information should be included in the message ; and

(b) transfers and settlements between Financial Institution where both the originator and the beneficiary are Financial Institutions acting on their own behalf.

(15) The information required under sub-regulation (14) need not be verified for accuracy, provided that Financial Institutions should be required to verify the information pertaining to its customer where there is a suspicion of ML, TF or PF.

Attention to 34.—(1) A Financial Institution shall apply enhanced due diligence, proportionate to the risks, to business relationships and transactions with natural or legal persons (including financial institutions) from countries for which the FATF raised such concerns.

(2) Pursuant to section 66 (2) of the BOFIA 2020, the CBN shall, proportionate to the risks, call for specific counter measures to be applied by Financial Institutions against high-risk countries, including the mandatory application of enhanced due diligence measures as provided under Parts IV, V and IX of these Regulations.

(3) Counter measures may include, inter alia—

(a) limiting business relationships or financial transactions with the high-risk countries or with persons located in the country concerned ;

(b) reviewing and amending or, if necessary, terminating the agreement or arrangement governing the correspondent banking or business relationships with Financial Institutions or other counterpart institutions in the country concerned ;

(c) conducting enhanced external audit, by increasing the intensity and frequency, for branches and subsidiaries of the reporting entity located in the country concerned ;

(d) prohibiting reporting entities from relying on third parties located in the country concerned to conduct elements of the due diligence process ; and

(e) conducting any other measures as may be specified by the CBN.

(4) For the purposes of this regulations, "high-risk countries" means— (a) countries which are subject to a call for application of counter measures by the FATF;

(b) countries identified by CBN or other competent authorities as having strategic deficiencies in their AML, CFT and CPF regimes or posing a risk to the AML, CFT and CPF regime of Nigeria.

(5) The CBN shall publish the list of high-risk countries and any subsequent update to the list on its official website.

(6) The list of high-risk countries shall be promptly updated by the CBN as and when there are—

(a) any amendments to the FATF's list of countries subject to a call for counter measures ; or

(b) any revisions to the list identified by the CBN pursuant to this regulation.

(3) A Financial Institution shall implement counter measures proportionate to the risks when called for by the CBN pursuant to this regulation.

(4) Financial Institutions may apply additional counter measures including the following—

(a) stringent requirements for identifying clients and enhancement of advisories, including jurisdiction-specific financial advisories to Financial Institutions for identification of the beneficial owners before business relationships are established with individuals or companies from that jurisdiction ;

(b) enhanced relevant reporting mechanisms or systematic reporting of financial transactions on the basis that financial transactions with such countries are more likely to be suspicious ;

(c) limit business relationships or financial transactions with the identified country or persons in that country.

PART VI—MAINTENANCE OF RECORDS

Keeping and maintenance of records on transactions.

35.—(1) Financial Institutions shall maintain all necessary records of transactions, both domestic and international for at least five years after completion of the transaction or such longer period as may be required by the CBN and other competent authorities provided that this requirement shall apply regardless of whether the account or business relationship is on-going or has been terminated.

(2) The components of records of transactions to be maintained by Financial Institutions shall include the—

(a) records of customers and beneficial owners obtained through CDD measures including copies or records of official identification documents like passports, identity cards, drivers' licenses or allied documents and beneficiary' s names, addresses or other identifying information normally recorded by the intermediary ;

(b) nature and date of the transaction ,

(c) type and amount of currency involved;

(d) type and identifying number of any account involved in the transaction ;

(e) results of any analysis including inquiries to establish the background and purpose of complex unusual large transactions and (I) business correspondence including paper and electronic.

(3) Financial Institutions shall maintain records of the identification data, account files business correspondence and results of any analysis undertaken for at least five years after the termination of an account or business relationship, or such longer period as may be specified the CBN and other competent authorities.

(4) A Financial Institution shall that all customer-transaction records and information are available on request to the CBN and other competent authorities on a timely basis, not later than 18 hours.

(5) Transaction records kept by Financial Institutions shall be sufficient to permit reconstruction of individual transactions to provide, where necessary, evidence for prosecution of any criminal activity.

36.—(1) Records of the supporting evidence and methods used to verify identity shall be retained for a minimum period of five years after the account is closed or the business relationship has ended.

Recording identification evidence.

(2) Where the supporting evidence cannot be copied at the time it was presented, the reference numbers and other relevant details of the identification evidence shall be recorded to enable the documents to be obtained later.

(3) Confirmation of evidence in sub-regulation (2) of this regulation shall be acceptable provided that the original documents were seen by certifying either on the photocopies or on the record that the details were taken down as evidence.

(4) Where checks are made electronically, a record of the actual information obtained or where it can be re-obtained shall be retained as part of the identification evidence.

(5) The record in sub-regulation (4) of this regulation shall make the production of the actual information that would have been obtained before, less cumbersome.

Attention on complex and unusual large transactions.

PAR 1 V I—MONITORING AND REPORTING OF SUSPICIOUS TRANSACTION

37.—(1) Financial Institutions shall pay special attention to all complex, unusually large transactions or unusual patterns of transactions that have no visible economic or lawful purpose.

(2) Financial Institutions shall investigate suspicious transactions and report its findings to the NFIU immediately, in compliance with the relevant provisions of the MLPPA.

(3) For the purpose of sub-regulation (1) of this regulation, "complex or unusually large transactions" or "unusual pattern of transactions" include significant transactions relating to a relationship or transactions that exceed certain limits, very high account turnover inconsistent with the size of the balance or transactions which fall outside the regular pattern of the account's activity.

Suspicious transaction monitoring.

38. (1) Where a transaction . . .

(a) involves a frequency which is unjustifiable or unreasonable ;

(b) is surrounded by conditions of unusual or unjustified complexity ;

(c) appears to have no economic justification or lawful objective ; or

(d) in the opinion of the Financial Institution involves proceeds of criminal activity, unlawful act, ML, TF, PF or is inconsistent with the known

transaction pattern of the account or business relationship • the transaction shall be deemed to be suspicious, regardless of the amount, and the Financial Institution shall seek information from the customer* IQ the origin and

destination of the funds, the purpose of the transaction and the identity of the beneficiary.

(2) Where a Financial Institution suspects that the funds mentioned under sub-regulation (1) of this regulation—

(a) are derived from legal or illegal sources but are intended to be used for an act of terrorism ;

(b) are proceeds of a crime related to terrorism financing ;

(c) belong to a person, entity or organization considered as terrorists ; or (d) are intended for financing the proliferation of weapons of mass destruction, it shall immediately and without delay report the matter to the NFIU and shall not be liable for violation of the confidentiality rules and banking secrecy obligations for any lawful action taken in furtherance of this obligation.

(3) Financial Institutions shall immediately and without delay ; but not later than 24 hours—

(a) draw up a written report containing all relevant information on the transaction, together with the identity of the principal and where applicable, of the beneficiary or beneficiaries ;

(b) take appropriate action to prevent the laundering of the proceeds of a crime, an illegal act or financing of terrorism ; and

(c) report to the NFIU any suspicious transaction, stating clearly the reasons for the suspicion and actions taken.

(4) The obligation on Financial Institutions provided for in this regulation shall apply whether the transaction is completed or not.

(5) A Financial Institution that fails to comply within the stipulated timeframe with the provisions of—

(a) sub-regulation (1) of this regulation shall be liable to a penalty as stipulated in the CBN AML, CFT and CPF (Administrative Sanctions) Regulations ; or

(b) sub-regulation (2) of this regulation is liable to sanction as stipulated in the TPPA.

(6) Financial Institutions, their directors, officers and employees are prohibited from disclosing that an STR or related information is being filed with the NFIU.

(7) the directors, officers and employees of Financial Institutions who carry out their duties under MLPPA in good faith shall not be liable to any civil or criminal liability or have any criminal or civil proceedings brought against them by their customers.

39.—(1) Financial Institutions shall have a written Policy Framework that guides and enables its staff to monitor, recognize and respond appropriately to suspicious transactions in addition to the guidance issued by competent authorities.

Procedure
for the

monitoring
and
reporting of
suspicious
transactions.

(2) Financial Institutions shall have ML, TF and PF monitoring systems in place which may be manual or automated and the monitoring system shall be documented, reviewed and updated regularly.

(3) A Financial Institution shall appropriately designate an officer as the AML, CFT and CPF Compliance Officer to supervise the monitoring and reporting of terrorism financing and suspicious transactions, among other duties.

(4) Financial Institutions shall be alert to the various patterns of conduct that are known to be suggestive of ML, TF and PF and shall maintain and disseminate a checklist of such transactions to the relevant staff.

(5) When any staff of a Financial Institution detects any "red flag" or suspicious ML, TF and PF activity, the institution shall promptly institute a "Review Panel" under the supervision of the Compliance Officer and every action taken shall be recorded.

(6) Financial Institutions and their staff shall maintain confidentiality in respect of any investigation conducted in pursuance of these Regulations and any suspicious transaction report that may be filed with the NFIU consistent with the provision of the MLPPA and TPPA and shall not say anything that might "tip off" any person or entity that is under suspicion of ML, TF or PF.

(7) A Financial Institution that suspects or has reason to suspect that funds are the proceeds of a criminal activity or are related to terrorism financing shall promptly report its suspicions to the NFIU.

(8) All suspicious transactions, including attempted transactions are to be reported regardless of the amount involved.

(9) The requirement to report suspicious transactions applies regardless of whether they are considered to involve tax matters or other matters.

(10) Financial Institutions, their directors, officers and employees whether permanent or temporary, are prohibited from disclosing the fact that a report of a transaction shall be or has been filed with the competent authorities.

(11) In compliance with the TPPA, Financial Institutions shall forward to the NFIU without delay but not later than 24 hours, reports of suspicious transactions relating to—

(a) funds derived from illegal or legal sources that are intended to be used for any act of terrorism ;

(h) proceeds of a crime related to terrorism financing ; or

(c) proceeds belonging to a terrorist, terrorist entity or organization.

Other forms of reporting.

40.—(1) Financial Institutions shall report in writing any single transaction, lodgment or transfer of funds in excess of ₦5,000,000 and N1,000,000 or their equivalent made by an individual and corporate body respectively to the NFIU in accordance with the MLPPA.

(2) Financial Institutions shall render reports in writing on transfers to or from a foreign country of funds or securities by a person or body corporate, of a sum exceeding US\$ 1 0,000 or its equivalent to CBN, and the NFIU within 7 days from the date of the transaction.

(3) Money Service Business shall render reports in writing on transfers to or from a foreign country of funds or securities by a person or body corporate, of a sum exceeding US\$5,000 or its equivalent to CBN and the NFIU within 7 days from the date of the transaction.

(4) Financial Institutions shall render reports in writing on domestic transfers involving foreign currencies by a person or body corporate, of a sum exceeding US\$ 10,000 or its equivalent to CBN, and the NFIU within 7 days from the date of the transaction.

(5) Details of a report sent by a Financial Institution to the NFIU shall not be disclosed by the Financial Institution or any of its officers to any other person including the principal and beneficiaries of the transaction.

PART VII—AML, CFT AND CPF EMPLOYEE AWARENESS AND TRAINING PROGRAMME

AML, CFT and CPF employee education and training programme.

41.—(1) Financial Institutions shall design comprehensive training programmes for board members, management and staff to establish full awareness of their obligations and also to equip them with relevant skills required for the effective discharge of their AML, CFT and CPF tasks.

(2) The timing, coverage and content of the employee training programme shall be tailored to meet the needs of the Financial Institution to ensure compliance with the requirements and provisions of these Regulations.

(3) Financial institutions shall provide comprehensive training programmes for staff covering compliance officers and as part of the orientation programmes for new staff and those posted to the front office, banking operations and branch office staff, particularly cashiers, account opening, mandate, and marketing staff, internal control and audit staff.

(4) Financial Institutions shall render quarterly returns on their level of compliance on its education and training programmes to the CBN.

(5) An AML, CFT and CPF training programme shall be developed under the guidance of the Compliance Officer in collaboration with top Management.

(6) The basic elements of the AML, CFT and CPF training programme of Financial Institutions shall include—

(a) AML, CFT and CPF Laws and Regulations ;

(b) the nature of ML, TF and PF and offences ;

(c) ML, TF and PF 'red flags' and suspicious transactions, including trade-based money laundering typologies ;

(d) reporting requirements ;

(e) Customer Due Diligence ;

(f) risk-based approach to AML, CFT and CPF ; and (g) record keeping and retention policy.

(7) Financial Institutions shall submit its annual AML, CFT and CPF employee training programme for the following year to the CBN.

42.—(1) Financial Institutions shall monitor their employees' accounts for potential signs of ML, TF and PF. Monitoring of employee conduct.

(2) Financial Institutions shall subject employees' accounts to the same AML, CFT and CPF procedures as applicable to other customers' accounts.

(3) The requirement specified in sub-regulation (2) of this regulation shall be performed under the supervision of the CCO and the account of this officer is in turn to be reviewed by the Chief Internal Auditor or a person of adequate and similar seniority.

(4) Compliance reports including findings shall be rendered to the CBN and NFIU at the end of June and December of every year.

(5) The AML, CFT and CPF performance review of staff shall be part of employees' annual performance appraisals.

43.—(1) Financial Institutions shall make it possible for employees to report any violations of the institution's AML, CFT and CPF compliance programme to the Chief Compliance Officer. Protection of staff who report violations.

(2) Financial Institutions shall direct their employees in writing to always cooperate fully with the Regulators and law enforcement agents and to promptly report suspicious transactions to the NFIU.

(3) Where the violations involve the CCO, employees shall report the violations to a designated higher authority such as the Chief Internal Auditor, the Managing Director or in confidence to the CBN or NFIU.

(4) Financial Institutions shall inform their employees in writing to make their reports confidential and to assure employees of protection from victimization as a result of making any report.

PART IX—CUSTOMERS DUE DILIGENCE FOR LEGAL ENTITIES AND ARRANGEMENTS

Trust.
nominees
fiduciaries.

44.—(1) Trusts, nominees and fiduciary accounts present a higher ML, TF and PF risk than others.

(2) Identification and "Know Your Customer's Business" procedures shall be set and managed in accordance with the perceived risk.

(3) The principal objective of ML, T F and PF prevention in relation to trusts, nominees and fiduciaries shall be to verify the identity of the provider of funds such as the settlor, and those who have control over funds like the trustees and any controllers who have the power to remove the trustees.

(4) For discretionary or off-shore trust, the nature and purpose of the trust and the original source of funding shall be ascertained.

(5) Whilst reliance may be placed on other Financial Institutions that are regulated for ML, TF and PF prevention to undertake the checks or confirm identity, the responsibility to ensure that this is undertaken shall vest with the Financial Institution and the underlying evidence of identity shall be made available to law enforcement agencies in the event of an investigation.

(6) Identification shall be obtained and not waived for any trustee who does not have authority to operate an account and cannot give relevant instructions concerning the use or transfer of funds

45.—(1) Since off-shore trusts present a higher ML, TF and PF risks, additional measures shall be needed for Special Purpose Vehicles (SPVs) or International Business Companies connected to trusts.

(2) Where trusts are set up in off-shore locations with strict bank secrecy or confidentiality rule, those created in jurisdictions without equivalent ML, T F and PF procedures in place shall warrant additional enquiries.

(3) Except an applicant for business is a regulated Financial Institution, measures shall be taken to identify the trust company or the corporate service provider in line with the requirements for professional intermediaries or companies generally.

(4) Certified copies of the documentary evidence of identity for the principals including settlors and controllers on whose behalf the applicant for business is acting shall be obtained.

(5) For overseas trusts, nominee and fiduciary accounts, where the applicant Financial Institution that is regulated for ML, TF and PF purposes— (a) reliance may be placed on an introduction or intermediary certificate letter, stating that evidence of identity exists for all underlying principals and confirming that there are no anonymous principals :

(b) the trustees or nominees shall state from the outset the capacity in which they are or making the application ; and

(c) documentary evidence of the appointment of the current trustees shall be obtained.

(6) Where the evidence is not retained in Nigeria, enquiries shall be made to determine, that there is no overriding bank secrecy or confidentiality constraint that shall restrict access to the documentary evidence of identity, where needed in Nigeria.

(7) An application to open an account or undertake a transaction on behalf of another without the applicant identifying his trust or nominee capacity shall be regarded as suspicious and shall lead to further enquiries and rendition of reports to the NFIU.

(8) Where a bank in Nigeria is the applicant for an off-shore trust on behalf of a customer and the corporate trustees are not regulated, the Nigerian bank shall undertake due diligence on the trust itself.

(9) Where funds have been drawn upon an account that is not under the control of the trustees :

(a) the identity of the authorized signatories and their authority to operate the account shall be verified.

(b) verification shall be carried out when payments are to be made where the identity of the beneficiaries have not previously been verified.

46. (1) For conventional Nigerian trusts, identification evidence shall be obtained from— Conventional family and absolute Nigerian trusts.

(a) those who have control over the funds and the principal trustees who can include the settlor ;

(b) the providers of the funds, the settlors, except where they are deceased : and

(c) where the settlor is deceased, written confirmation shall be obtained for the source of funds, grant of probate or copy of the Will or other document creating the Trust.

(2) Where a corporate trustee such as a bank acts jointly with a cotrustee, any non-regulated co-trustee shall be verified even where the corporate trustee is covered by an exemption and the relevant guidance contained in these Regulations for verifying the identity of persons, institutions or companies shall be followed.

(3) A Financial Institution may not review an existing trust but the bank confirmation of the settlor and the appointment of any additional trustees shall be obtained.

(4) Copies of any underlying documentary evidence shall be certified as true copies and a check shall be carried out to ensure that any bank account on which the trustees have drawn funds is in their names.

(5) Where a risk-based approach is adopted, consideration shall be given as to whether the identity of any additional authorized signatories to the bank account may be verified.

(6) A payment for any trust property shall be made to a trustee and as a matter of practice, where payment is to be made to the named beneficiary, it shall be by way of a crossed cheque marked "account payee only" or a bank transfer direct to an account in the name of the beneficiary.

(1) Where money is received on behalf of a trust, reasonable steps shall be taken to ensure that the source of funds is properly identified and the nature of the transaction or instruction is understood.

(2) A Payment shall be properly authorized in writing by the trustees.

48. Where a trustee who has been verified is replaced, the identity of the new trustee shall be verified before he is allowed to exercise control over funds of the trust.

49.—(1) The authority to deal with assets under a Power of Attorney and third party mandates constitute a business relationship;p.

(2) At the start of a relationship, identification evidence shall be obtained from a holder of Power of Attorney and third party mandates in addition to the customer or subsequently on a later appointment of a new Attorney, where advised, within 30 days of the start of the business relationship.

(3) An Attorney for corporate or trust business shall be verified and Financial Institutions shall always ascertain the reason for the granting of a Power of Attorney.

(4) Records of transactions undertaken in accordance with a Power of Attorney shall be maintained as part of the customer's record.

50.—(1) Where a bank account is opened for the purpose of winding up the estate of a deceased person, the identity

Receipt and payment of funds.

Identification of new trustees.

Powers of Attorney and third-

mandates.

Executorship Accounts.

of the executor or administrator of
the estate shall be verified.

- (2) Identification evidence shall not be required for the executors or administrators where payment is made from an established bank or mortgage institution's account in a deceased's name, solely for the purpose of winding up the estate in accordance with the grant of probate or letter of administration.
- (3) A payment to beneficiaries in sub-regulations (1) and (2) of this regulation on the instructions of the executor or administrator may be made without additional verification requirements, except that where a beneficiary wishes to transact business in his own name, then identification evidence shall be required.
- (4) Where suspicion is aroused in respect of the nature or origin of assets comprising an estate that is being wound up, such suspicion shall be reported to the NFIU.

51. 1) Stockbrokers, fund managers, solicitors, accountants, estate agents and other intermediaries frequently hold funds on behalf of their clients in "client accounts" opened with Financial Institutions.

"Client Accounts" opened by professional intermediaries.

(2) Accounts in sub-regulation (1) of this regulation may be general Omnibus accounts holding the funds of many clients or they may be opened specifically for a single client.

(3) In each case, it is the professional intermediary who is the Financial Institution 's customer and this situation shall be distinguished from those where an intermediary introduces a client who himself becomes a customer of the Financial Institution.

(4) Where a professional intermediary is covered or supervised for compliance to AML, CFT or CPF, identification may be waived on production of evidence.

(5) Notwithstanding sub-regulation (4) of this regulation, where the professional intermediary is not supervised for AML, CFT or CPF and does not have measures for compliance with CDD and record-keeping requirements, the Financial Institution shall verify the identities of the professional intermediary and the person on whose behalf it is acting.

(6) Where it is impossible for Financial Institutions to establish the identity of the person for whom a solicitor or accountant is acting, it shall take a commercial decision based on its knowledge of the intermediary', as to the nature and extent of business that they are prepared to conduct where the professional firm is not itself covered by these Regulations.

(7) Financial Institutions shall make reasonable enquiries about transactions passing through client-accounts that give cause for concern and shall report any suspicion to the NFIU.

(1) Where an applicant is an unincorporated business or a partnership whose principal partners or controllers do not already have a business relationship with the Financial Institution, identification evidence shall be obtained in respect of the principal beneficial owners or controllers and any signatory in whom significant control has been vested by the principal beneficial owners or controllers.

Unincorporated business or partnership.

(2) Evidence of the address of a business or partnership shall be obtained and where a current account is being opened, a visit to the place of business may be made to confirm the true nature of the business activities and a copy of the latest report or audited accounts shall be obtained.

(3) The nature of the business or partnership shall be verified to ensure that it has a legitimate purpose.

(4) Where a formal partnership arrangement exists, a mandate from the partnership authorizing the opening of an account or undertaking of the transaction shall be obtained.

Limited
liability
partnership.

53. A limited liability partnership shall be treated as a corporate customer for verification of identity and know your customer purposes.

corporate
customers.

~~54.~~ (1) The legal existence of an applicant-company shall be verified from official documents or sources to ensure that persons purporting to act on its behalf are fully authorized.

(2) Where the controlling principals cannot be identified, enquiries shall be made to confirm that the legal person is not merely a "brass-plate company".-

The identity
of a
corporate
company.

55. (1) The identity of a corporate company shall comprise of—

- (a) CAC registration number ;
- (b) registered corporate name and any trading names used ;
- (c) registered address and any separate principal trading addresses ;
- (d) directors (including their B VN) ;
- (e) owners and shareholders ;
- (1) the nature of the company's business.

(g) Tax Identification Number (TIN) ; and

(h) Special Control Unit Against Money Laundering (SCUML) registration (number, certificate or approval) for DNFBPs.

56.—(1) Additional procedures shall be undertaken to ensure that the applicant's business, company or society exists at the address provided and it is for a legitimate purpose because of the risks with non-face-to-face business, as with the requirements for private individuals.

Non face-to-face business.

(2) Where the characteristics of the product or service permit, steps shall be taken to ensure that relevant evidence is obtained to confirm that any individual representing the company has the necessary authority to do so.

(3) Where the principal owners, controllers or signatories need to be identified within the relationship, the relevant requirements for the identification of personal customers shall be followed.

Public registered companies.

57.—(1) Corporate customers that are listed on the stock exchange are considered to be publicly-owned and generally accountable and there is no individual shareholders.

(2) The extent of identification measures required to validate the information or the documentary evidence to be obtained in this regulation depends on the nature of the business or service that the company requires from the Financial Institution and a risk-based approach shall be taken.

(3) Information as to the nature of the normal business activities that the company expects to undertake with the Financial Institution shall be obtained.

(4) Before a business relationship is established, measures shall be taken by way of company search at the CAC and other commercial enquiries undertaken to check that the applicant-company's legal existence has not been or is not in the process of being dissolved, struck off, wound up or terminated.

need to verify the identity of the

(2) A Financial Institution shall make appropriate arrangements to ensure that an officer or employee, past or present, is not using the name of the company or its relationship with the Financial Institution for a criminal purpose.

(3) The Board resolution or other authority for a representative to act on behalf of the company in its dealings with the Financial Institution shall be obtained.

(4) Phone calls may be made to the Chief Executive Officer of a company in sub-regulation (3) of this regulation to intimate him of the application to open the account in the Financial Institution.

(5) The Identity of the directors of a quoted company may be verified.

(6) Due diligence shall be conducted where the account or service required falls within the category of higher risk business.

58.—(1) Where the applicant is an unquoted company and none of the Private principal directors or shareholders already have an account with the Financial companies. Institution, to verify the business, the following documents shall be obtained from an official or a recognized independent source—

(a) a copy of the certificate of incorporation or registration, evidence of the company's registered address and the list of shareholders and directors ;

(b) a search at the CAC or an enquiry through a business information service to obtain information on the company ; and

(c) an undertaking from a firm of lawyers or accountants confirming the documents submitted to the CAC.

(2) A Financial Institution shall pay attention to the place or origin of the documents and background against which they were produced ;

Higher risk
business
applicant.

59. Where a higher-risk business applicant is seeking to banking relationship or any other business relationship where third party funding and transactions are permitted, the following evidence shall be obtained either in documentary or electronic form—

(a) for established companies that are incorporated for 18 months or more, a set of the latest report and audited accounts shall be produced ;

(b) a search report at the CAC or an enquiry through a business information service or an undertaking from a firm of lawyers or accountants confirming the documents submitted to the CAC ;

(c) a certified copy of the resolution of the Board of Directors addressed to the Financial Institution to open an account and conferring authority on those who will operate it ;

(d) the Memorandum and Articles of Association of the company ; and (e) any other document that the Financial Institution shall deem necessary.

Higher risk
business
relating to
private
companies.

60.—(1) Where a private company is undertaking a higher risk business, in addition to verifying the legal existence of the business, the principal requirement is to look behind the corporate entity to identify those who have ultimate control over the business and the company's assets.

enter into a full

(2) What constitutes significant shareholding or control for the purpose of this regulation depends on the nature of the company and identification evidence shall be obtained for shareholders with interests of 5% or more.

(3) Identification evidence shall be obtained for the principal-beneficial owner of the company and any other person with principal control over the company's assets.

(4) Where the principal owner is another corporate entity or trust, the Financial Institution shall take measures that look behind that company or vehicle and verify the identity of the beneficial-owner or settlors and where the Financial Institution is aware that the principal-beneficial owners or controllers have changed, they are required to verify the identities of the new owners.

(5) A Financial Institution shall —

(a) identify directors who are not principal controllers and signatories to an account for risk based approach purposes.

(b) visit the place of business to confirm the existence of such business premises and the nature of the business conducted.

(6) Where suspicions are aroused by a change in the nature of the business transacted or the profile of payment through a bank or investment account, further checks shall be made to ascertain the reason for the changes.

(7) In full banking relationships, periodic enquiries shall be made to establish changes to controllers, shareholders or the original nature of the business or activity.

(8) Particular care shall be taken to ensure that full identification and KYC requirements are met where the company is an International Business Company (IBC) registered in an offshore jurisdiction and operating out of a different jurisdiction.

61.—(I) For a foreign Financial Institution, the confirmation of existence

Foreign

and regulated status shall be checked by—

financial institutions.

- (a) checking with the home country's Central Bank or relevant supervisory body ;
- (b) checking with another office, subsidiary, branch, or correspondent bank in the same country ;
- (c) checking with Nigerian regulated correspondent bank of the oversea institution ; or
- (d) obtaining evidence of its license or authorization to conduct financial and banking business from the institution itself.

(2) Additional information on banks all over the world may be obtained from various international publications and directories or any of the international business information services such as Swift KYC Registry and Banker's Almanac.

(3) The publications referred to in sub-regulation (2) of this regulation shall not replace the confirmation evidence requirements under these Regulations.

62.—(1) A Bureau De Change ("BDC") is subject to the provisions of these Regulations and shall be verified in accordance with the procedures for Financial Institution, and satisfactory evidence of identity, ownership structure, source of funds and a certified copy of the applicant's operating license shall be obtained.

Bureau De Change.

(2) A Financial Institution shall consider the risks associated with doing business with BDCs before entering into a business relationship with them.

63.—(1) As part of KYC documentation for designated non-financial businesses and professions, the certificate of registration with SCUML or a certificate from a self-regulatory organization shall be obtained.

Designated Non-Financial Businesses

(2) Where an application is made on behalf of a club or society, Financial Institution shall take reasonable steps to satisfy itself as to the legitimate purpose

and

of the organization by sighting its constitution and the identity of at least two of the principal contact persons or signatories which shall be verified in line with

FINISS (DNFBPs).

the requirements for private individuals and where signatories are changed, Financial Institutions shall verify the identity of at least two of the new signatories.

(3) Where the purpose of a club or a society is to purchase the shares of a regulated investment company or where all the members are regarded as

individual clients, all the members in such cases shall be identified in line with the requirements for personal customers on a case-by-case basis.

Occupational
pension
schemes.

64.—(1) Where transactions carried out on behalf of an Occupational Pension Scheme, where the transaction is not in relation to a long term policy of insurance, the identities of both the principal employer and the Trust shall be verified.

(2) In addition to the identity of the principal employer, the source of funding shall be verified and recorded to ensure that a complete audit trail exists if the employer is dissolved or wound up.

(3) For the Trustees of Occupational Pension Schemes, satisfactory identification evidence shall be based on the inspection of formal documents concerning the Trust which confirm the names of the current Trustees and their addresses for correspondence and in addition to the documents, confirming that the Trust identification shall be based on extracts from Public Registers or references from Professional Advisers or Investment Managers.

(4) Any payment of benefits by or on behalf of the Trustees of an Occupational Pension Scheme will not require verification of identity of the recipient.

(5) Where individual members of an Occupational Pension Scheme are to be given personal investment advice, their identities shall be verified but where the Trustees and principal employer have been satisfactorily identified, and the information is still current, it will be appropriate for the employer to provide confirmation of the identity of individual employees.

Registered
charity
organizations.

65.—(1) Financial Institutions shall adhere to the identification procedures requirements for opening of accounts on behalf of charity organizations ; and the confirmation of the authority to act in the name of the organization.

(2) The opening of accounts on behalf of charity or non-governmental organizations in Nigeria shall be carried out by a minimum of two signatories, duly verified and documentation evidence shall thereupon be obtained.

(3) When dealing with an application from a registered charity organization, Financial Institutions shall obtain and confirm the name and address of the organization concerned.

(4) Where a person making an application or undertaking a transaction is not the official correspondent or the recorded alternate, Financial Institutions shall send a letter to the official correspondent, informing him of the charity organizations' application before it and the official correspondent shall

respond as a matter of urgency where there is any reason to suggest that the application has been made without authority.

(5) An application on behalf of an un-registered charity organization shall be made in accordance with the procedures for clubs and societies as set out in these Regulations.

(6) Where a charity organization is opening a current account, the identity of all signatories shall be verified and where the signatories change, identities of the new signatories shall be verified.

66. A Religious Organization ("RO") shall have a CAC and SCUML registered numbers and its identity may be verified by reference to the CAC, appropriate headquarters or regional area of denomination, and the identity of at least two signatories to its account shall be verified.

Religious Organizations (ROS).

67 I) Where the applicant for business relationship is one of the tiers of government or parastatals, Financial Institutions shall verify the legal standing of the applicant, including its principal ownership and address.

Three Tiers of government and parastatals.

(2) A certified copy of the resolution, letter of authority or other documents which authorize an official representing the body to open an account or undertake any transaction shall be obtained.

(3) Financial institutions may telephone the Chief Executive Officer of the organization or parastatal concerned, to verify and confirm the application for opening an account with the Financial Institution.

(4) An authorization from the Federal or State Accountant-General shall be obtained before any of the three tiers of government or parastatals can open accounts with Financial Institutions in Nigeria.

68. The authenticity of an applicant who requested to open accounts or undertake transactions in the name of Nigerian-resident foreign consulates and any document of authorization presented in support of the application shall be checked with the Ministry of Foreign Affairs and the relevant authorities in the Consulate's home country or as confirmed by the I-lead of Mission of that country in Nigeria.

Foreign Consulates.

69. Whilst the responsibility to obtain satisfactory identification evidence rests with the Financial Institution that is entering into a relationship with a client, it is reasonable, in a number of circumstances, for reliance to be placed on another Financial Institution to—

Intemediaries or other third parties to verify identity or to introduce business.

(a) undertake the identification procedure when introducing a customer and to obtain any additional KY C

information from the client ;

(b) confirm the identification details where the customer is not resident in Nigeria ; or

(c) confirm that the verification of identity has been carried out where an agent is acting for a principal.

PART X—MISCELLANEOUS

Sanctions and penalties for noncompliance.

70. The penalties that shall apply for contraventions of these Regulations shall be as prescribed in the relevant extant Administrative Sanctions Regulations and administrative sanctions as provided under MLPPA, TPPA, TPP Regulations, BOFIA or other relevant laws or regulations issued by the Attorney-General of the Federation.

Amendment or revocation

71.—(1) The Attorney-General of the Federation may, as he considers appropriate, amend or revoke the provisions of these Regulations which

or these
Regulations.

amendment or revocation shall be published in the Official Gazette.

(2) The Central Bank of Nigeria (Anti-Money Laundering and Combating the Financing of Terrorism in Banks and Other Financial Institutions in Nigeria) Regulations, 2013 and its amendments are revoked.

(3) The revoked Regulations specified in sub-regulation (2) of this regulation shall not affect anything done or purported to be done under or pursuant to the revoked Regulations.

Communication of
information.

72. Financial Institutions shall make available or communicate on demand to the Examiners or other competent authorities any information relevant to monitoring compliance with AML, CFT and CPF requirements at such times as the Examiners or competent authorities may specify.

Interpretation.

73.—In these Regulations—

"Applicant for Business" means a person or company seeking to establish a 'business relationship' or an occasional customer undertaking a "one-off" transaction whose identity must be verified ;

"Batch transfer" means a transfer comprising a number of individual wire transfers that are being sent to the same Financial Institution, but may or may not be ultimately intended for different persons ;

"BDC" means Bureau De Change ,

"Beneficial owner" includes a natural person who ultimately owns or controls a customer or a person on whose behalf a transaction is being conducted and the persons who exercise ultimate control over a legal person or arrangement ,

"Bank Verification Number (BVN)" means the biometric identification system which gives a unique identity across the banking industry to each customer of Nigerian banks ;

„Beneficiary“ is as defined in the FATF Recommendations—

"Beneficiary Financial Institution" refers to the Financial institution which receives the wire transfer from the ordering financial institution directly or through an intermediary Financial Institution and makes the funds available to the beneficiary.

"Business Relationship" means any arrangement between a Financial Institution and an applicant for business the purpose of which is to facilitate the carrying out of transactions between the parties on a "frequent, habitual or regular" basis and where the monetary value of dealings in the course of the arrangement is not known or capable of being ascertained at the outset;

"CAC" means Corporate Affairs Commission ;

"Competent authorities" means any agency or institution concerned with combating money laundering, terrorism financing or proliferation financing under the MLPPA and TPPA respectively or any other law or regulation ;

"Cross-border transfer" means any wire transfer where the originator and beneficiary institution are located in different jurisdictions. This term also refers to any chain of wire transfers that has at least one cross-border element ;

"Designated non-financial businesses and professions" includes businesses and professions as defined under MLPPA ;

"Domestic transfer" means any wire transfer where the originator and beneficiary institutions are both located in Nigeria. This term therefore, refers to any chain of wire transfers that takes place entirely within Nigeria's borders, even though the system used to affect the wire transfer may be located in another jurisdiction ;

"Examiner" means officers of the Central Bank of Nigeria charged with supervisory functions over Financial Institutions ;

"False declaration or disclosure" means failing to declare or, to misrepresent the value of currency or bearer negotiable instruments being transported, or a misrepresentation of other relevant data requested for by the authorities ;

"FATF" means Financial Action Task Force ;

"FATF Recommendations" means AML, CFT and CPF

Recommendations issued by the Financial Action Task Force ;

"Financial Institutions" include any person or entity who conducts as a business one or more of the following activities on behalf of a customer regardless of whether such business is conducted digitally, virtually or electronically—

- (a) Acceptance of deposits and other repayable funds from the public ;
- (b) lending;
- (c) financial leasing ;
- (d) the transfer of money or value (local or international) ;
- (e) issuing and maintaining means of payment such as credit and debit cards, cheques, travellers' cheques, money orders and bankers' drafts, electronic money ;
- (f) payment services;
- (g) money and currency changing;

- (h) financial guarantees and commitments ;
- (i) mortgage financing, mortgage refinancing and guarantee ,
- (i) financial holding services ,
- (k) trading in—
 - (i) money market instruments ;
 - (ii) foreign exchange ;
 - (iii) exchange, interest rate and index instruments ;
 - (iv) individual and collective portfolio management ;
 - (v) financial consultancy and advisory services relating to corporate and investment matters, making or managing investment on behalf of any person :

(l) safekeeping and administration of cash or liquid securities on behalf of other persons :

(m) factoring, project financing, equipment leasing, debt administration, fund management, private ledger services, investment management, local purchases order financing: and such other businesses the Central Bank of Nigeria may from time to time designate :

(n) Financial Consulting and advisory services relating to corporate and investment matters and making or managing investment on behalf of any person :

"Financing of terrorism " extends to all acts so defined under the T PPA and TPP Regulations;

"Funds" include assets of every kind, tangible or intangible, movable or immovable however acquired, legal documents or instruments in any form, electronic or digital evidencing title or interest in such assets, bank credits, travelers cheques, bank cheques, money orders, shares, securities, bonds, drafts and letters of credit ;

"Legal arrangement" means express trusts or other similar legal arrangements;

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"Legal persons" mean bodies corporate, foundations, partnerships, or associations, or any similar bodies or entities that can establish a permanent customer relationship with a Financial Institution or otherwise properly : •

"Money Laundering" refers to the—

(i) Conversion or transfer of property (i.e. money, goods, commodities, etc.) knowing that such property is derived from a criminal offence, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such offences.

(ii) Concealment or disguising of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property knowing that such property is derived from a criminal offence.

(iii) Acquisition, possession or use of property, knowing at the time of receipt that such property as derived from a criminal or from an act of participation in such offence :

"Money or value services (MVS)" include financial services that involve the acceptance of cash, cheques, other monetary instruments or other stores of value and the payment of a corresponding amount in cash or other form to a beneficiary by means of a communication, message transfer or through a clearing network to which the MVS provider belongs and transactions performed by such services can involve one or more intermediaries and a final payment to a third party, and may include any new payment methods. Sometimes these services have ties to particular geographic regions and are described using a variety of specific terms, including hawala, hundi, and ficchen :

"National Identification Number" means a unique number issued by the National Identity Management Commission (NIMC) :

"Organization" means a legal entity or organization that engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of good works ; "Beneficiary" means an account holder or where there is no account, the person natural or legal that places the order with the Financial Institution

"Transaction" means any transaction carried out other than in the course of an established business relationship which is important to determine whether an applicant for business is undertaking a one-off transaction or whether the transaction is or will be a part of a business relationship as this can be the identification requirements :

"Paralel through account" means correspondent accounts that are used directly by third parties to transact business on their own behalf; "Physical presence" means meaningful mind and is located within a country and the existence simply of a local or low level staff does not constitute physical presence :

"Proceeds of Crime" means any property or value derived from or obtained, directly or indirectly, through the commission of an offence :

"Financing (PF)" is the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling, or use of nuclear, chemical, or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods for non-lethal purposes), in contravention of national laws or, where applicable, international obligations ;

"Property" means assets of every kind, whether corporeal or incorporeal, moveable or immoveable, tangible or intangible, and legal documents or instruments evidencing title to, or interest in such assets ;

"Public Legal entity" includes arms and tiers of Government, Ministries Departments and Agencies (MDAs) and any statutory Office or sole corporate designated by law, to carry out a function of or on behalf of Government or any of its agencies :

"Risk" means the risk of money laundering or terrorist financing ;

"UCML" means Special Control Unit against Money Laundering ;

"Settlor" Settlor includes persons or companies who transfer ownership of their assets to trustees by means of a trust deed and where the trustees have some discretion as to the investment and distribution of the trust's assets, the deed may be accompanied by a non-legally binding letter setting out what the settlor wishes to be done with the assets ;

"Shell bank" means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial service group that is subject to effective consolidated supervision ;

"Taxpayer Identification Number (TIN)" means a unique number allocated and issued to identify a person (individual or non-individual) as a duly registered taxpayer in Nigeria;

" Terrorist" means any natural person who— (a) directly or indirectly, unlawfully and wilfully :

(i) commits, or attempts to commit, an act of terrorism by any means.

(ii) participates as an accomplice in an act of terrorism,

(iii) organises or directs others to commit an act of terrorism : or

(b) contributes to the commission of an act of terrorism where the contribution is made intentionally and with the aim of furthering the act of terrorism or (ii) the knowledge of the intention to commit an act of terrorism :

...roris/ or Terrorism Financier- Means a person or entity, who ...
 ...ltids. assets. or other material support available to terrorists and ...
 ... organisations, for the financing of terrorist activities or terrorism •

...roris/ Properly' means—

(u) proceeds from the commission of an act of terrorism ;

(h) property which has been, is being, or is likely to be used to commit an act of terrorism •

(c) property which has been, is being, or is likely to be used by a terrorist group ;

(d) property owned or controlled by or on behalf of a terrorist group : or

(e) property which has been collected for the purpose of providing support to a terrorist group or funding a terrorist act ;

"Trustees" include paid professionals or companies or unpaid persons who hold the assets in a trust fund separate from their own assets. They invest and dispose of them in accordance with the settlor's trust deed, taking account of any letter of wishes. There may also be a protector who may have power to veto the trustees' proposals or remove them, or a custodian trustee, who holds the assets to the order of the managing trustees ;

"Unique identifier" means any unique combination of letters, numbers or symbols that refers to a specific originator : and

"Wire Transfer" means any transaction carried out on behalf of an originator both natural and legal person, through a Financial Institution by electronic means, with a view to making an amount of money available to a beneficiary person at another financial institution; where the originator and the beneficiary may be the same person.

74. These Regulations may be cited as Central Bank of Nigeria (Anti-

Citation.

Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Financial Institutions) Regulations, 2022.

TABLE 01: ABBREVIATIONS

AMI.	Anti Money Laundering
BDC	Bureau De Change
CAC	Corporate Affairs Commission CBN
—	Central Bank of Nigeria cco —
Chief Compliance Officer	CDD Customer Due Diligence
CFT	Combating the Financing of Terrorism
CPF	Countering Proliferation Financing

BNFs — Designated Non-Financial Business and Professions
EDD — Enhanced Due Diligence
FI — Financial Institutions
IBC — International Business Company
KYC — Know-your-Customer
ML — Money Laundering
MVTS — Money and Value Transfer Services
NFIU — Nigerian Financial Intelligence Unit
NIMC — National Identity Management Commission
NIN — National Identification Number
PEP — Politically Exposed Person
PF — Proliferation Financing
ROs — Religious Organisations
SPVs — Special Purpose Vehicles STR — Suspicious
Transaction Report
TF — Terrorism Financing
UNSCRs — United Nations Security Council Resolutions

MADE at Abuja this 12th day of May, 2022.

ABUBAKAR MAI-AMI, SAN

Attorney-General of the Federation and Minister of
Justice

EXPLANATORY NOTE

(This note does not form part of these Regulations but is intended to
explain its purpose)

These Regulations seek to ensure that Financial Institutions comply with subsisting Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing of Weapons of Mass Destruction legislations.