

**FINANCIAL INTELLIGENCE
CENTRE, GHANA**

ANNUAL REPORT

2016



FINANCIAL INTELLIGENCE CENTRE, GHANA



ANNUAL REPORT

2016

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ABBREVIATION	MEANING
AIs	Accountable Institutions
AML	Anti-Money Laundering
AMLRO	Anti-Money Laundering Reporting Officer
AMO	Asset Management Office
ARIN	Asset Recovery Interagency Network
ARIN-WA	Asset Recovery Interagency Network for West Africa
BNI	Bureau of National Investigation
BoG	Bank of Ghana
CAD	Canadian Dollar
CARIN	Camden Asset Recovery Inter-Agency Network
CDD	Customer Due Diligence
CDF	Currency Declaration Form
CENTIF	Cellule Nationale de Traitement des Informations Financières
CEO	Chief Executive Officer
CFT	Combating the Financing of Terrorism
CID	Criminal Investigations Department
CMOs	Capital Market Operators
CSIR	Centre for Scientific and Industrial Research
CTITF	Counter Terrorism Implementation Task Force of the UN
CTR	Cash Transaction Report
DNFBPs	Designated Non-Financial Businesses and Professions
ECOWAS	Economic Community of West African States
ECTR	Electronic Currency Transaction Report
EDD	Enhanced Due Diligence
EI	Executive Instrument
EOCO	Economic and Organised Crime Office
ESW	Egmont Secure Web
FATF	Financial Action Task Force

FIC	Financial Intelligence Centre
FIU	Financial Intelligence Unit
FoP	Financing of Proliferation of Weapons of Mass Destruction
FSRB	FATF Style Regional Body
GBA	Ghana Bar Association
GBP	Great British Pound
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
GMC	GIABA Ministerial Committee
GPS	Ghana Police Service
GRA	Ghana Revenue Authority
GREDA	Ghana Real Estate Developers Association
ICT	Information Communication Technology
ID	Identity Card
IMC	Inter-Ministerial Committee on Anti-Money Laundering and Combating the Financing of Terrorism
IMF	International Monetary Fund
INTERPOL	International Criminal Police Organization
IR	Intelligence Report
IT	Information Technology
KYC	Know Your Customer
LEAs	Law Enforcement Agencies
LECOB	Law Enforcement Coordinating Bureau
MER	Mutual Evaluation Report
ML	Money Laundering
MLA	Mutual Legal Assistance
MoF	Ministry of Finance
MOU	Memorandum of Understanding
NACOB	Narcotics Control Board
NBFIs	Non-Bank Financial Institutions

NCA	National Communication Authority
NIA	National Identification Authority
NIC	National Insurance Commission NPRA National Pensions Regulatory Authority
NRA	National Risk Assessment
NS/AP	National Strategy and Action Plan
NSCS	National Security Council Secretariat
PEP	Politically Exposed Person
PSC	Public Services Commission
RCBs	Rural and Community Banks
RD	Research Department of the Ministry of Foreign Affairs and Regional Integration
SCUML	Special Control Unit against Money Laundering
SEC	Securities and Exchange Commission
SOP	Standard Operating Procedure
STEPRI	Science and Technology Policy Research Institute
STR	Suspicious Transaction Report
TF	Terrorist Financing
UNODC	United Nations Office on Drugs and Crime
UNSCR	United Nations Security Council Resolution
USD	United States Dollar
WB	World Bank

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



S.T. ESSEL, CEO, FIC

The Centre made giant strides in the year 2016 with the passage of a number of laws related to Anti-Money Laundering and Countering the Financing of Terrorism.

In 2016, Executive Instrument 114 (E.I. 114) amended Executive Instrument 2 (E.I.2) to provide for measures against Foreign Terrorist

Fighters consistent with the United Nations Security Council Resolutions (UNSCRs) 2178 and 2253.

The Companies Act, 1963 (Act 179) was amended with the passage of the Companies (Amendment) Act, 2016 (Act 920) to address key issues to ensure compliance with the FATF Recommendations. This includes the following:

- 1) To allow the Registrar of Companies to demand from prospective companies, information on beneficial ownership consistent with FATF Recommendations 24 and 25.
- 2) Establishment of Beneficial Ownership Register.
- 3) To grant competent authorities, in particular Law Enforcement Agencies (LEAs), the power to access basic and Beneficial Ownership Information.

The Securities Industry Act, 2016 (Act 929) which amended the Securities Industry Act, 1993 (PNDCL, 333) and Securities Industry (Amendment) Act, 2000 (Act 590) made provisions for Anti-Money Laundering.

The new Banking Act, Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930) made explicit provisions on pecuniary sanctions to be imposed for money laundering offences.

The National Risk Assessment and Mutual Evaluation Exercise were the two (2) major activities the Centre undertook in the year under review.

In accordance with FATF Recommendation 1 and in furtherance of GIABA Ministerial Committee's (GMC's) directive at its meeting held in Niamey, Niger in 2014, member States were to complete the NRA before the next round of Mutual Evaluation in 2016.

Ghana launched its National Risk Assessment in April 2016 and subsequently published its report on the GIABA and FIC websites in August 2016. An Action Plan has been adopted and is to be implemented in the next three (3) years.

At the 25th GIABA Technical Commission/Plenary meetings held in May 2016 in Praia, Cabo Verde, Ghana was selected to undergo the Second Round of Mutual Evaluation in September 2016 after the successful launch of the National Risk Assessment. The final report of the Mutual Evaluation would be discussed at the next GIABA Technical Commission/Plenary Meetings to be held in May 2017.

The Centre conducted a number of AML/CFT training and sensitization sessions for Accountable Institutions including Insurance companies, Banks and Non-Bank Financial Institutions, Capital Market Operators, Car Dealers and Real Estate Developers.

During the review period, the Centre received sixty-two (62) requests for information from counterpart Egmont Members and responded to same. Two hundred and five (205) spontaneous disclosures were disseminated to various foreign counterparts. The Centre sent twenty-five (25) requests and received one hundred and twenty-one (121) spontaneous disclosures.

At the meeting organized by Asset Recovery Interagency Network for West Africa (ARIN-WA) in Abidjan, Côte d'Ivoire, Ghana retained the Presidency of ARIN-WA from 2016 to 2018. The meeting adopted the final report of their meeting held in Ghana in 2014, and also discussed the operational situation of the permanent secretariat, funding of the network, provision of a platform of emerging legislations in the identification of criminal assets and the establishment of Asset Management Offices (AMOs) in member States.

The major challenge faced by the Centre was the resignation of four (4) members of staff. This notwithstanding, the Centre was able to strengthen the capacity of existing staff and recruited three (3) new staff to sustain the operation of the Centre.

It is my hope that in the coming years measures would be put in place to enhance the Centre's Conditions of Service to ensure staff retention.

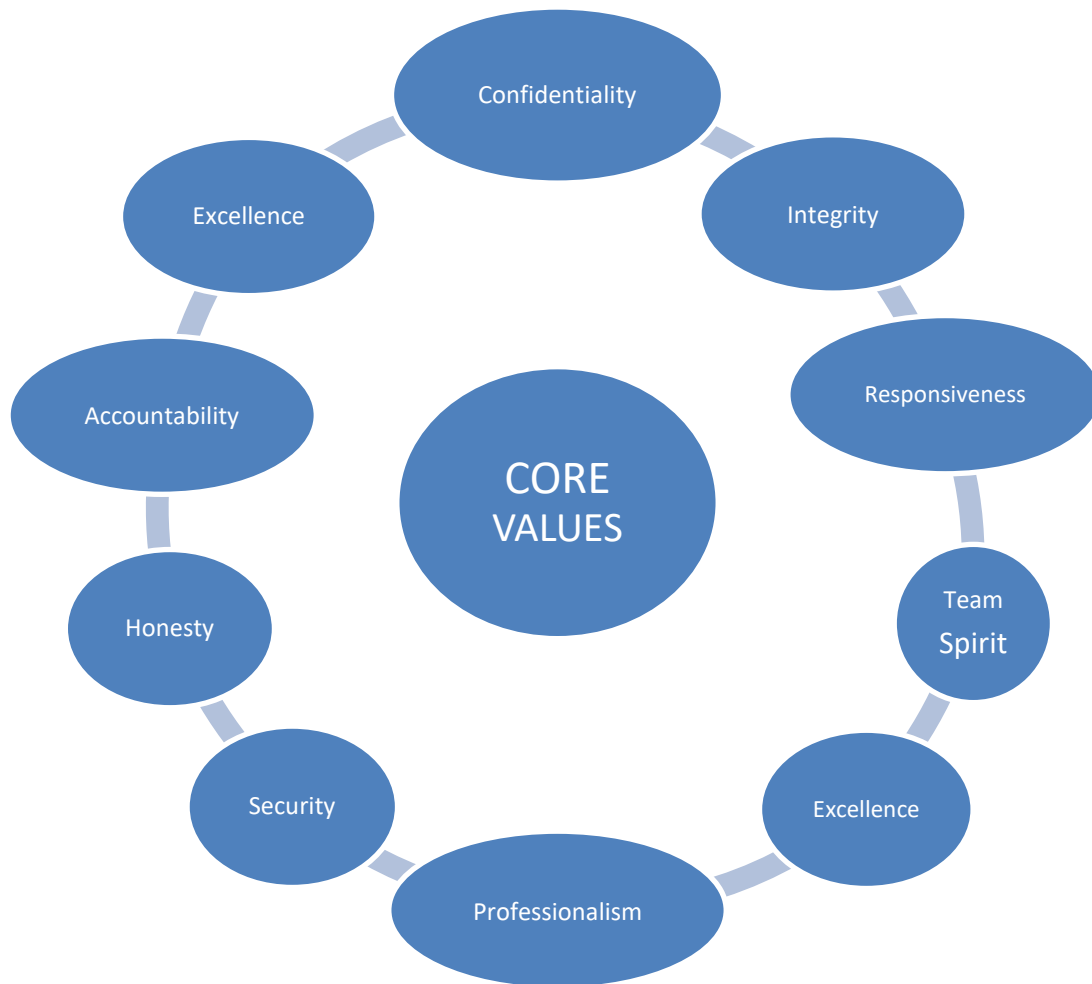
In conclusion, I wish to thank Stakeholder Institutions, both domestic and international, the Board, Management and Staff of the Centre for their efforts towards making the Centre successful in its endeavours.

1. About FIC

Ghana’s Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework operates in accordance with Section 4 of the Anti-Money Laundering Act, 2008 (Act 749), as amended, which establishes the Financial Intelligence Centre (FIC), as a body corporate mandated to request, receive, analyze and disseminate financial intelligence to competent authorities in Ghana and abroad.

The Vision, Mission and Core Values of the FIC are as depicted below.

VISION	The attainment of excellence & integrity and a dedication towards combating Money Laundering and Terrorist Financing.
MISSION STATEMENT	To protect the Ghanaian economy from the scourge of money laundering and terrorist financing for the enhancement of national and global economic stability and growth.



MILESTONES IN THE FIGHT AGAINST ML/TF&P

2008

AML Act 749

Ghana passed this Act which sought to prohibit money laundering, establish a Financial Intelligence Centre and to provide for related matters.

Anti-Terrorism Act 762

This Act was enacted to combat terrorism, suppress and detect acts of terrorism, prevent the territory, resource and financial services of Ghana from being used to commit terrorist acts to protect the rights of its people to live in peace, freedom and security and to provide for connected purposes.

2009 & 2010

The CEO was appointed in 2009 and the Centre became operational in 2010.

Economic and Organised Crime Office (EOCO) Act 804

The EOCO was established under the Economic and Organized Crime Office Act, 2010 (Act 804) to investigate and prosecute money laundering and other economic crimes. It has the power to search, track and seize tainted property, including seizure of currency suspected to be the proceeds of crime. To effectively carry out its functions, the law empowers the EOCO to issue the following:

- (i) Freezing Orders
- (ii) Seizure Orders
- (iii) Production Orders.

2009

1st Mutual Evaluation Exercise

Ghana was subjected to the 1st Round of Mutual Evaluation. The evaluation was based on Ghana's Technical Compliance with the FATF Recommendations.

2011

AML/CFT Guidelines (BoG, NIC, SEC)

These were developed to assist licensed financial institutions design and implement their respective AML/CFT compliance programmes as well as maintain a sound financial system and to join global efforts to minimize the scourge of Money Laundering and Terrorist Financing.

AML Regulation (LI 1987)

This regulation enjoined each Accountable Institution to make and implement internal rules and other procedures to combat ML/TF.

2012

Blacklisting

In February 2012, the FATF made a public statement on Ghana's AML/CFT deficiencies which blacklisted the country.

De-blacklisting

Within **six (6) months**, Ghana was de-blacklisted by FATF for addressing the strategic AML/CFT deficiencies identified. Ghana was subsequently congratulated by FATF for this unprecedented feat.

Anti-Terrorism Amendment (ATA) Act 842

This Act amended the ATA Act 2008 (Act 762) and further empowered the Minister for Justice and Attorney General to issue instructions by way of Executive Instrument to enable Ghana comply with the obligations under UN Security Resolutions Chapter 7 of the UN Charter.

2012

Criminal Offences (Amendment) Act 849

This Act amended the Criminal Offences Act 1960 (Act 29) to criminalise possession of human parts, enforced disappearance, sexual exploitation, illicit trafficking in explosives, firearms and ammunition, participation in organized criminal group and racketeering.

2013

Executive Instrument 2

Ghana passed Executive Instrument 2 (E.I.2) in February 2013 to adequately address and implement obligations under the United Nations Security Council Resolutions (UNSCRs) 1267, 1373, 1718, 1737, successor resolutions and other relevant resolutions consistent with FATF Recommendations.

2012

ATA Regulations (LI 2181)

The Anti-Terrorism Regulation 2012 was passed and gazetted in June 2012. The Regulation expanded the scope of AIs and defined the procedure for compliance with UNSCR on individuals and entities designated as terrorists.

Immigration (Amendment) Act 848

This Act which criminalises migrant smuggling was passed and gazetted on June 29, 2012.

EOCO Regulations (L.I 2183)

This Regulations which was passed and gazetted on June 19, 2012 provided largely for Standard Operating Procedures (SOPs) for the EOCO as well as other prescribed forms.

2014

AML (Amendment) Act 874

In response to recommendations made by the International Monetary Fund (IMF), Financial Action Task Force (FATF) and the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), the Centre initiated the drafting of amendments to the Anti-Money Laundering Act 2008 (Act 749).

EGMONT Admission

Ghana was admitted as a member into the prestigious Egmont group of FIUs in accordance with Regulation 42 of the AML/CFT Regulation.

ATA (Amendment) Act 2014

The Anti-Terrorism Act (Amendment) Bill was drafted, approved by Cabinet and laid before Parliament. The Amendment empowers the High Court to order the funds of a terrorist, financiers of terrorism or a terrorist organization in general to be frozen. Hitherto, the High Court could only order to be frozen funds of a terrorist organization designated by the United Nations Security Council.

2016

National Risk Assessment
Ghana published its NRA Report.

2nd Round of Mutual Evaluation Exercise
Ghana is currently undergoing its 2nd ME exercise.

Executive Instrument 114
This provided for measures against Foreign Terrorist Fighters.



2016

Companies (Amendment) Act 920
The Companies (Amendment) Bill was prepared and reviewed. The following key issues in line with FATF's Recommendations were proposed as amendments:

- i) A provision for the Registrar of Companies to demand from prospective companies, information on beneficial ownership consistent with Recommendations 24 and 25 of the Revised FATF Recommendations (2012).
- ii) Competent authorities in selected Law Enforcement Agencies should have all powers necessary to obtain timely access to basic and beneficial ownership information.

2016

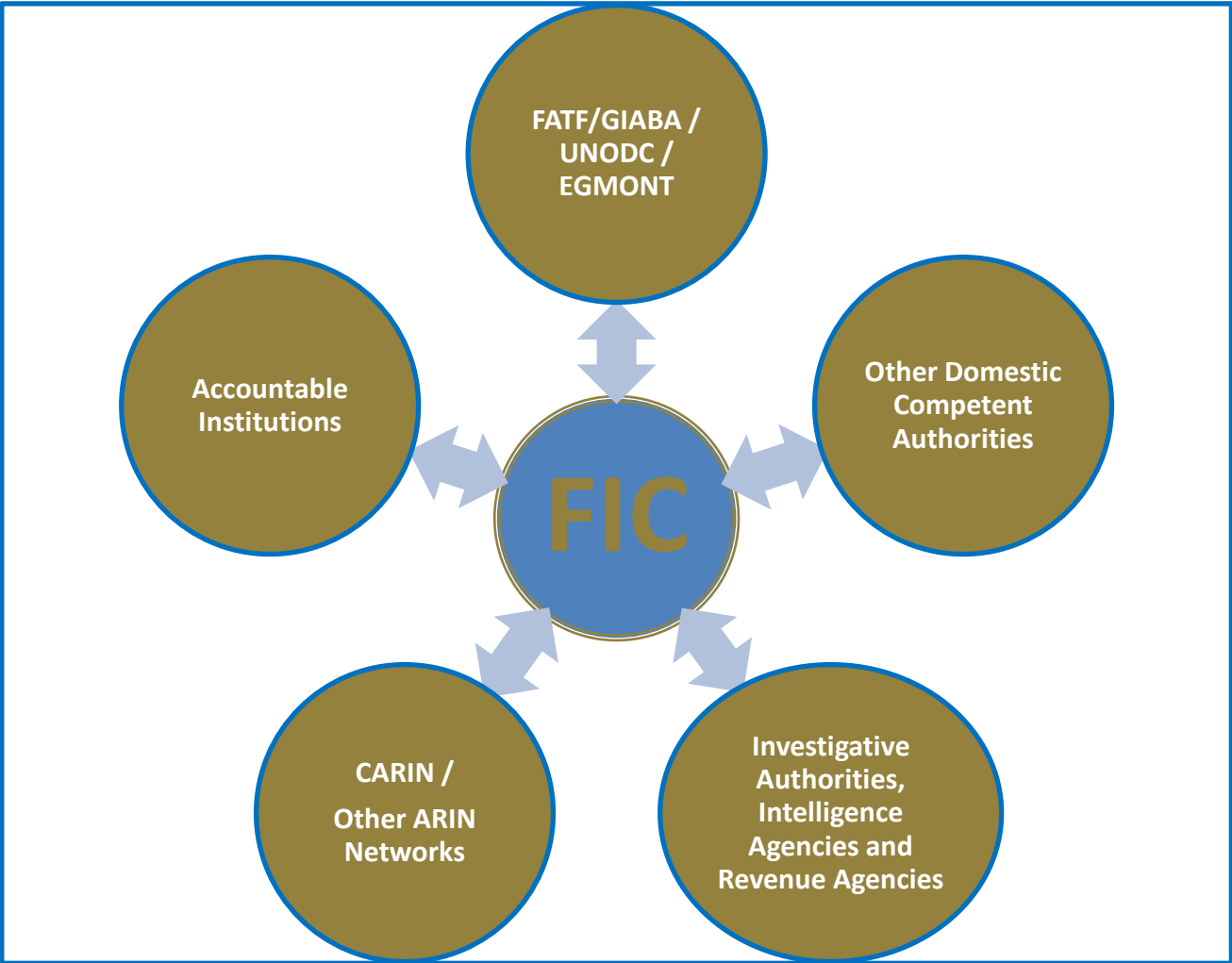
Securities Industry Act, 2016 (Act 929)
This Act was passed to revise and consolidate the Securities Industry Act, 1993 (PNDCL 333) and to provide for related matters.

2.0 Stakeholders of the AML/CFT & P Regime

Domestic and International Collaboration

The FIC works closely with domestic and international entities including the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Egmont Group of FIUs as depicted in Figure 1. This is consistent with FATF’s Recommendations 2 and 40.

Figure 1: Domestic and international collaboration between FIC and other agencies





TECHNICAL/FINANCIAL SUPPORT MEETING BETWEEN FIC AND DEVELOPMENT PARTNERS

The Financial Action Task Force (FATF) is the international body responsible for development of policies and standards for combating money laundering, terrorist financing and proliferation of weapons of mass destruction. In line with the FATF Recommendation 36, the Centre has signed MOUs with GIABA member States and can access and disseminate information in real time to these partners in the sub-region and other foreign partners to fight the menace of ML/TF and financing the Proliferation of Weapons of Mass Destruction (P).

GIABA is the regional FATF-styled body responsible for facilitating the adoption and implementation of AML/CFT&P measures in West Africa.

The EGMONT Group of Financial Intelligence Units was set up for the exchange of intelligence for combating Money Laundering, Terrorist Financing and Proliferation of

Weapons of Mass Destruction. The Centre is a member of the EGMONT Group of FIUs and continues to enjoy the benefits of membership.

In collaboration with Regulatory Bodies, the Centre periodically reviews the assessment of ML/TF&P risk profile of the Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs).

The Centre ensures domestic collaboration with all relevant LEAs including, National Security Council Secretariat (NSCS), Bureau of National Investigation (BNI), Ghana Police Service (GPS), Economic and Organised Crime Office (EOCO), Narcotics Control Board (NACOB), Ghana Immigration Service (GIS) and other stakeholder institutions such as the Driver and Vehicle Licensing Authority (DVLA), Registrar General's Department (RGD) and the Ghana Revenue Authority (GRA).

The Centre serves as a fulcrum around which a robust Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT&P) regime in Ghana revolves. The regulatory regime of the AML/CFT&P impose on Accountable Institutions, among others, the responsibility to apply comprehensive Customer Due Diligence (CDD) on both existing and prospective clients, keep records and submit reports to the Centre.

Ghana has taken the appropriate steps to identify and assess ML/TF&P risks in order to inform parental changes to the country's AML/CFT&P regime, including review of laws and Other Enforceable Means.

REQUEST FOR ASSISTANCE FROM LAW ENFORCEMENT AGENCIES (LEAs)

As part of domestic collaboration, the Centre received over one hundred and fifty (150) requests from GPS, BNI, EOCO, NACOB and other stakeholders to assist in conducting financial investigations (parallel investigations).

OPERATIONAL ACTIVITIES

3. Tactical Analysis

FATF Recommendation 20 states as follows:

If a financial institution suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing, it should be required by law, to report promptly its suspicions to the Financial Intelligence Unit.

In compliance with the above, Section 30(1) of the AML Act, 2008 (Act 749), as amended, provides that “a person or an Accountable Institution that knows or reasonably suspects that a property is

- (a) terrorist property
- (b) the proceeds of money laundering
- (c) for financing of proliferation of weapons of mass destruction
- (d) intended for any other serious offence

shall submit a Suspicious Transaction Report (STR) to the Centre within twenty-four (24) hours after the knowledge or suspicions was formed”.

Section 5(4) of the Anti-Terrorism Act, 2008 (Act 762) as amended, provides that “a person holding funds to which subsection 2 relates shall report without delay to the Financial Intelligence Centre established under Section 4 of the Anti-Money Laundering Act, 2008 (749) the existence of the funds.”

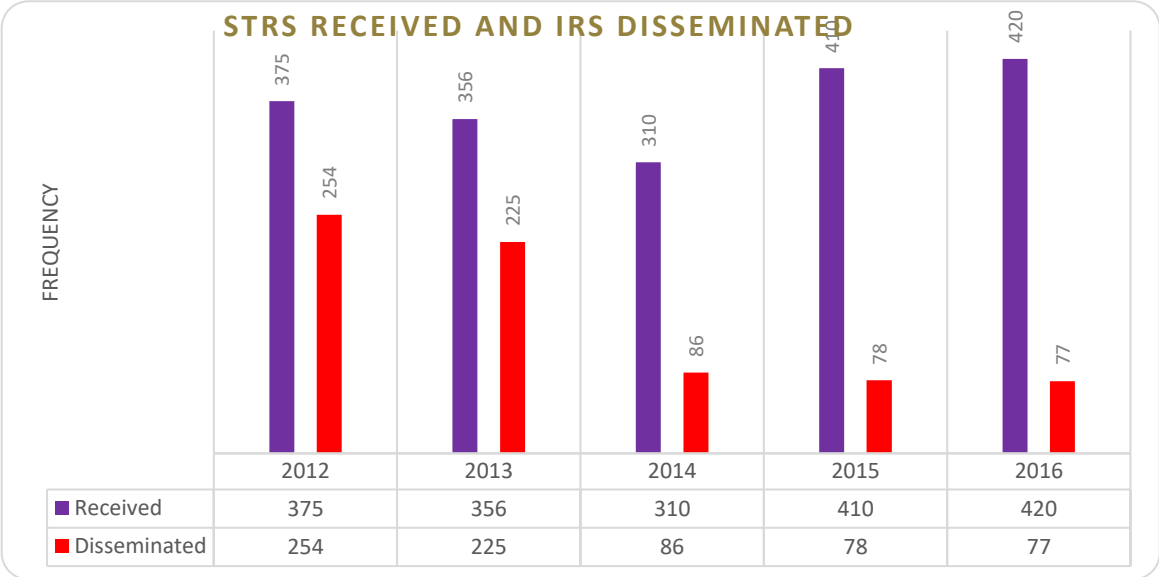
Consequently, information received is analysed and intelligence derived is disseminated to Investigating Authorities, Intelligence Agencies and Revenue Agencies in Ghana and abroad for further investigation in accordance with law.

Person(s) or Accountable Institutions are subsequently provided with feedback on the investigation outcomes.

Analysis of STRs Received and IRs Disseminated

Over the past five (5) years (2012 to 2016) the total number of STRs received was one thousand eight hundred and seventy-one (1,871). Of this number, seven hundred and twenty (720) Intelligence Reports (IRs) were disseminated to Investigating Authorities, Intelligence Agencies and Revenue Agencies in Ghana and abroad. This is graphically presented in Figure 2 below.

Figure 2

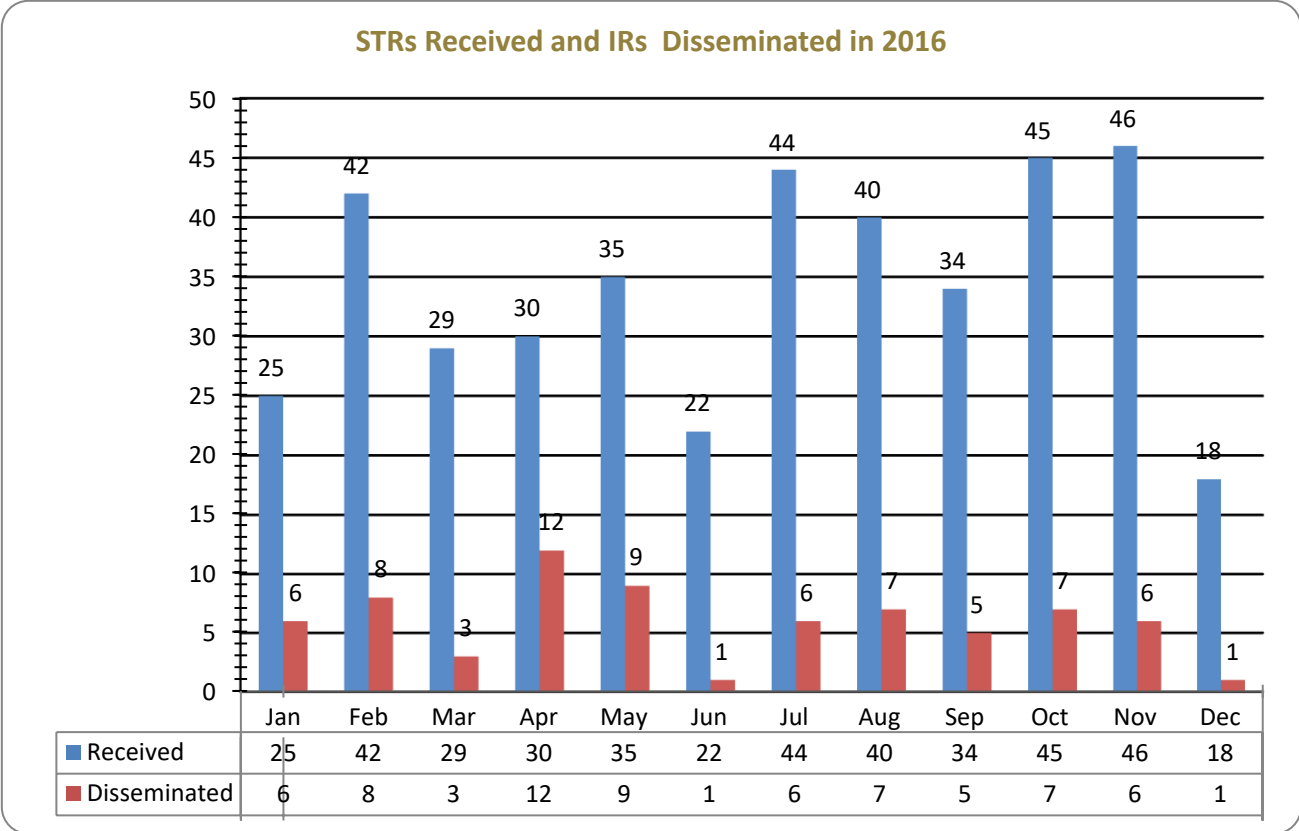


The average number of STRs received within the five (5) year period was three hundred and seventy-four (374). Although the number of STRs declined in 2013 and 2014, it steadily increased in 2015 and 2016 with the latter recording the highest number of STRs.

The decline in the number of IRs disseminated to LEAs within the five (5) year period can be attributed to the fact that the funds transferred to Ghana as a result of fraudulent misrepresentation were repatriated to (or recalled by) victims/remitters.

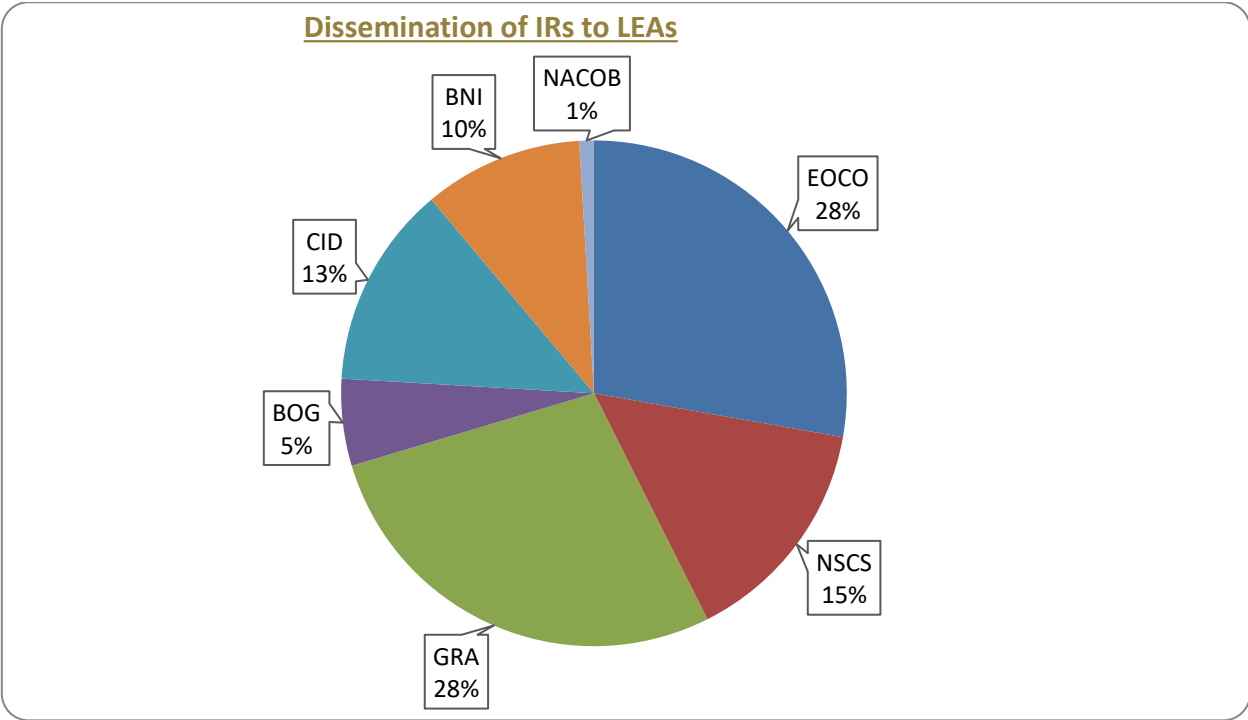
In the year under review, the Centre received four hundred and twenty (420) STRs and disseminated seventy-seven (77) IRs. Figure 3 illustrates receipts and dissemination in 2016.

Figure 3



The Centre disseminated 56% of its Intelligence Reports to the Economic and Organised Crime Office (EOCO) and Ghana Revenue Authority (GRA). As indicated in figure 4 below, GRA received thirty (30) Intelligence Reports (IRs) signifying the deepening of collaboration between the FIC and GRA in the fight against tax evasion as a predicate offence in accordance with Section 6(g) of Act 874.

Figure 4



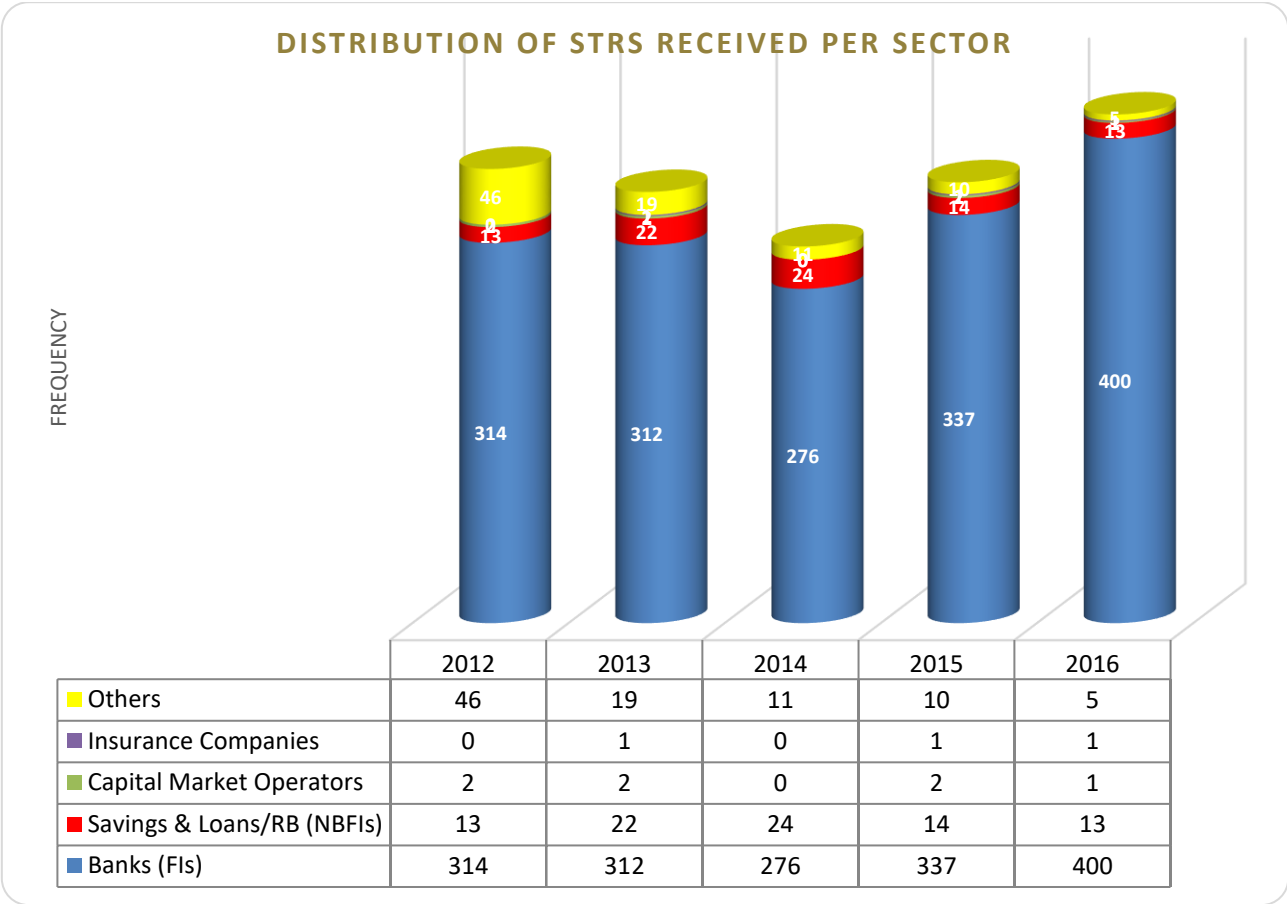
NB: An IR may be disseminated to multiple agencies.

Analysis of STRs by Sectors

As shown in Figure 5 below, Banks continued to account for 90% of total STRs received from 2012 to 2016, the Savings and Loans Companies accounted for 4.7% and the others comprising the Insurance and Capital Market operators contributed 5.3%.

The increase in the number of Banks and Savings and Loans Companies coupled with continuous awareness creation may have resulted in the high number of STRs received.

Figure 5



Cash Transaction Reports (CTRs) and Electronic Currency Transaction Reports (ECTRs)

One million, fifty three thousand and sixty-nine (1,053,069) Cash Transaction Reports (CTRs) were received and reviewed by the Centre in 2016.

Three hundred and seventy six thousand, eight hundred and seventy-six (376,876) Electronic Currency Transaction Reports (ECTRs) were received by the Centre. The distribution of institutions which submitted the two (2) statutory reports is mapped out in Table 1 below.

Table 1: CTRs and ECTRs received from January to December, 2016

INSTITUTION	CTR	ECTR
Banks	1,020,876	376,876
Savings & Loans Companies	31,246	
Rural Banks	4,061	
Total	1,053,069	376,876

Total CTRs for the period under review reduced by fifty nine percent (59%) as compared to the 2015 figure due to the review of the reporting threshold from GH¢20,000.00 to GH¢50,000.00 for the banks. Total ECTRs also reduced by 22% as compared to the 2015 figure owing to the inability of some banks filing ECTRs as a result of system challenges.

However, as a result of the voluminous CTR/ECTRs filed by the Accountable Institutions, plans are far advanced by the Centre to enhance its Enterprise Solution to improve tactical analysis of CTRs/ECTRs.

Revised Cash Reporting Thresholds for the Banking, Securities and Insurance Sectors

In accordance with Section 31(a) of Act 749, as amended, the reportable threshold for Cash Transaction Report (CTR) for all banks was reviewed from twenty thousand Ghana Cedis (GH¢ 20,000.00) to fifty thousand Ghana Cedis (GH¢ 50,000.00) by the Centre in March.

Similarly, the Centre also reviewed the cash reporting thresholds for both the Securities and Insurance Sectors to fifty thousand Ghana Cedis (GH¢50,000.00) and five thousand Ghana Cedis (GH¢5,000.00) respectively.

Currency Declaration Reports (CDRs)

Three hundred and forty- five (345) Currency Declaration Forms (CDFs) were received and reviewed as shown in Table 1.

A number of foreign nationals were identified to have consistently conveyed cash into the country. The couriers conveyed the exact threshold of USD\$ 10,000.00 ostensibly to avoid reporting obligation.

Table 2: Currency Declaration Reports received in 2016

Currency	No of CDFs	Total Amounts Declared
USD	316	2,218,893.00
GBP	2	11,870.00
Euro	7	71,350.00
CFA	16	5,000,000.00
Yen	1	1,350.00
Naira	3	4,100,000.00

CLONED CHEQUE REPORTS

In 2016, the Centre received sixty (60) cloned cheque reports from the financial institutions valued at GH¢ 31,641,240.36.

Nine (9) out of the sixty (60) cloned cheques reported valued at GH¢607,550.00 were however cashed.

RISKS, TRENDS AND METHODS FROM STR ANALYSIS

Recommendation 1 of the FATF revised 40 Recommendations (2012) requests all countries to identify, assess and understand their ML/TF risks by applying the risk based approach and take action to mitigate those risks. Recommendation 34 also enjoins Competent Authorities and Supervisors to establish guidelines and provide feedback which would assist financial institutions and DNFBPs in applying measures to combat ML/TF.

Further, Regulation 40 (f)(g) of the Anti-Money Laundering Regulations, 2011 (L.I 1987) requires the Centre to provide Accountable Institutions with feedback which includes information on current risks, trends and methods of ML/TF and examples of ML cases in the country.

Perpetrators of ML

Intelligence Reports (IRs) disseminated in 2016 identified some characteristics of perpetrators of Money Laundering (ML).

The analysis revealed that 82% of suspected ML perpetrators were males. Furthermore, majority of perpetrators were of Ghanaian nationality accounting for 77%, followed by Nigerians, 14%, Chinese, 4%, Indians, 3%, Liberians, 1% and Ivoirians, 1%.

Majority of perpetrators stated their occupation as self-employed, others were students and salaried workers who fronted sham companies to defraud their victims.

Figure 6 Risks, Trends and Methods from STR Analysis

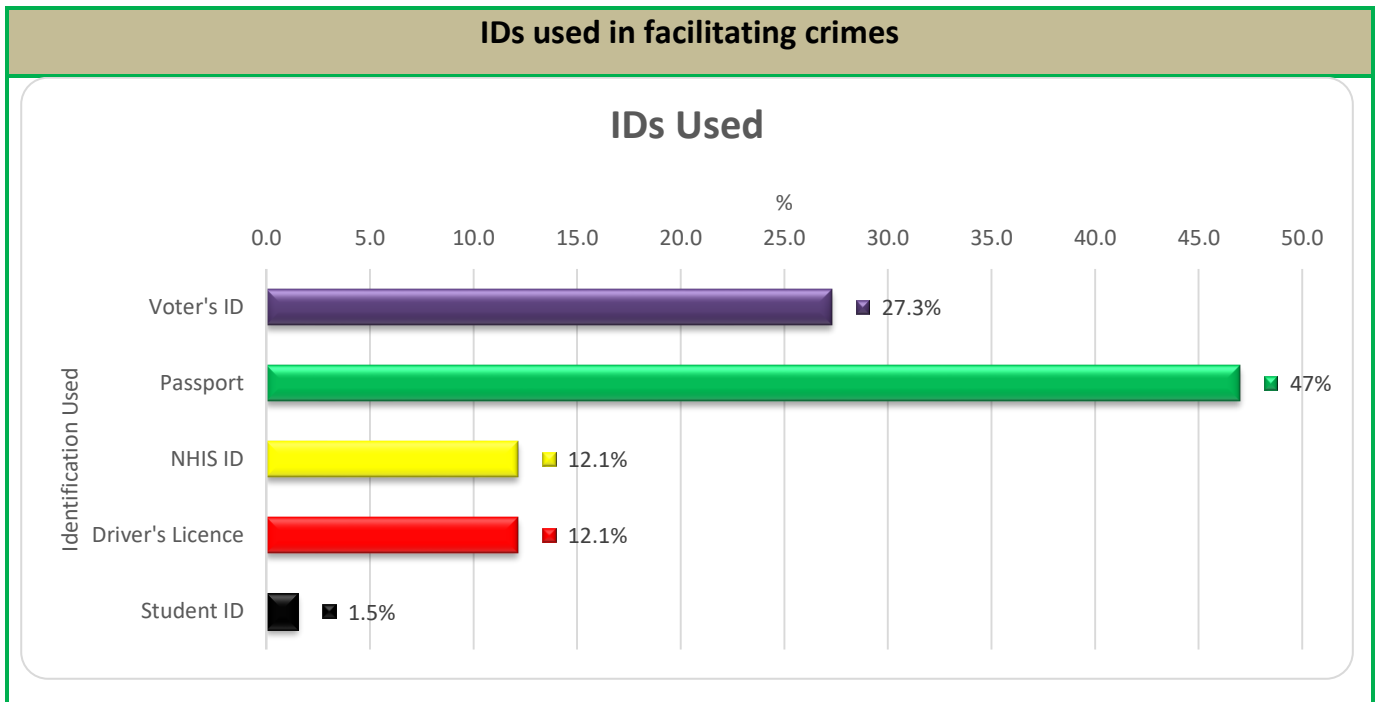
CHARACTERISTICS	COMMENTS / ANALYSIS
Percentage of IRs Disseminated	<p>A 3D pie chart showing the distribution of IRs disseminated. The chart is divided into two segments: a large blue segment representing 'Banks' at 96.25%, and a small red segment representing 'Non-Banks' at 3.75%. A legend to the right of the chart identifies the blue color with 'Banks' and the red color with 'Non-Banks'.</p>
Gender	About 82% of perpetrators were males

CHARACTERISTICS	COMMENTS / ANALYSIS														
Nationalities	<p>A 3D pie chart illustrating the distribution of nationalities among perpetrators. The largest slice is Ghana at 77%, followed by Nigeria at 14%, China at 4%, India at 3%, Ivory Coast at 1%, and Liberia at 1%. The chart is exploded, with the Ghana slice being the most prominent.</p> <table border="1"> <thead> <tr> <th>Nationality</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Ghana</td> <td>77%</td> </tr> <tr> <td>Nigeria</td> <td>14%</td> </tr> <tr> <td>China</td> <td>4%</td> </tr> <tr> <td>India</td> <td>3%</td> </tr> <tr> <td>Ivory Coast</td> <td>1%</td> </tr> <tr> <td>Liberia</td> <td>1%</td> </tr> </tbody> </table>	Nationality	Percentage	Ghana	77%	Nigeria	14%	China	4%	India	3%	Ivory Coast	1%	Liberia	1%
Nationality	Percentage														
Ghana	77%														
Nigeria	14%														
China	4%														
India	3%														
Ivory Coast	1%														
Liberia	1%														
Occupation of Subjects	Majority of perpetrators were self-employed. Others included students and salaried workers.														
Type of Businesses used in facilitating crime	Sole proprietorships, limited liability companies, and individuals including students, businessmen/women.														

IDs used in facilitating crimes

Passports accounted for 47% of identification documents used in opening accounts to facilitate crimes, followed by Voter’s ID, 27.3%, NHIS ID, 12.1%, Driver’s License, 12.1%, and Student ID, 1.5%.

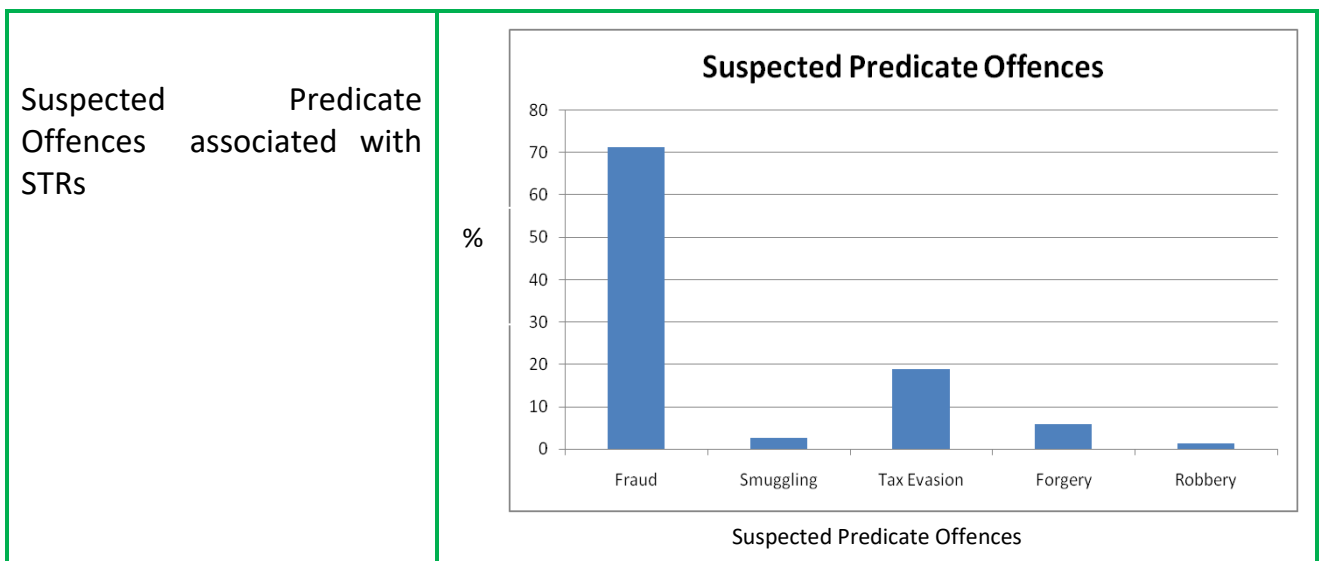
Figure 7



Suspected Predicate Offences

Suspected underlying crimes for ML included fraud, tax evasion, smuggling, forgery and robbery.

Figure 8



Methods/Typologies

The methods adopted by suspected perpetrators included romance fraud, gold scams, investment fraud, hacking/truncation of e-mail (CEO Fraud), advanced fee fraud (419), cheque cloning and impersonation. It was observed that perpetrators often relied on a hybrid scheme (a twist of romance scam, gold scam, investment fraud, and advance fee fraud) to execute their illegal activities. Perpetrators also used fraudulent documents and sham companies including Non-Profit Organizations to deceive and defraud victims. Cheque cloning was identified as an emerging trend.

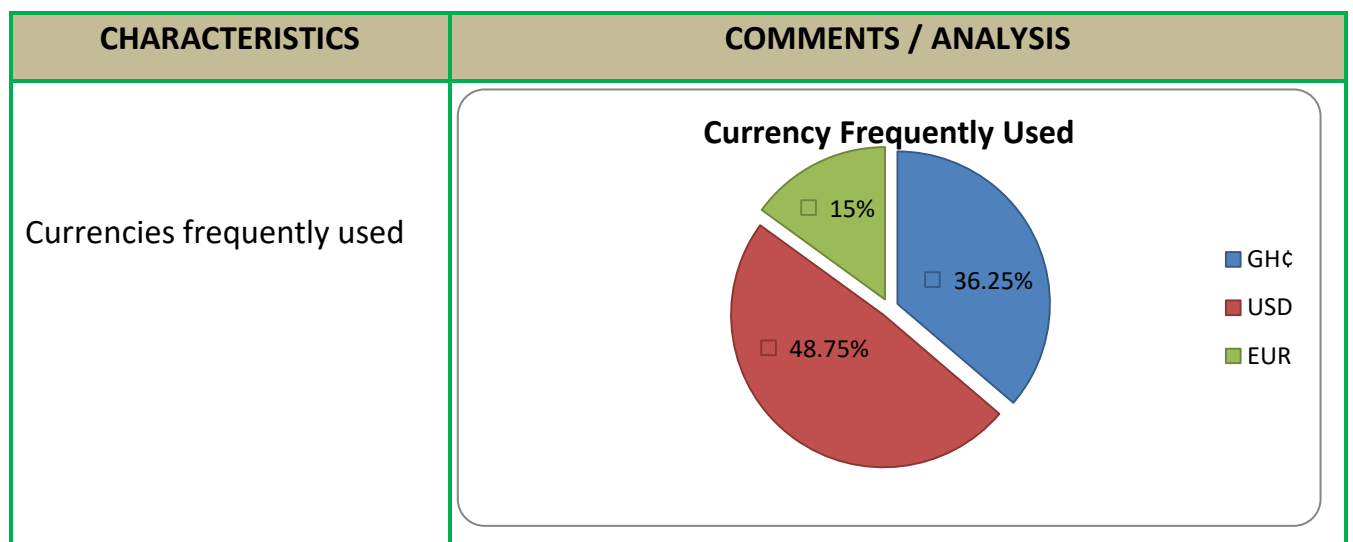
Money Transfer Service Providers such as Western Union and MoneyGram continued to be the preferred medium through which perpetrators received the suspected proceeds of crime.

Delivery Channels

The most prevalent delivery channels employed included wire transfers, cash and cheque (dud/cloned). Wire transfers were the most widely used financial instrument.

The United States Dollars (USD) was the currency of choice representing 48.75%, followed by the Ghana Cedi, 36.25%, and the Euro, 15%.

Figure 9



Geographical Location

The following geographical locations in Ghana were identified as hotspots for ML activities: Accra Central, Nungua, Legon, Tema, Lapaz, Ridge, East Legon, Airport, Burma Camp, Spintex Road, Dome, Taifa, Kasoa, Achimota, Kwabenya, Sakumono, Teshie, Nungua, Labone, Madina, Dzorwulu, Ashaiman, Kwame Nkrumah Circle, Berekum, Obuasi, Koforidua, Kumasi, Winneba, Sunyani, Cape Coast, Tamale, Agona Swedru and Ho.

TREND ANALYSIS OF CRIME STORIES

Trend analysis of crime stories reported in selected major newspapers in Ghana between 2013 and 2016 indicated a total of two thousand, one hundred and thirty-five (2,135) suspected predicate offences.

A breakdown of the various predicate offences from crime stories are shown below.

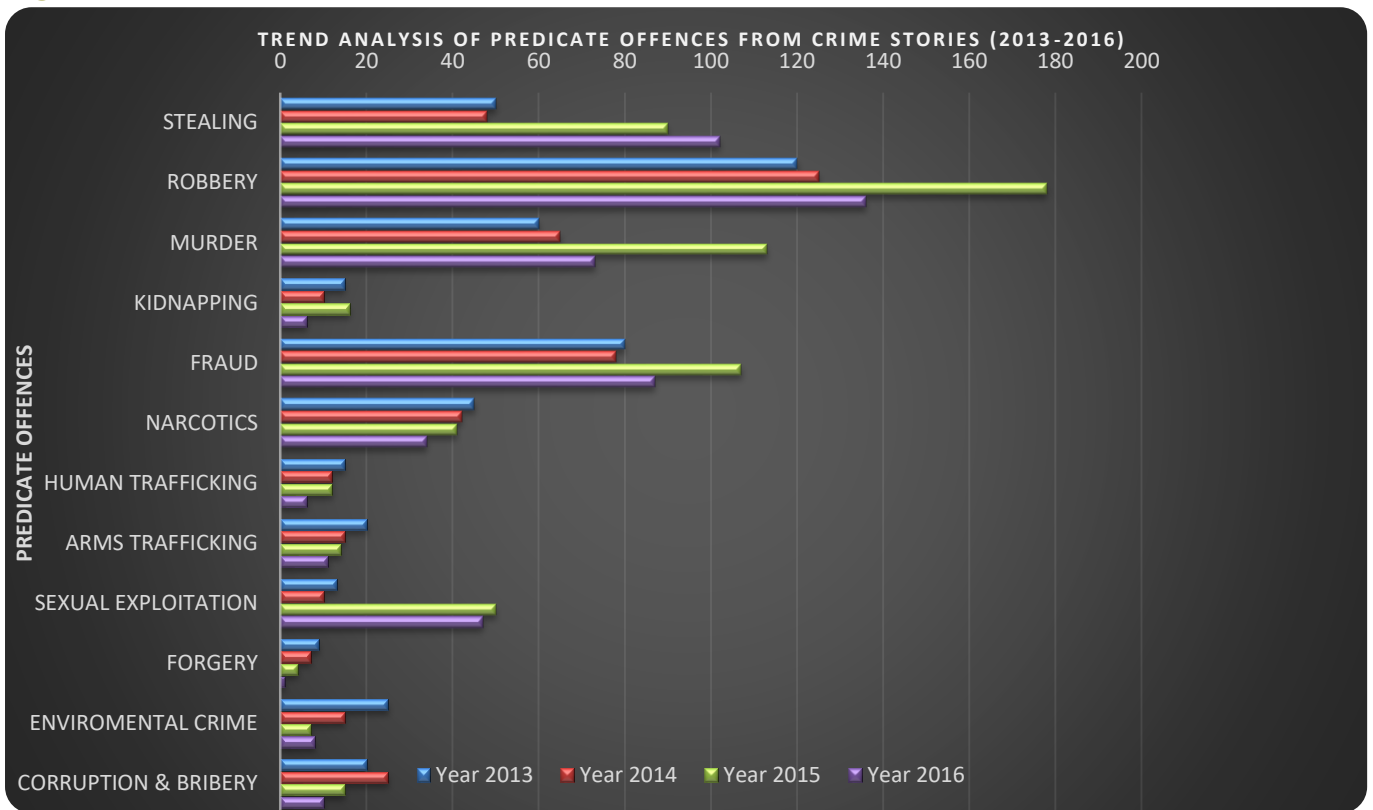
Table 3: Predicate Offences from crime stories

PREDICATE OFFENCES	2013	2014	2015	2016	Total
ROBBERY	120	125	178	136	559
FRAUD	80	78	107	87	352
MURDER	60	65	113	73	311
STEALING	50	48	90	102	290
NARCOTICS	45	42	41	34	162
SEXUAL EXPLOITATION	13	10	50	47	120
CORRUPTION & BRIBERY	20	25	15	10	70
ARMS TRAFFICKING	20	15	14	11	60
ENVIRONMENTAL CRIME	25	15	7	8	55
KIDNAPPING	15	10	16	6	47
HUMAN TRAFFICKING/MIGRANT SMUGGLING	15	12	12	6	45
FORGERY	9	7	4	1	21
COUNTERFEITING CURRENCY	0	0	8	3	11
ORGANIZED CRIME	0	0	9	0	9

EXTORTION	0	0	1	5	6
GRIEVOUS BODILY INJURY	0	0	6	0	6
SMUGGLING	0	0	1	3	4
TAX EVASION	0	0	2	2	4
PIRACY	0	0	1	2	3
TOTAL	472	452	675	536	2135

TREND ANALYSIS OF PREDICATE OFFENCES FROM CRIME STORIES (2013-2016)

Figure 10



It was observed that robbery, fraud, murder, stealing, and narcotic related crimes have together steadily accounted for 79% of reported predicate offences over the last four (4) years. Robbery recorded the highest percentage of reported cases representing 26%, followed by fraud, 16%, murder, 15%, stealing, 14% and narcotics, 8%.

Sexual exploitation appeared to be one of the most prevalent predicate offences in Ghana for 2015 and 2016.

TYOLOGY/CASE STUDIES

As part of the activities of the Centre, Strategic Analysis was conducted to identify trends of ML/TF&P. Below are some of the typologies/case studies conducted during the period under review.

ROMANCE AND GOLD SCAM

In June 2016 one Monica of the USA remitted US\$67,990.00 to Mensah, a 29-year-old Ghanaian. When Mensah was questioned by his bank in Ghana, he claimed the funds were from his business partner. However, the remitting bank indicated the purpose for the transfer as 'upkeep'.

Further checks revealed that Monica wired the money to Mensah at the instance of Frank, a friend she met on a dating website in 2014. Frank said Mensah was a nephew to a Government Official in Ghana. Frank claimed he bought gold but had issues getting the gold out of Ghana and that he needed a loan from Monica for documentation and shipment to a potential buyer in the US.

Monica over a two-year period had wired a total of US\$200,000.00 to Frank for documentation and shipment of the gold to the potential buyer. Frank later presented her with two cheques worth US\$250,000.00 but told her not to cash it until the gold shipment was successful. Frank said US\$ 200,000.00 of this amount was for reimbursement and the rest should be paid to him once he arrived in the US.

Method Employed: *Romance Scam, Gold Scam.*

Suspected Predicate Offence: *Fraud and Extortion*

Technique used: *Exploitation of internet dating website.*

Status: *Investigation ongoing*

ROMANCE SCAM

*In October, 2015, Kofi Mensah, a 27-year-old Ghanaian sole proprietor, received wire transfer amounting to **US\$50,031.00** from one Mr. Ben White of the United States of America.*

When the bank questioned Mensah about the purpose of the funds, he claimed he had a business relationship with Mr. White and the funds were meant to construct boreholes in Ghana.

Preliminary investigations revealed that Mr. White met a purported white lady on social media who claimed to be a nurse working in Ghana.

The purported white lady claimed she owned 70 kg of gold and needed money to obtain documents from the Courts in Ghana to enable the release of the gold into her custody.

She promised Mr. White that once the process was successful she would move to the USA to start a relationship with him.

Consequently, Mr. White made several money transfers to her for documentation of the gold.

*Further interviews revealed that Mr. White was a victim of fraud and had lost an estimated amount of **US\$200,000.00** (all his retirement savings) to such fraud schemes.*

It was suspected that Kofi Mensah may have misrepresented himself to obtain the funds fraudulently from Mr. White.

Method Employed: *Romance Scam*

Suspected Predicate Offence: *Fraud*

Technique used: *Romance fraud and gold scams*

Status: *Investigation ongoing*

GOLD SCAM AND ADVANCE FEE FRAUD

*In January 2016, Eric Kudzo, a customer of a Non-Bank Financial Institution received two remittances totaling **US\$45,992.00** from one Fred Edward of the United States.*

When the bank questioned Kudzo about the purpose of the funds, he was unable to offer satisfactory explanations to warrant such inflows.

Preliminary checks by the FIC revealed that Edward established a friendly relationship with one Ama suspected to be one of the accomplices of Kudzo on facebook.

Ama and Edward later met in the US where she introduced herself as a Ghanaian born British. Ama claimed she lost her parents through a motor accident in Ghana and as part of her share of her parent's estate she was given a large quantity of gold.

She appealed to Edward to send her some money to process and ship the Gold to the US and also to cater for her hospital bill as a result of the accident she suffered. Several remittances amounting to US\$300, 000 were wired to Ama to cater for payment for gold shipment, insurance, and her medical bills.

It was later revealed that Kudzo and Ama were accomplices, and thus succeeded in defrauding Edward.

Method Employed: , *Advance fee fraud*

Suspected Predicate Offence: *Fraud*

Technique used: *Gold scam and advance fee fraud*

Action taken by law enforcement: *Investigations are ongoing*

4. ANTI-MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM AND PROLIFERATION (AML/CFT&P) TRAINING AND AWARENESS PROGRAMMES

Introduction

The FATF Recommendations 26, 27 and 28 require competent authorities to be adequately empowered to conduct inspections, supervise and monitor activities of financial institutions to ensure compliance with AML/CFT requirements.

The Centre in accordance with Section 6(d) of the Anti-Money Laundering Act, 2008 (Act 749), as amended, monitors and gives guidance to Accountable Institutions (Reporting Entities), Supervisory Bodies, and other persons on the discharge of their duties in compliance with the Act.

In partnership with regulators and other stakeholders provided AML/CFT training sessions for the various sectors.

These training sessions were conducted for key management and other operational staff of some Accountable Institutions. The training sessions also highlighted the responsibilities of the AIs and the designated Compliance Officers.

Details of the training sessions and other outreach activities are outlined below:

Table 4: Training of Accountable Institutions (AIs)

S/N	SECTOR	ACTIVITY/PARTICIPANTS	COMMENTS/OUTCOMES
1	Banking	Training for Board of Directors, Key Management, Staff and Compliance Officers/Anti-Money Laundering Reporting Officers (AMLROs) of Banks and Non-Bank Financial Institutions (NBFIs).	<p>Two hundred and seventy-three (273) participants were trained.</p> <p>Participants demonstrated deeper understanding of AML/CFT matters. This was observed in the submission of Cash Transaction Reports (CTRs), submission of AML/KYC manuals/policies, timely submission of compliance reports and contribution towards the Mutual Evaluation Exercise.</p>
2	Insurance	Training for Life and Non-Life insurance companies as well as the Broking Companies.	<p>Two hundred and eighty-three (283) participants were trained on their key responsibilities under Act 749, as amended.</p> <p>The enhanced understanding on AML/CFT issues in the insurance sector led to the filing of CTRs and submission of compliance reports for the first time.</p>
3	Securities	Training for Capital Market Operators (CMOs).	<p>Three hundred and nine (309) participants were trained in the securities sector.</p> <p>Some of the CMOs filed CTRs and also developed Internal Rules for the first time.</p> <p>Selected AMLROs/Compliance Officers of CMOs were chosen as Focal Persons during the 2ndRound of the Mutual Evaluation Exercise.</p>

S/N	SECTOR	ACTIVITY/PARTICIPANTS	COMMENTS/OUTCOMES
4	Designated Non-Financial Businesses and Professions (DNFBPs)	Training for Key Management, Staff and licensed operators of Precious Minerals and Marketing Company (PMMC). Training for Ghana Real Estate Developers Association (GREDA).	One hundred and twelve (112) participants were trained. Consequently, some of the Real Estate developers and Car dealers designed their Internal Rules and appointed AMLROs/Compliance Officers to spearhead AML/CFT matters.

The above training sessions emphasized the following key areas;

- 1) Issues identified in the National Risk Assessment exercise.
- 2) Financial Action Task Force (FATF) 40 Revised Recommendations particularly Customer Due Diligence - R10, Politically Exposed Persons- R12 and Filing of STRs - R20.
- 3) Reporting obligations of Accountable Institutions under Act 749.
- 4) The need to develop institutional based AML/CFT Compliance Manual/Policy.
- 5) The application of Risk-Based Approach in enterprise risk assessment.
- 6) Emerging AML/CFT&P risks.

TRAINING OF LAW ENFORCEMENT AGENCY (POLICE)

Between January and December 2016, one hundred and fifty-five (155) Senior Police Officers (Assistant Superintendents of Police) were trained on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) and Financial Investigation Techniques at the Ghana Police Command and Staff College, Winneba.

The need for more collaboration between the GPS and the FIC in the fight against Money Laundering and Terrorist Financing (ML/TF) was highlighted during the training. Participants were also advised to cooperate with other relevant institutions by undertaking parallel investigations. They were encouraged to prefer the charge of money laundering, identify, trace and recover proceeds of crime.

JOINT OUTREACH PROGRAMMES WITH OTHER REGULATORS

FIC, GREDA to combat money laundering

• In real estate sector

By Maxwell Akalaare Adombila

THE Financial Intelligence Centre (FIC) is collaborating with the Ghana Real Estate Developers Association (GREDA), the umbrella body of estate developers in the country, to help reduce the incidence of money laundering in the real estate sector.

The collaboration followed the realisation by the centre that GREDA was a key partner in the fight against money laundering and terrorist financing in the country.

The Head of the Compliance Unit at the FIC, Mr Seth Nana Amoako, said the collaboration was taking the form of trainings, seminars and capacity building programmes for members of the association, which boasts over 200 companies nationwide.

It started about three years ago and has since succeeded in exposing players in the sector to the technicalities of the menace, a web of strategies used by people and institutions to conceal the actual sources of ill-gotten proceeds.

Need for regulatory body

At a seminar for members in Accra, where money laundering featured

prominently, Mr Amoako said estate developers needed to be properly exposed to the dynamics of the menace to be able to help combat it.

He explained that after a risk assessment exercise on sectors that were vulnerable to money laundering activities in the country, the real estate business came up as one of the areas criminals used to conceal the sources of their wealth, hence the need for partnership to help fight it.

That effort, he said was, however, hindered by the unregulated nature of the real estate sector.

Given that the FIC relied on periodic reports and alerts from players in the fight against the practice and related criminal activities, Mr Amoako said the absence of a regulatory body for estate developers meant the centre had to deal with the companies individually.

"That makes the work tedious but we are happy an association like this (GREDA) exists. With GREDA, we are able to reach out to majority of them," Mr Amoako's colleague at the FIC, Mr Emmanuel Nikoi, said.

"If it is regulated, it will help remove the grey areas," he added.

Moves to formally regulate the real estate sector have been on the drawing board for years, with the GREDA always explaining that a regulatory body is needed to help sanitise the operations of estate companies.

A real estate agency bill, which was drafted last year, is now with Parliament and when passed, will help police the real estate agency sector, which has seen tremendous growth in recent past.

Mr Nikoi was hopeful the passage of that bill would help streamline



Adehyeman Savings & Loans

The Ghana Real Estate Developers Association says it appreciates efforts by the Financial Intelligence Centre to partner the association in fighting money laundering in the country

operations and give the FIC a structured sector with which it could easily work with through information sharing.

Until that was done, he said the centre would continue to work closely with GREDA, which had also given its full backing to the fights against money laundering.

Increased awareness

At the moment, compliance with regulations on the practice is not limited to members of GREDA but extends to all real estate developers in the country and transactions in the country.

The Executive Secretary of GREDA, Mr Sammy Amegayibor, said the association appreciated the need to help fight money laundering and terrorist financing.

As a result, he welcomed the collaboration from the FIC and said the association would work to ensure that it delivered the needed results.

He said there needed to be a lot more awareness of the menace to help expose members and all other players in the sector to the practice and how it could be combated.

This awareness, he said, would help ensure smooth enforcement and compliance with the money laundering regulations.



• Mr Kwakye Dipoah-Dei (2nd from left), President, GREDA, and Mr Seth Nana Amoako, Head, Compliance Unit, FIC (1st from left), with some members of the two institutions after the seminar on money laundering

SUBMISSION OF END OF YEAR AML/CFT COMPLIANCE REPORTS

In accordance with Section 41(a) of Act 749, as amended, several AIs submitted their AML/CFT reports by December 31, 2016 to the Centre. During the period under review, 82% of banks submitted their end of year Compliance Reports to the Centre in compliance with the provisions of the Law. Fourteen percent (14%) of NBFIs, 23% of Insurance Companies and 15% of Capital Market Operators also submitted their end of year Compliance Report as at December 31st 2016.

This is encouraging and shows enthusiasm among Compliance Officers. This positive effect is rippled through requests for training for Board members and staff and also indicates a hallmark of increasing awareness. Defaulting institutions are enjoined to oblige in the coming year. The details are presented in the table below.

Table 5 2016 Submission of Compliance Reports

Banks	NBFIs	Insurance	Securities
1. Access	1. ASA S&L	1. Activa International	1. Afina Asset Management
2. adb			2. Apex Capital Partners
3. Barclays	2. CDH	2. Donewell Life	3. Liberty Asset Management
4. BoA			4. Delta Capital
5. BSIC	3. CFC	3. Esichlife	5. Dust Capital
6. Cal Bank	4. Global Access	4. Ghana Life	6. FirstBanC Financial Services
7. Capital			7. HFC Brokerage
8. Ecobank	5. Multi Credit	5. Ghana Union Assurance	8. HFC Investments
9. Energy	6. Opportunity	6. GN Life	9. IGS Financial Services
10. FBN			10. Ideal Capital Partners
11. Fidelity	7. Pan-African S&L	7. Prudential Life	11. IvestCorp Asset Management
12. FNB			12. Kripa Capital Ltd
13. GCB	8. uniCredit	8. QLAC	13. NDK Capital
14. GN			14. Parkstone Capital
15. GT		9. Wapic	15. Pent Met Group Capital
16. HFC			16. SEM Capital Management
17. NIB			17. SIC Brokerage
18. Omni			18. SIC Investment/Advisory
19. Prudential			19. Temple Investments.
20. SCB			
21. SG-Ghana			
22. Sovereign			
23. Stanbic			
24. The Royal			
25. UBA			
26. UMB			
27. uniBank			
28. UT			

Sekondi-Takoradi, Cape Coast, University of Cape Coast Business

AML/CFT training for insurance industry



The Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) unit of the National Insurance Commission (NIC) Legal Department last week conducted a training programme for AML/CFT reporting officers of insurance companies.

About 50 officers drawn from both the life and general insurance classes were trained. Mr. Simon Nerro Davor, Deputy Commissioner-NIC, noted in his key note address that the regulatory body, NIC, is very keen on ensuring all insurance companies become CFT compliant. Therefore, he urged participants to take the training seriously.

According to the Deputy

Commissioner, companies that do not comply with AML/CFT rules will be sanctioned.

Oliver Bio, Head, AML/CFT unit of the NIC and lead trainer, urged companies to put risk control measures into their various firms.

Mr. Bio enumerated seven control measures including strong board/Senior management oversight over AML/CFT issues, and therefore tasked management to come out with policies, training and allocation of resources for the departments.

The rest include policies and procedures – Policies for new clients and existing clients. Internal Audit Controls – Audit plans and independent checks make sure companies adhere to AML/CFT

regulations.

He also explained that the compliance function should ensure all laws in respect of AML/CFT are complied with – that is, making sure officers are senior managers and independent.

Bio urged companies to train and provide logistics for both new and old staff, when putting in conscious risk management programmes to mitigate AML/CFT risk – and in order to monitor and report suspicious cash transactions to the Financial Intelligence Centre (FIC).

Seth Nana Amoako of the FIC also took participants through the revised quarterly AML/CFT returns template analysis of the returns, with emphasis on KUC, CDD and EDD.

AML/CFT TRAINING SESSION/AMLROS FORUM FOR THE DESIGNATED COMPLIANCE OFFICERS AND AMLROS IN THE INSURANCE SECTOR.

5. Other AML/CFT&P - Related Programmes

1. THE NATIONAL RISK ASSESSMENT (NRA)

Introduction

The Financial Action Task Force (FATF), the global standard setter on Anti-Money Laundering and Countering the Financing of Terrorism and Proliferation (AML/CFT&P), recommends that countries should implement the 40 Revised Recommendations in order to minimize their exposure to ML/TF&P risks.

Recommendation 1 of the FATF Revised Recommendations (2012) admonishes countries to identify and assess threats and vulnerabilities at the national level. This Recommendation outlines general principles that serve as a useful framework in assessing Money Laundering/Terrorist Financing and Proliferation (ML/TF&P) risks to ascertain the ML/TF&P risks of the country.

The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), a FATF Style Regional body in West Africa directed all member States to undertake and complete their National Risk Assessment (NRA) before the next round of Mutual Evaluation which commenced in September 2016. The evaluation was to be based on the new FATF Recommendations which include **Technical Compliance and Effectiveness**.

The Financial Intelligence Centre (FIC) was identified as the lead institution responsible for the coordination and implementation of the entire NRA project.

The NRA sought to;

- determine the level of vulnerability of the economic and financial sectors to ML/TF&P,
- determine and understand the weaknesses in the legal framework, by considering the criminal and administrative justice systems, the existing preventive measures; and
- prescribe the best ways to promote and judiciously allocate resources for the prevention, investigation and prosecution of ML/ TF offences.



TOP/BOTTOM: NRA IN PROGRESS



1.4 Eight (8) Working Groups (WGs) were formed comprising;

- Group 1: National Threat Assessment.
- Group 2: National Vulnerability.
- Group 3: Banking Sector Vulnerability.
- Group 4: Securities Sector Vulnerability.
- Group 5: Insurance Sector Vulnerability.
- Group Other Financial Institutions Vulnerability.
- Group 7: Designated Non-Financial Businesses and Professions (DNFBPs) Vulnerabilities.
- Group 8: Financial Inclusion Products Risk Assessment.



NRA WORKING GROUP 2 (NATIONAL VULNERABILITY) MEETING



NRA WORKING GROUP 4 (SECURITIES SECTOR) MEETING

Each of these Groups had their specific mandates, findings, and challenges as presented in the table below.

Table 6 : NRA Working Groups and Mandates

GP No	Group Name	Mandate	Findings	Challenges
1	National Threat Assessment	To identify internal and external threats associated with ML/TF.	Overall ML/TF threat in Ghana was rated Medium High . Threat rating was founded on the aggregate effect of the occurrence of predicate offences. Terrorist Financing scheme could not be established. However, there is the likelihood of occurrence due to high numbers of immigrants	Difficulty in obtaining data.

GP No	Group Name	Mandate	Findings	Challenges
			<p>from high risk jurisdictions.</p> <p>Inadequate knowledge on AML/CFT issues amongst Law Enforcement Agencies (LEAs).</p> <p>Cash intensive economy.</p> <p>Non-existence of guidelines and ineffective monitoring of the DNFBP sector.</p>	
2	National Vulnerability	To determine the availability and effectiveness of the AML/CFT laws.	<p>Majority of LEAs lack technical expertise in financial crime investigations and asset forfeiture.</p> <p>Non-voluntary tax disclosures by the citizenry.</p> <p>High level of international cooperation in criminal matters.</p>	

GP No	Group Name	Mandate	Findings	Challenges
3	Banking Sector Vulnerability	To assess the inherent risk and vulnerability of products and services in the banking sector.	<p>Huge cash transactions made the sector vulnerable to ML/TF.</p> <p>Improper addressing system making it difficult to verify client addresses.</p> <p>Growing mobile money transactions, lack of effective monitoring and supervision by Regulators.</p> <p>Inadequate identification infrastructure and under-resourced compliance function.</p>	Difficulty in accessing some relevant data from the various banks.
4	Securities Sector Vulnerability	Assess the risk and vulnerability inherent in the products and services of the Securities Sector.	<p>Lack of knowledge in AML/ CFT issues by Fund Managers and other industry players.</p> <p>Lack of risk categorization for products/services and clients.</p> <p>Inadequate identification infrastructure and under-resourced compliance function.</p>	Difficulty in obtaining required data and lack of resources (human, technical and finance).
5	Insurance Sector Vulnerability	Assess the risk and vulnerability inherent in the products and services of the Insurance sector.	<p>Inadequate knowledge of AML/CFT issues among staff.</p> <p>Lack of effective monitoring and supervision by the Regulator.</p>	Difficulty in obtaining required data and lack of resources (human, technical and finance).

GP No	Group Name	Mandate	Findings	Challenges
6	Other Financial Sector Vulnerability	Assessed the risk and vulnerability of the Other Financial Institutions (OFIs).	Frequent cash based transactions. Ineffective AML/CFT regulation and supervision. Poor record keeping and lack of KYC procedures among the OFIs particularly Forex Bureaux.	Difficulty in obtaining required data.
7	DNFBP Sector (Real Estate Developers/Agencies, Operators of Game of Chance (Casinos), Dealers in Precious Metals, Accountants, Lawyers, Notaries, Car Dealers, Non-Profit Organizations, Trust and Company Service Providers)	Assess the risk and vulnerability inherent in the products and services in the DNFBP sector.	Weak legal and institutional framework. Lack of AML/CFT knowledge among operators in the industry.	Unavailability of data.
8	Financial Inclusion Vulnerability	To ascertain the impact of Financial Inclusion in AML/CFT regime.	Weak AML/CFT compliance in microfinance operations. Inadequate customer due diligence measures.	Unavailability of data.

Recommendations from the NRA

Below are some of the key recommendations suggested at the end of the NRA Exercise.

1. Supervisory and Regulatory Bodies were advised to ensure effective measures, monitor and enforce sanctions against non-compliance to AML/CFT matters.

2. Government may allocate resources to the National Identification Authority to strengthen and harmonize the biometric system.
3. Government may consider establishing an Asset Management Office (AMO) to identify, trace, seize, confiscate and manage the assets. The AMO when established would deny criminals the proceeds of their crimes.
4. Bank of Ghana, Securities and Exchange Commission, National Insurance Commission and National Pensions Regulatory Authority may direct their licensed institutions to issue unique identification numbers to customers to enhance KYC/CDD procedures in all transactions.
5. Faith-based organizations that engage in profit making business must be monitored and taxed accordingly.
6. Stakeholder institutions should ensure effective inter-agency collaboration and cooperation to fight money laundering and terrorism financing.
7. Capacity of LEAs be enhanced in financial crime investigations and asset recovery.
8. Financial Institutions such as the Insurance companies and Capital Market Operators may consider introducing uniform account opening forms to address AML/CFT concerns.
9. Government may consider establishing a regulatory authority for DNFBPs which are not currently regulated. Ghana may adopt the Nigerian Special Control Unit for Money Laundering (SCUML) concept in her quest to regulate the DNFBP sector.
10. Existing regulatory bodies/associations in the DNFBP sector such as GREDA, Institute of Chartered Accountants (ICA) and Ghana Bar Association (GBA) may be empowered by way of laws and guidelines in respect to AML/CFT.

Action Plan on the NRA project

An Action Plan has been put in place and is expected to be implemented within three (3) years after it has been adopted.

Conclusion

The final National Risk Assessment Workshop was successfully launched. The full report of the NRA can be found on www.giaba.org

2. REPORT OF SECOND ROUND ON-SITE MUTUAL EVALUATION ON GHANA

THE FINANCIAL ACTION TASK FORCE (FATF)

Introduction

Ghana was the first country in the West African sub-region to be subjected to the 2nd Round of Mutual Evaluation which commenced in September 2016. The exercise which was conducted by GIABA focused on Effectiveness and Technical Compliance.

Pre-Mutual Evaluation Process

The Pre-Mutual Evaluation Workshop began in September 2015. In attendance were key stakeholder institutions including Law Enforcement Agencies, Regulatory and Supervisory Bodies, Financial Institutions, Non-Bank Financial Institutions, Judiciary, representatives from the Designated Non-Financial Businesses and Professions (DNFBPs), and officials from GIABA. The object was to sensitize participants on the methodology for the Mutual Evaluation Process.

A second workshop was held in March 2016. At this workshop, key stakeholders were invited to complete a set of questionnaires on Technical Compliance of Ghana to the FATF Recommendations. These questionnaires were duly completed and forwarded to GIABA. Subsequently, a Technical Committee (TC) made up of five (5) sub-groups were constituted in May 2016. They included representatives of the Law Enforcement, FIC, Regulatory and Supervisory Bodies, Attorney General's Department, Judiciary and officials from selected DNFBPs. Additional set of questionnaires were received from GIABA and same completed and forwarded to GIABA in July 2016.

The mandate of the TC was to strategize, address the expectations of the GIABA Assessors and to update the representatives of the AIs on the National Risk Assessment (NRA).

The Inter-Ministerial Committee (IMC) on AML/CFT, the highest decision making body on its part held series of meetings which signaled government's preparedness and commitment to the Mutual Evaluation process.

Pictures from various stages of the Mutual Evaluation Exercise.



TOP/BOTTOM: GIABA ASSESSORS AND NATIONAL STAKEHOLDERS AT THE COMMENCEMENT OF THE ME EXERCISE





TOP: CEO ADDRESSING STAKEHOLDERS AT THE ME /BOTTOM: SOME MEMBERS OF THE IMC AT THE ME



The ME process was structured as in the table below:

Table 7 : The ME Process and Methodology

Day	Stakeholders	Areas of Interest to Assessors
1	Law Enforcement Agencies, Financial Institution, Non-Bank Financial Institutions, Regulatory and Supervisory Bodies and the representatives from the DNFBP sector.	<ul style="list-style-type: none"> • Issues relating to the processes leading to the conduct of the National Risk Assessment. • Findings and recommendations. • Dissemination of the report. • Implementation of the Action Plan.
2	Regulators from the Banking, Insurance and Securities Sectors. Supervisors, Regulators and Licensing Authorities of Self-Regulatory Bodies (SRBs) Real Estate Sector (GREDA), Casinos (Ghana Gaming Commission) and the Precious Stones Sector (Precious Mineral Marketing Company).	<ul style="list-style-type: none"> • AML/CFT&P risk assessment in the respective sectors. • Capacity of regulators in the supervision of Accountable Institutions (reporting entities). • Effectiveness of the licensing regime. • Capacity of regulators regarding on-site and off-site inspection. • Effectiveness of the sanctions regime. • International cooperation and collaboration with counterparts in other jurisdictions.
	FIC	<ul style="list-style-type: none"> • Operations of the Centre. • Centre’s autonomy from government interference. • Analytical process. • Effectiveness of the Centre’s IT system. • Typology studies conducted.
3	Prosecutors, Judiciary, Economic and Organized Crime Office (EOCO), Ghana Police Service (GPS), Narcotics Control Board (NACOB), Ghana Revenue Authority (GRA) and the Financial Intelligence Centre (FIC).	<ul style="list-style-type: none"> • Money Laundering investigations. • Cash declaration at borders. • Mutual Legal Assistance. • Prosecution of cases Investigated. • Seizures, Confiscations and Convictions. • Processes adopted for international cooperation regarding Money Laundering and Terrorist Financing crimes. • Effectiveness of LEAs collaboration.

Day	Stakeholders	Areas of Interest to Assessors
4	Registrar General’s Department, Non-Profit Organizations and Social Welfare Department.	<ul style="list-style-type: none"> • Responsibility of the Registrar–General’s Department on AML issues. • The relationship between Registrar- General’s Department and Social Welfare Department. • Beneficial Ownership Disclosures. • Capacity Issues of the two agencies; Registrar General’s Department and Social Welfare Department. • The legal framework which guides the operation of NPOs. • Funding of NPOs.
5	Selected Banks, Insurance companies, Capital Market Operators, Microfinance and Credit institutions, Money Value Transfer Services and Service Providers.	<ul style="list-style-type: none"> • AML/CFT&P risk assessment of the financial sector. • Effectiveness of CDD measures. • AML/CFT&P compliance issues. • Filing of STRs. • Sanctions regime. • Effective supervision.
6	Small Banks, Rural and Community Banks, Finance Houses, Financial NGOs, Casino Operators, Legal firms, Real Estate firms, and the Registrar-General’s Department.	<ul style="list-style-type: none"> • AML/CFT&P risk assessment of the financial and the DNFBP sectors. • Effectiveness of CDD measures. • AML/CFT&P compliance issues. • Filing of STRs. • Sanctions regime. • Effective supervision.
7	Private Sector, Savings and Loans Companies, Corporate/ Individual Money Lenders, Mobile Money Transfer Operators, Susu Companies and Remittance Houses.	<ul style="list-style-type: none"> • AML/CFT&P risk assessment of the NBFIs. • Effectiveness of CDD measures. • AML/CFT&P compliance issues. • Filing of STRs. • Sanctions Regime. • Effective supervision. • AML/CFT&P regime and Financial Inclusion measures.



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Summary of Findings

Highlights of the initial findings were as follows:

Terrorist Financing (TF) was identified to have the potential to occur in Ghana and therefore constitute high risk. Some Non-Profit Organizations (NPOs) were identified to be the vehicle through which terrorism and terrorist financing could occur. However, Ghana has not conducted a comprehensive review of the NPO sector in order to identify those NPOs that are at risk of being exploited for TF purposes.

Financial Institutions were observed to have deeper understanding of their obligations on Know Your Customer/Customer Due Diligence (KYC/CDD) measures. However, this could not be said about the DNFBP sector.

In the area of supervision, the Bank of Ghana had a good understanding of the AML/CFT risk and supervision of the banking sector. The Securities and Exchange Commission and the National Insurance Commission would however need to double their efforts in the regulation and supervision of their sectors.

Ghana identified a few elements of vulnerabilities in the misuse of legal persons and arrangements. As a result, the Company's Act was amended to include the provision of beneficial ownership disclosures and a proposal for the creation of a platform to make it easy to obtain adequate, accurate information in a timely manner.

Ghana was commended for its role in galvanizing international cooperation in the AML/CFT&P regime.

RECOMMENDATIONS

- LECOB should meet more frequently to address bottlenecks in the area of collaboration and knowledge sharing.
- There is the need to have a common platform for information sharing and this should be made accessible to all stakeholders in real time.
- Regulators should enforce sanctions.
- The IMC may be encouraged to ensure the full implementation of the Action Plan.

- Biometric identification and verification platform should be harmonized to enhance effective investigations as well as information sharing among LEAs.
- Capacity building should be targeted at the DNFBP sector.



GIABA ASSESSORS INTERACTING WITH THE MONEY AND VALUE TRANSFER SERVICES (MVTS) SECTOR





TOP / BOTTOM : GIABA ASSESSORS AT THE FINANCIAL CRIMES COURT



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6. International Cooperation

Introduction

An FIU's ability to effectively execute its core functions relating to Money Laundering, Terrorist Financing and Proliferation is largely dependent on its ability to exchange financial intelligence with competent authorities in foreign jurisdictions.

To this end, the Centre in accordance with Sections 6 (2) (3) and (5) of the Anti-Money Laundering Act, 2008 (Act 749) and Recommendation 40 of the FATF Revised Recommendations has instituted a gamut of measures to facilitate various forms of cooperation with foreign counterparts and organizations. These measures include timely exchange of financial and non-financial disclosures, participation in regular FATF, GIABA and Egmont Group Plenary Sessions as well as other global AML/CFT&P related capacity building sessions including undertaking working visits to acquire knowledge and benefits from best practices to enhance possibilities for cooperation.

The Centre does not require a Memorandum of Understanding (MoU) to disseminate information spontaneously or upon request with foreign jurisdictions, however, the Centre may enter into agreement with foreign jurisdictions and organizations as and when it deems expedient.

To date, the Centre has executed twenty-three (23) MoUs with foreign counterparts across Africa, Europe, America and Asia.

In 2016, the Centre received sixty-two (62) requests for information from counterpart Egmont Members. Two hundred and five (205) spontaneous disclosures were however disseminated to various foreign counterparts. The Centre requested for twenty-five (25) spontaneous disclosures and received one hundred and twenty-five (125).



FIC STAFF ON A WORKING VISIT TO THE NIGERIAN FIU



FIC STAFF ON A WORKING VISIT TO THE FIU OF THE NETHERLANDS

Table 8 : MoUs executed with foreign FIUs

No	Name of Country	Signing Date	No	Name of Country	Signing Date
1	Republic of Togo	November 16 , 2011	13	Senegal	May 7, 2014
2	Burkina Faso	November 16 , 2011	14	Mali	May 7, 2014
3	La Cote D'Ivoire	January 6 , 2012	15	Sao Tome and Principe	May 20, 2014
4	Republic of Niger	January 31, 2012	16	Israel	October 20, 2014
5	Republic of South Africa	March 19, 2012	17	Panama	January 27, 2015
6	Federal Republic of Nigeria	June 25 , 2012	18	Australia	August 21, 2015
7	Guinea Bissau	November 5, 2013	19	Belgium	Sept. 3, 2015
8	Cabo Verde	November 5, 2013	20	Kosovo	Sept. 29, 2015
9	Benin	May 7, 2014	21	Canada	August 1, 2016
10	The Gambia	May 7, 2014	22	Japan	August 10, 2016
11	Liberia	May 7, 2014	23	Columbia	August 8, 2014
12	Sierra Leone	May 7, 2014			

CAPACITY BUILDING WORKSHOPS FOR STAFF

Staff participated in various forms of domestic/international capacity building programmes as indicated below.

Table 9: International capacity building programmes

S/N	Date	Trainings	No. Of Participants	Venue	Sponsors
1.	February 8 – 12	Global Strategic Analysis Course	2	Paris, France	EGMONT/FIC
2.	February 10 – 12	Working Visit, Nigerian FIU	2	Abuja, Nigeria	FIC
3.	March 8-11	Homeland Security Investigations Course	1	Abidjan, Côte d'Ivoire	USA Government
4.	March 13-16	Workshop on Inter-Agency Cooperation and Good Tax Governance in Selected African Countries: Practical Steps For Tax & Law Enforcement	2	Vienna, Austria	International Anti-Corruption Academy (IACA) & FIC
5.	March 22-23	Working visit to the Netherlands FIU	2	The Netherlands	FIC
6	May 2-7	25 th GIABA TC/P Meetings And 16 th GMC Meeting	2	Praia, Cabo Verde	GIABA
7	May 9-10	Joint Regional Capacity-Building Workshop On Terrorist Designations and Asset Freezing for GIABA member States	1	Praia, Cabo Verde	UN-CTITF /GIABA
8	MAY 10-12	10TH ICGLR-OECD-UN GOE Forum on Responsible Mineral Supply Chains	1	Paris, France	OECD
9.	May 9-13	Combating Money Laundering and Other Financial Crimes	1	Banjul, The Gambia	WAIFEM/ FIC
10	May 26-27	Conference on Asset Recovery	1	Rotterdam, The Netherlands	EUROPOL/ FIC

S/N	Date	Trainings	No. Of Participants	Venue	Sponsors
11	June 7-8	ARINSA Annual General Meeting	1	Pretoria, South Africa	UNODC/ FIC
12	August 22 - 26	The 10 th Meeting of the United Nations Convention Against Corruption (UNCAC) Working Group on Asset Recovery and the Seventh Session of the Working Group on the Prevention of Corruption.	1	Vienna, Austria	FIC
13	September 5-9	ARINEA 3 rd Annual General Meeting	1	Nairobi, Kenya	FIC/UNODC
14	November 14 - 18	GIABA 26TH Technical Commission/Plenary Meetings	2	Saly, Senegal	FIC
15	November 21-24	Capacity Building Training in Islamic Banking and Finance	1	Kuala Lumpur, Malaysia	MoF/BoG
16	November 25-29	Customized Training in Offset Management Programme for Republic of Ghana	1	Putrajaya, Malaysia	MoF/BoG
17	November 29 – December 1	3 rd Plenary Meeting Of The Focal Point of the ARIN-WA	2	Abidjan, Côte d'Ivoire	FIC
18	December 5-16	Capacity Building Programme to Combat Money Laundering and the Financing of Terrorism in West Africa.	1	Cotonou, Benin	INTERPOL
19	December 12-15	Regional Capacity Building Workshop for Judges, Investigators, Prosecutors and Law Enforcement Agents	2	Abuja, Nigeria	GIABA

Table 10: Local capacity building programmes

S/N	Date	Trainings	Participants	Venue	Sponsors
1	January 11 – 16	Office of Professional Responsibility /Internal Affairs (OPR/IA) Course	1	West African Regional Training Centre, Accra	FBI
2	January 22-26	Training on Performance Management System	All Staff	Cedi House, Accra	FIC
3	February 22 – 26	Financial Investigations and Asset Management Workshop	3	Alisa Hotel, Accra	UNODC
4	March 18-19	Training Workshop for Officers of Anti -Corruption and other Allied State Agencies	2	Forest Hotel, Dodowa	Africa Centre For Energy Policy (ACEP)
5	March 29-31	Conference on United Nations Convention Against Corruption (UNCAC) Review Recommendations	1	Alisa Hotel, Accra	UNODC
6.	May 30- June 3	Primary Investigative Criminal Analysis (PICA) Course	1	West African Regional Training Centre, Accra	FBI
7.	June 8	Seminar on Digital Financial Services in Ghana	2	Labadi Beach Hotel, Accra	FIC
8.	July 28-29	Report Writing and Presentation Skills	2	L'aine Services, Accra	FIC
9.	August 24	Stakeholder Discussion and Consultation on the Development of Ghana's National Financial Inclusion Strategy	2	La Palm Royal Beach Hotel, Accra	FIC
10	September 14	Enhancing the Effectiveness of Ghana's Public Financial Management System: The New Public Financial Management Law	2	Alisa Hotel, Accra	USAID GII
11.	September 19-23	Report Writing and Presentation Skills	2	MDPI, Accra	FIC

S/N	Date	Trainings	Participants	Venue	Sponsors
12.	August 23-25	Workshop on Counter Terrorism-UN Counter Terrorism Implementation Task Force	3	Tang Palace Hotel, Accra	NSCS
13	October 10	Basic Intelligence	22	Cedi House, Accra	FIC/ RD
14	November 29 - December 1	Managerial Leadership Skills Development	2	L'aine Services Limited, Accra	FIC



FIC STAFF UNDERTAKING A BASIC INTELLIGENCE COURSE



PERFORMANCE MANAGEMENT TRAINING BY PSC

7. Achievements

The Centre coordinated various programmes in the year under review with respect to the fight against ML/TF & P. Key among these are listed below.

- Launch of the National Risk Assessment (NRA) Blueprint and Action Plan.
- Second Round of AML/CFT Mutual Evaluation Exercise conducted by GIABA.
- Capacity building workshops for the Ghana Police Service, the Banks and Non-Bank Financial Institutions, Insurance Companies, Capital Market Operators, Real Estate Developers and Car Dealers.
- The CEO of FIC retained the Presidency of ARIN-WA from 2016 to 2018.
- Two (2) convictions secured.
- Passage of Executive Instrument 114 (E.I. 114) to amend E.I. 2 to provide for Foreign Terrorist Fighters (FTFs).

- Contributed to the passage of the following laws:
 - a) Companies (Amendment) Act, 2016 (Act 920).
 - b) Securities Industry Act, 2016 (Act 929).
 - c) Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

8. Challenges

- Untimely release of funds approved for the Centre.
- Unattractive remuneration leading to high staff attrition.
- Inadequate office space.
- Absence of legal and institutional framework to regulate the DNFBP sector.

9. Way Forward

In spite of the achievements chalked by the FIC in the year under review, the Centre would continue to work assiduously in the pursuit of its mission to protect the Ghanaian economy from the scourge of Money Laundering and Terrorist Financing and Proliferation (ML/TF&P) for the enhancement of national and global economic stability and growth.

The Centre however, looks forward to the pursuit of the following activities in the coming year.

- Implementation of the National Risk Assessment Action Plan and issues that would arise from the Mutual Evaluation Exercise.
- Development of AML/CFT Guidelines for selected DNFBPs to assist them in meeting their responsibilities and obligations under Act 749, as amended.
- Establishment and operationalisation of a Special Control Unit against Money Laundering (SCUML).
- Operationalisation of the Beneficial Ownership Register.
- Deepen national coordination and collaboration among key stakeholders.

- Capacity building of Law Enforcement Agencies, Regulatory and Supervisory Bodies and Accountable Institutions.
- Awareness creation among the general public and Civil Society Organisations.
- Establishment of an Asset Management Office.
- Enactment of the Real Estate Agency Bill.



TOP/BOTTOM 3RD ANNUAL MEETING OF ARIN-WA IN ABIDJAN, COTE D'IVOIRE

