

FINANCIAL INTELLIGENCE CENTRE, GHANA



2017  
ANNUAL  
REPORT

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REPORT

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## CEO's MESSAGE

The Financial Intelligence Centre (FIC) is committed to combatting Money Laundering and Terrorist Financing in Ghana as mandated by the Anti-Money Laundering Act, 2008 (Act 749), as amended.

This year, the Mutual Evaluation Report (MER) on Ghana was adopted by the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA). Since the adoption of the MER, the Centre has in partnership with the financial industry, Law Enforcement Agencies (LEAs), Judiciary and other relevant non-financial stakeholders taken steps to rectify the identified deficiencies within Ghana's Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) framework.

During this reporting year, the FIC has shifted to the use of go-AML software system in order to enhance the analytical capabilities of the Financial Intelligence Centre. I express my appreciation to all stakeholders for cooperating to ensure a smooth migration.

The Centre in collaboration with regulators within the financial industry revised the AML/CFT Guidelines for the Banking, Securities and Insurance sectors to ensure application of risk-

based AML/CFT controls in our financial system. This was a significant milestone for the FIC, given the rapid proliferation of new threats, conduits for channeling illicit financial flows and terrorist activities in the year.

The Centre signed a Memorandum of Understanding (MoU) with the Republic of China (Taiwan) to strengthen ties with international counterparts.

I take this opportunity to acknowledge my predecessor, Mr. Samuel Thompson Essel, whose tenure ended in 2017 after years of dedication to the fight against Money Laundering and Terrorist Financing (ML/TF). He played a pivotal role in the development of the Financial Intelligence Centre (FIC) and Ghana's AML/CFT framework.

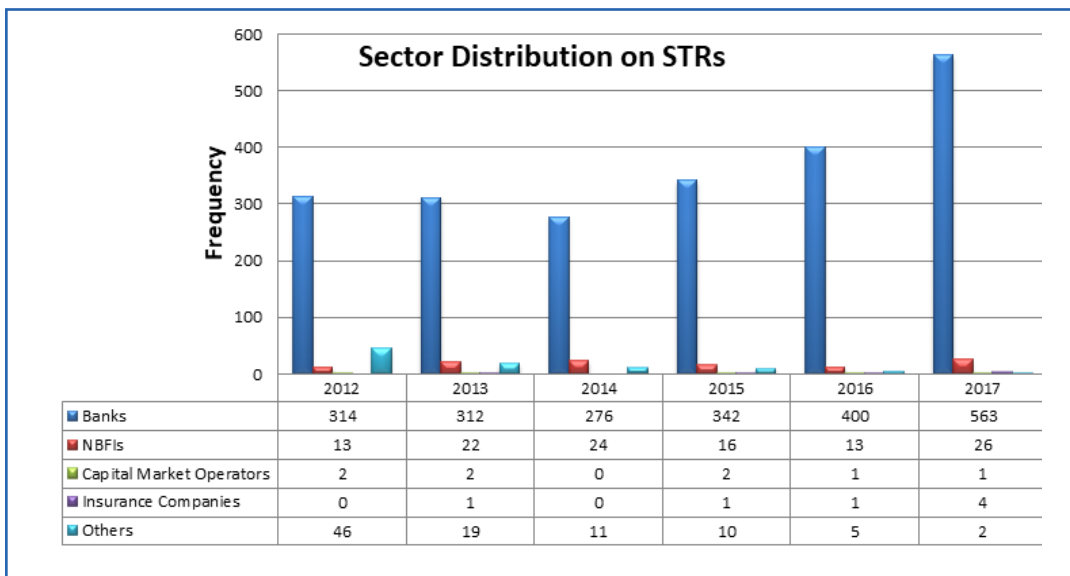
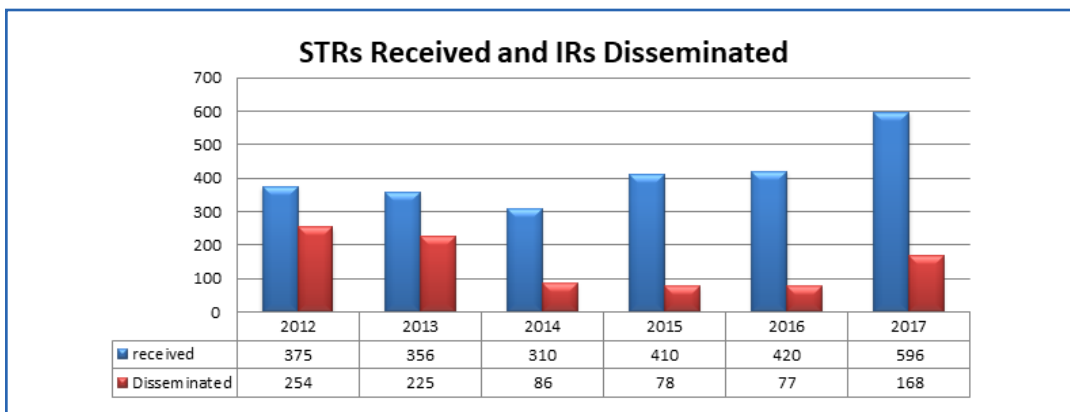
My final gratitude goes to all staff of the FIC for their continued commitment and hard work in the national efforts at combatting of Money Laundering and Terrorist Financing (ML/TF).

.....  
**KWAKU DUA**

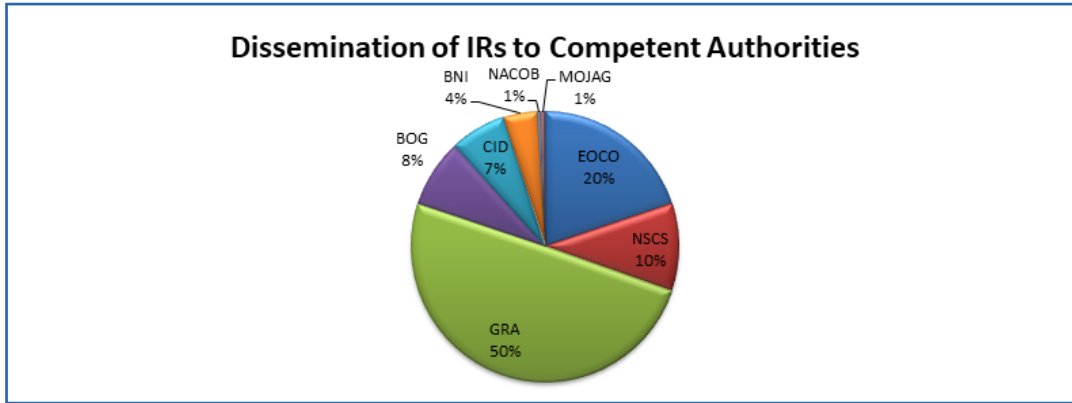
## SUSPICIOUS TRANSACTION & INTELLIGENCE REPORTS

Over the last six (6) years, the total number of Suspicious Transaction Reports (STRs) received was two thousand four hundred and sixty-seven (2,467). Out of this number, eight hundred and eighty-eight (888) Intelligence Reports (IRs) were generated and disseminated to Law Enforcement Agencies for investigations.

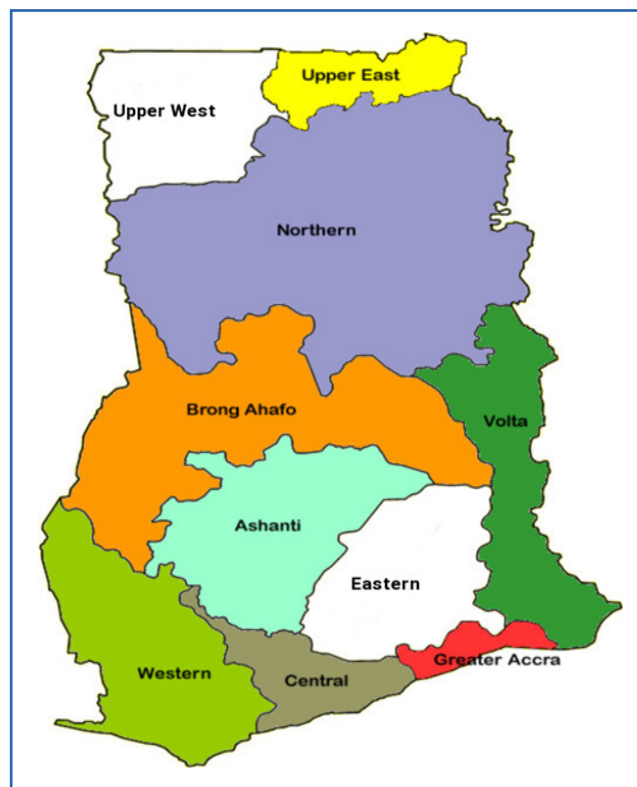
Over the period 2012-2014, both STRs received and IRs disseminated witnessed a steady decline as indicated below. The disseminated figures further declined in 2015 and 2016 due to the fact that the Centre repatriated fraudulently received funds to their respective jurisdictions. The receipt of STRs saw a sharp rise (42%) from 2016 to 2017 which was attributed to the increase in awareness of Accountable Institutions (AIs) to money laundering and reporting.



Over the period (2012-2017), banks continued to be the leading sector in the filing of STRs.



In 2017, fifty percent (50%) of the Centre’s Intelligence Reports were disseminated to the Ghana Revenue Authority (GRA) for tax purposes. 20%, 10%, 8%, 7%, 4%, and 1% were disseminated to NSCS, EOCO, BOG, CID, BNI, NACOB and MOJAG respectively, depicting the effective collaboration among the competent authorities committed to the fight against ML/TF and P.



## SUBMISSION OF CASH TRANSACTION REPORTS (CTRs) AND ELECTRONIC CURRENCY TRANSACTION REPORTS (ECTRs)

A total of one million, four hundred and fifty-two thousand, one hundred and sixty-eight CTRs were received from the various Accountable Institutions in 2017.

INSTITUTION	2016		2017	
	CTR	ECTR	CTR	ECTR
BANKS	1,020,876	376,876	1,452,168	1,528,399
SAVINGS AND LOANS	31,246	-	37,178	-
RURAL/COMMUNITY BANKS	4,061	-	3,421	-
<b>TOTAL</b>	<b>1,053,069</b>	<b>376,876</b>	<b>1,492,767</b>	<b>1,528,399</b>

Total CTRs for the period under review increased by twenty-nine percent (29%) as compared to 2016.

### SUBMISSION OF CLONED CHEQUES REPORT

The total number of Cloned Cheques received in 2017 was sixty (60) with the value of GH¢ 7,853,152.50. Twenty-seven percent (27%) of the cheques presented with a total face value of GH¢ 540,177.50 were cashed.

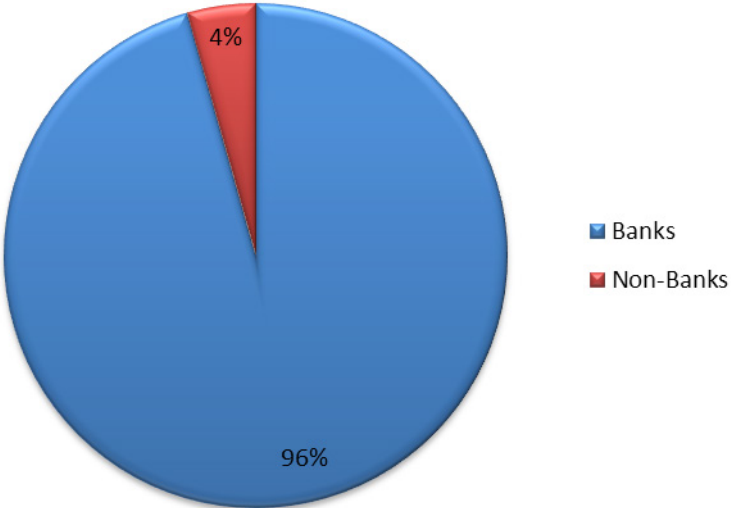
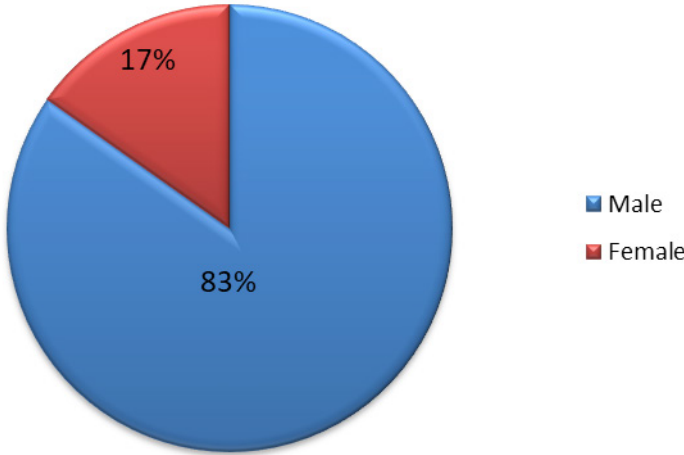
The value of cloned cheques reported in 2017 reduced. The reduction can be attributed to the awareness creation programmes on ML/TF and other financial crimes put together by the Centre for the Financial Institutions. Also, the Centre used the Compliance Officers/Anti-Money Laundering Reporting Officers (AMLROs) Forum to discuss some of the emerging ML/TF risks including hacking of e-mails, issuance of dud/cloned cheques, etc.

## STRATEGIC ANALYSIS

The revised Financial Action Task Force (FATF) Recommendation 1 (2012) requests all countries to identify, assess and understand the ML/TF risks by applying the risk based approach and take action to mitigate those risks. Recommendation 34 also admonishes Competent Authorities, Supervisors and Self-Regulatory Bodies (SRBs) to establish guidelines and provide feedback which will assist financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs) in applying national measures to combat ML/TF and in particular, in detecting and reporting suspicious transactions. Furthermore, Regulation 40 (f) (g) of the Anti-Money Laundering Regulations, 2011 (L.I 1987) obligates the Centre to provide Accountable Institutions with feedback which includes information on current risks, trends and methods of ML/TF and examples of actual ML cases that occurred in the country.

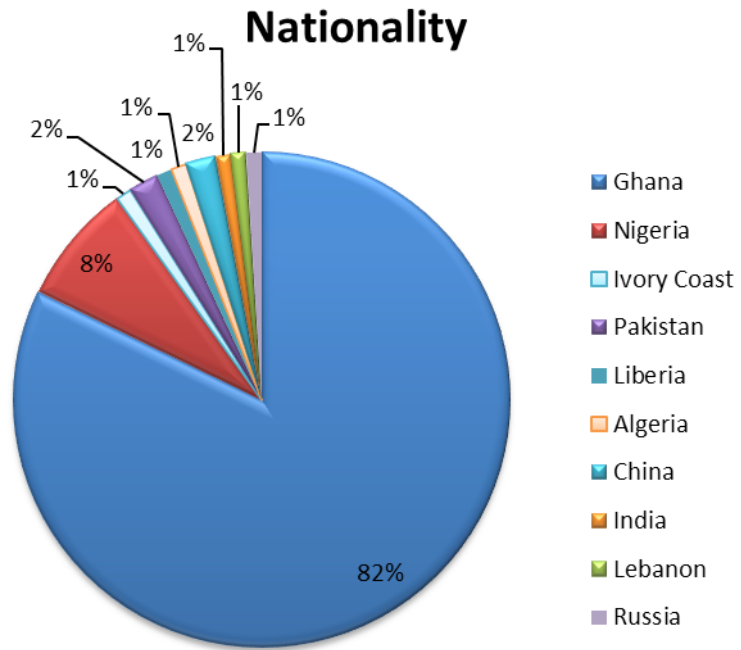
The Financial Intelligence Centre receives disclosures from reporting entities as well as information from other sources. These disclosures and information are analysed for risks, trends, patterns and other links indicative of ML/TF. The outcome of this analysis is shared with domestic Law Enforcement Agencies, policy makers and relevant stakeholders in the fight against ML/TF.

The table below illustrates the strategic analysis of the Financial Intelligence Centre over the period 2017.

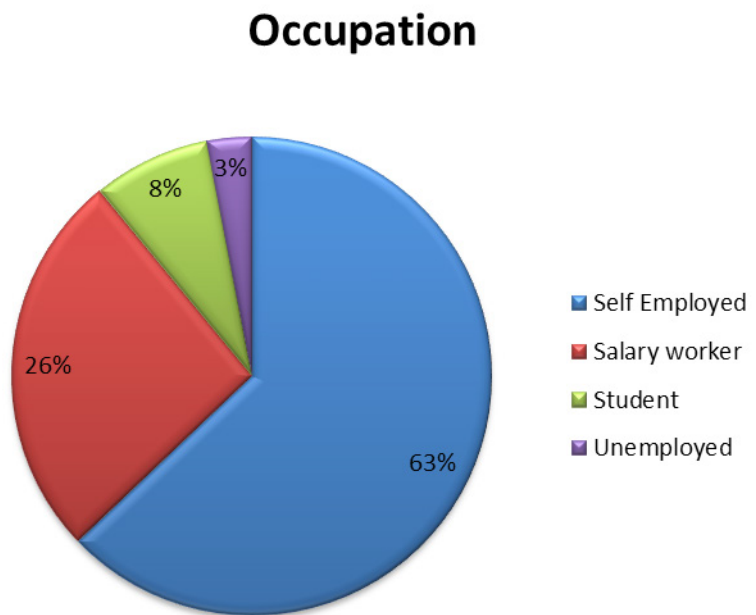
Comments/Analysis	Pictorial View						
<p>During the period under review, one hundred and sixty-eight (168) IRs were disseminated to the LEAs. Ninety-six per cent (96%) of the IRs were derived from STRs filed by banks and the remaining four per cent (4%) filed by Non-Bank Financial Institutions.</p>	<p style="text-align: center;"><b>IRs derived from STRs</b></p>  <p>A pie chart titled "IRs derived from STRs" showing the distribution of intelligence reports. The chart is divided into two segments: a large blue segment representing "Banks" at 96%, and a small red segment representing "Non-Banks" at 4%. A legend to the right of the chart identifies the blue color with "Banks" and the red color with "Non-Banks".</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Banks</td> <td>96%</td> </tr> <tr> <td>Non-Banks</td> <td>4%</td> </tr> </tbody> </table>	Category	Percentage	Banks	96%	Non-Banks	4%
Category	Percentage						
Banks	96%						
Non-Banks	4%						
<p>Out of these 168 Intelligence Reports filed to the Centre, ninety-five (95) involved males, representing eighty-three per cent (83%) while nineteen (19) involved females, representing seventeen per cent (17%).</p>	<p style="text-align: center;"><b>GENDER</b></p>  <p>A pie chart titled "GENDER" showing the gender distribution of intelligence reports. The chart is divided into two segments: a large blue segment representing "Male" at 83%, and a smaller red segment representing "Female" at 17%. A legend to the right of the chart identifies the blue color with "Male" and the red color with "Female".</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>83%</td> </tr> <tr> <td>Female</td> <td>17%</td> </tr> </tbody> </table>	Category	Percentage	Male	83%	Female	17%
Category	Percentage						
Male	83%						
Female	17%						



Out of the 168 IRs received, 82% of the subjects were Ghanaians, 8% were Nigerians, the Chinese and Pakistanis were 2% each. The others were Liberians, Indians, Algerians, Lebanese, Russians and Ivoirians who each represented 1% of the subjects.



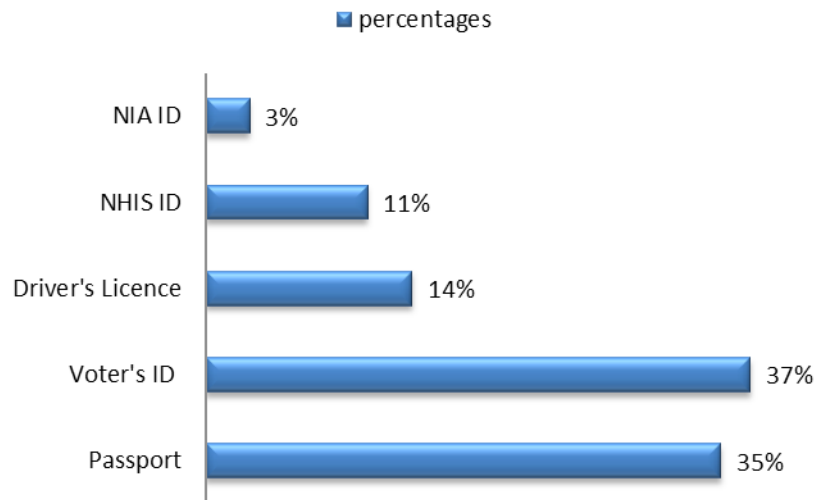
The occupation of subjects of the STRs were represented as sixty-three per cent (63%) self-employed, twenty-six per cent (26%) salary workers, eight per cent (8%) unemployed and three per cent (3%) students.





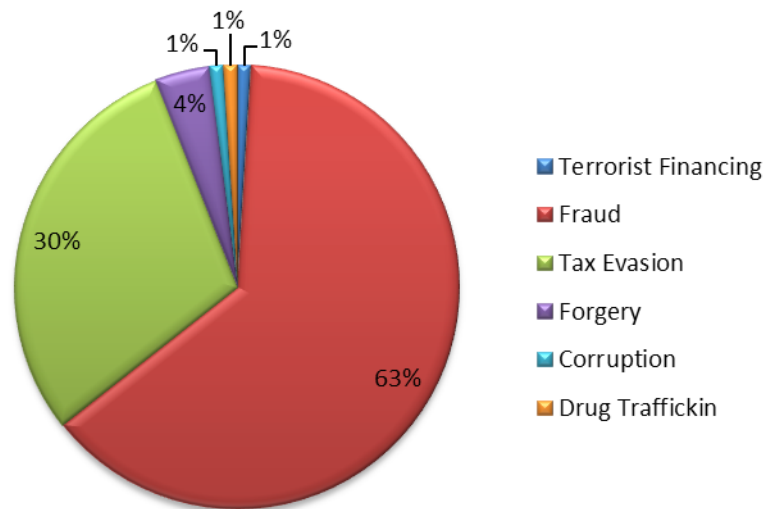
Identification documents used by subjects were passport, voters' identification cards, Driver's License, National Health Insurance Scheme Identification Cards (NHIS) and the National Identification card (NIA). Passports and Voter's IDs constituted 35% and 37% respectively. Other documents used were the Driver's License, the NHIS card, the National Identification card (NIA) which accounted for 14%, 11% and 3% respectively.

### Identification Used

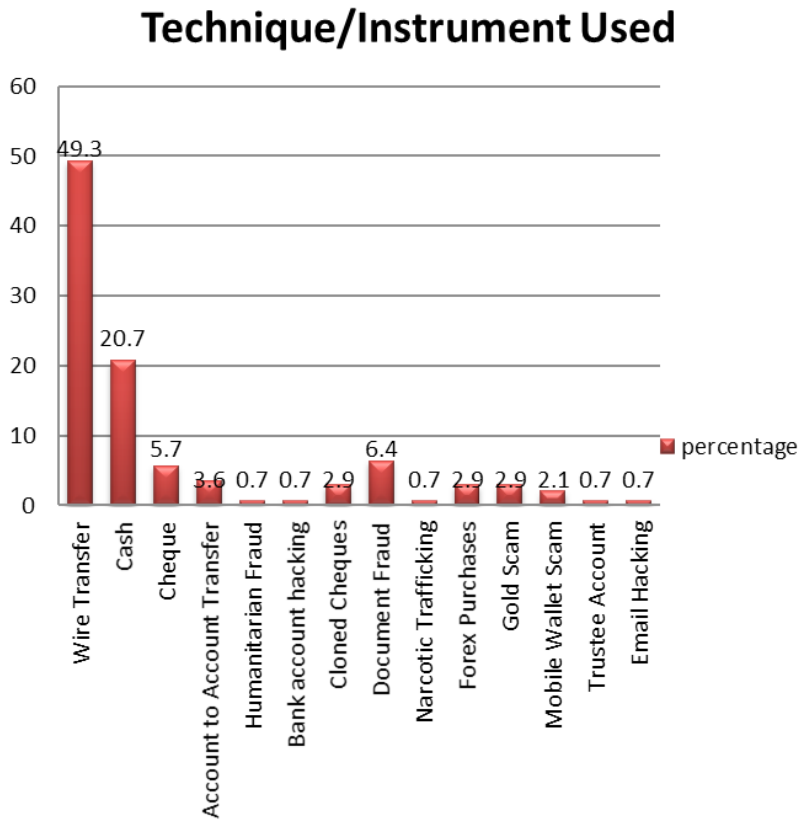


The predicate offences recorded during the period were Terrorist financing, fraud, tax evasion, forgery, corruption and drug trafficking. Fraud had the highest representation of sixty-three per cent (63%), followed by Tax evasion with thirty per cent (30%) and Forgery recording four per cent (4%). Terrorist financing, corruption and drug trafficking recorded 1% each.

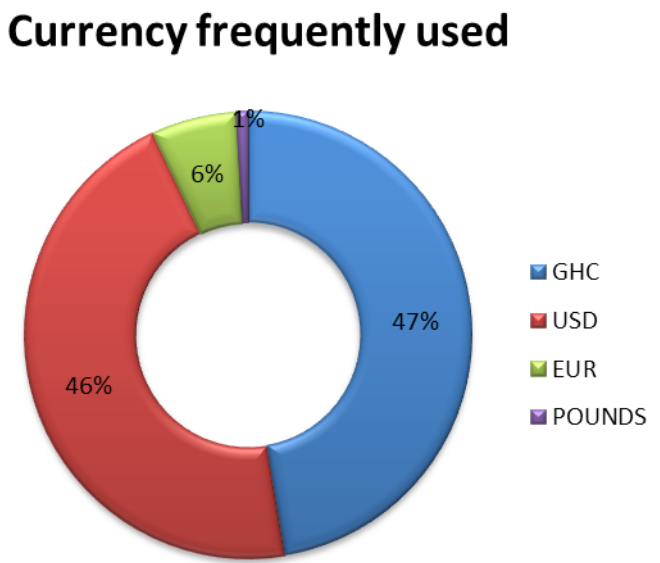
### Suspected Predicate Offences



The Technique/instruments used to perpetrate Money Laundering activities during the period were cash, cheques wire transfers, account to account transfer, humanitarian fraud, bank account hacking, cloned cheques, document fraud, narcotic trafficking, forex purchases, gold scam, mobile wallet scam, trustee account and email hacking. The distribution is as follows; 49.3% wire transfer, 20.7% cash, 6.4% document fraud and 5.7% cheque. Humanitarian fraud, bank account hacking, narcotic trafficking, trustee account and email hacking represented 0.7% each. Also, gold scam, forex purchases, and cloned cheques accounted for 2.9% each, while Account to account transfer and mobile wallet scam represented 3.6% and 2.1% respectively.



The currency which was most frequently used during the period was the Ghana Cedi constituting 47%, followed by the United States Dollar (USD) 46%, Euros 6%, and the Pounds Sterling 1%.



## CASE STUDIES

S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
1.	<p>In November 2011, Ms. Wotordzor a Customer Service Officer of BVB Bank was approached by Madam Barnes for the transfer of <b>US\$1,180,000.00</b>. Ms. Wotordzor did the necessary verifications and forwarded the request to the payment center of the bank. As part of due diligence, Madam Barnes presented the husband's passport and marriage certificate in support of the transaction. Madam Barnes began to call the bank when the transfer was delayed and Ms. Wotordzor referred her to the branch manager since the matter was above her.</p> <p>Ms. E, the Compliance Manager of the Bank, referred the matter to the Bank of Ghana represented by Mr. A. Upon review of the documents, Mr. A identified some irregularities; the property in question was located at Trasacco Valley and was purchased 3months prior to the sale. Also, the cost of the house was higher than the sale proceeds of <b>US\$1,180,000.00</b> received by the bank. The regulator then advised the Bank to obtain evidence showing that the funds were transferred to the country and not generated internally.</p> <p>Due to these irregularities, Mr. A advised the Bank of Ghana to decline the request by Madam Barnes and direct the BVB Bank to confirm whether they have complied with the AML provisions. Mr A called one Ms. M (who signed the letter requesting the transfer approval) to enquire whether she was aware of the details surrounding the property. She claimed to have no knowledge of the property details. Mr A advised her to check with the Legal Officer of the bank on the position of the law. Ms. M's lawyer subsequently threatened legal actions due to the delay in the transaction.</p> <p>Mr. A later heard that the funds were transferred despite all the flaws identified in the underlining documents covering the transaction and the advice thereof. The matter was subsequently reported to the FIC.</p> <p>However, all queries to the bank as regards the transaction were never responded to.</p>	<p>Staff and management of B Bank were arrested and prosecuted.</p>	<p>Cash smuggling</p>

S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
2.	<p>A syndicate of fraudsters masterminded by a Ghanaian lured Mr. White, a UK based investor, into gold business in Ghana. In their proposal, interested investors must visit Ghana and open a "metal account" (a special account used in gold scams) where all funds for the transaction would be deposited. Mr. White signed an agreement with the fraudsters for the purchase of 200kg of gold. Upon arrival in Ghana, he was taken to a bank where a safe deposit box containing some metals, alleged to be gold, was shown to him to gain his trust. As part of the modus operandi, a sample of the gold (2kg) was sent to a refinery chosen by Mr. White in Dubai to be assayed. The 2kg gold was certified to be pure and subsequently delivered to him in anticipation that the remaining 198kg would be tested and also delivered.</p> <p>Mr. White was lured to pay over US\$250,000.00 to cover several costs including storage, invoice, shipping and delivery. However the 198kg of gold was never delivered to him.</p>	<p>The matter was referred to the Ghana Police and is currently under investigation.</p>	<p>Gold Scam</p>



S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
4.	<p>In April 2016, a cheque with face value of GH¢350,000.00 drawn on Musah's account domiciled at Pretty Bank was paid into the account of Nimo Ent., a customer of GH Bank.</p> <p>The cheque was cleared on May 3, 2016, and the funds were subsequently credited to the account of Nimo Ent.</p> <p>On May 4, 2016 at the instance of Nimo, GH¢349,990.00 was transferred into his personal account.</p> <p>On the same day, GH Bank informed Pretty Bank that the cheque was cloned and that Musah's account was opened in 2010 and closed in 2011.</p> <p>Investigations revealed that Nimo alleged that the cheque was payment for 100 motor cycles being purchased by Musah out of which 70 had been supplied. The supply of 70 motor cycles was contingent on the successful clearing of the cheque and once the latter occurred he went ahead to supply 70 of the motor cycles. Nimo further claimed that the discussions on the sale of the motor cycles were held over the phone and that he did not meet the buyer in person.</p> <p>Nimo supported his claim with a proforma invoice. However, neither the purported proforma invoice nor the waybill had the chasis numbers of the 70 motor cycles allegedly supplied.</p> <p>Again, the proforma invoice and the waybill indicated that Nimo was located at Nkwanta North, Volta Region contrary to his assertion that the shop is located at the Graphic Road, in Accra.</p>	<p>The matter was referred to the Bank of Ghana and the Bureau of National Investigation for further action.</p>	

S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
5.	<p>In March 04, 2016, Mr. Bonsu presented two cheques numbered 000253 and 000254 valued at GHS170,600.00 and GHS185,600.00 for special clearing to be drawn on one Mr. A Bonsu's account at Grace Bank. The GHS170,600.00 cheque was honoured and Mr. Bonsu subsequently withdrew GHS90,000.00 at the Head Office Branch and the remainder at 5 other branches of Mercy Bank within the same day.</p> <p>The second cheque was not honoured after an alert later came from Grace bank indicating that the cheques were cloned.</p> <p>On the same day, Mr. Bonsu presented a third cheque numbered 002566 to Grace Bank valued at GH¢350,240.00 drawn on Mr. A. Bonsu's account for special clearing at Mercy Bank. The cheque was given value and funds immediately withdrawn.</p> <p>Subsequently, Grace Bank notified Mercy Bank that the cheque was stolen from their customer Mr. A. Bonsu. It was established that the name "Mr. Bonsu" was made up by the subject to perpetuate the cheque fraud.</p>	Investigation is on-going by the Ghana Police Service.	Cloned Cheque
7	<p>Nine individuals opened separate accounts at the same branch of a Bank within the same period. The nine individuals provided similar addresses and contact details during the account opening process.</p> <p>All nine accounts were funded with huge cash deposits both from the account holders and unknown third parties. Within two months, the average total cash deposits in each of the accounts was GH¢200,000.00.</p> <p>Funds were immediately withdrawn by a third party in China through ATM transactions. In a single day, the third party conducted an average of 48 ATM withdrawals totaling GH60,000.00 daily.</p>	The matter was referred to LEAs for investigations.	ATM fraud



S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
8.	<p>Bank A filed a report on ABC Company Limited whose directors are Mr. A, a foreigner and Mrs. Q, a Ghanaian. In April 2014, Mr. A conveyed USD2,493,300.00 to XYZ bank in Ghana for the purpose of opening an account with the bank. However, owing to the unsatisfactory due diligence, the Bank refused to open the account.</p> <p>Mr. A approached FTX Bank which agreed to open the account and subsequently used their bullion van to convey the USD2,493,300.00 from XYZ Bank in the company of the Ghanaian director Mrs. Q. As the mandatory KYC/CDD checks on the company and its directors was ongoing, FTX Bank wired USD1,709,330.41 from the said amount to various jurisdictions contrary to law.</p> <p>XYZ Bank later filled an STR to the Financial Intelligence Centre and subsequent checks and analysis revealed that the date of birth provided by Mr. A at the Registrar General's Department differ from what was in his passport. Mr. A was also identified to possess several names.</p> <p>Mr. A was also reported to have been jailed for eighteen (18) months in the United States of America for impersonation of a US Federal Official and visa fraud. Further intelligence also revealed that Mr. A pleaded guilty to illegally using US Congressman's stationary and signature stamp in a series of attempt to obtain visas to the United States for people from his native country.</p>	<p>The Centre froze the account and referred the matter to the National Security and the Bank of Ghana for investigations.</p> <p>FTX Bank was sanctioned.</p>	Cash Smuggling



S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
10.	<p>A business account was opened on June 3, 2016. During the account opening process, subject presented an ID card issued on June 3, 2016. The business was registered on June 1, 2016 as a general merchant with an initial deposit of GH245,000.00. Between June and October 2016, the debit and credit turnover on the account was GH22,000,000.00 and GH24,454,000.00 respectively. Credited funds were immediately transferred outside the country.</p> <p>A foreign remittance of GH50,000.00 raised the Bank's suspicion owing to the fact that, the customer claimed it was a refund of money intended to purchase a car from abroad.</p> <p>Investigations revealed that the beneficiary contacted the remitter via a dating site. After acquaintance, the beneficiary informed the remitter of an inheritance of gold which he needed funds for security clearance.</p> <p>The remitter subsequently sent various sums through a bank account and money transfer payment systems. The beneficiary advised the remitter to state the purpose of funds as "refund of money to purchase a car".</p> <p>Intelligence revealed that the remitter was a subject of several STR investigations in his jurisdiction for engaging in cheque fraud. He was also convicted of setting up Shell Companies that he used to launder about \$1.3million.</p>	Investigation is on-going.	Investment fraud.



S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
11.	<p>Bank A provided company PQR with a Buyers Credit Facility (Traders Loan) of <b>US\$1,082,932.59</b> to expedite its business activities with clients abroad.</p> <p>On January 2015, company PQR made another request to the bank to effect payment of <b>US\$300,000.00</b> on its behalf to Esaaba Company Limited in the Middle East.</p> <p>Detailed scrutiny of the documentation presented to Bank A revealed that subject provided documents with the following discrepancies:</p> <ul style="list-style-type: none"> <li>• a pro-forma invoice instead of final invoice for the payment request;</li> <li>• invalid custom declaration numbers with incorrect dates and duty details;</li> <li>• a wrong vessel detail which did not correspond with the physical location and details of the vessel and</li> <li>• an invalid container number on the documents inconsistent with the internationally acceptable standards.</li> </ul> <p>After reviewing the documents, Bank A concluded that there were no physical movement of goods and that subject forged all the documents to facilitate the release of the credit to his counterparties abroad.</p> <p>Meanwhile, subject's account had received several remittances amounting to <b>US\$298,288.34</b> and transfers from various organisations amounting to <b>GH¢1,214,658.11</b>.</p>	<p>A comprehensive tax compliance check was conducted and the company was served with a notice to pay taxes owed the state to the tune of <b>GH2,471,951.04</b></p> <p>Investigation is on-going</p>	<p>Trade misinvoicing/ Tax evasion</p>

S/N	BRIEF SUMMARY	OUTCOME/ COMMENT	TECHNIQUE
	<p>Mr. Donwoli, a 27 years old Ghanaian, trading as an IT Solutions provider, maintained several accounts at ET Bank which was solely funded by foreign remittances. The subject also maintained banking relationship with three other banks in Ghana.</p> <p>Within two (2) years, Mr. Donwoli received over <b>US\$2,271,799.04</b> through remittances from over one hundred (100) remitters in different states in the United States of America.</p> <p>Intelligence indicates that Mr. Donwoli and his associates contacted most of their victims via a dating site. The syndicate appealed to Americans who were either generous or vulnerable (lonely, retired, abused, bullied, and divorced) by indicating their intention to establish an amorous relationship. After acquaintance over a period of time, subjects made business and investment proposals to which they requested the victims to invest in the proposals/business.</p> <p>Subsequently, the syndicate introduced a gold inheritance scheme. They indicated that they were heirs/beneficiaries of several kilograms of gold which had been seized by the Ghanaian authorities and therefore needed financial support from their victims to pay for the release of the gold.</p> <p>Some of the victims sold their properties to raise funds to invest in the business.</p>	<p>The matter is being investigated by the US Federal Bureau of Investigation (FBI) and the EOCO.</p>	<p>Romance fraud/ Gold Scam/ Investment fraud/ Advanced fee fraud</p>

## AML/CFT TRAININGS CONDUCTED

The Centre trained participants who were drawn from key management and other operational staff of participating institutions.

During the period under review, one thousand and two (1,002) participants were trained.

S/N	SECTOR	TARGET GROUP	NUMBER TRAINED
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).	Four hundred and fifty- two (452) participants were trained.
2	Insurance	Training for Life and Non-Life Insurance Companies as well as the Broking Companies.	Ninety-one (91) participants were trained.
3	Securities	Training for Capital Market Operators (CMOs).	Two hundred and thirty-one (231) participants were trained.
4	Designated Non-Financial Businesses and Professions (DNFBPs)	Awareness creation for Accountants and Real Estate Developers.	One hundred and eight-one (181) Accountants were trained.
5	Law Enforcement Agencies	Awareness creation for staff of Economic and Organised Crime Office (EOCO).	Forty-seven (47) participants were trained.

Also, the Centre reviewed its existing awareness creation materials including Public Notices and flyers.

The newly designed Public Notices and flyers were distributed to all the relevant stakeholders to further sensitize the general public on AML/CFT issues and the functions of the Centre.

The Compliance Officers (COs) in the Securities sector celebrated their AML Week. The Centre in conjunction with the Forum of Executive Officers organized Radio Discussions and other awareness creation programmes on AML/CFT, Bitcoin and other ML/TF risks.

During the period under review, the quality of the statutory returns improved significantly.

Also, there was a greater collaboration between the Centre and all the relevant stakeholders including the regulatory bodies.

## SUBMISSION OF 2017 AML/CFT END OF YEAR COMPLIANCE REPORT

Act 749, as amended as well as the various sectoral AML/CFT Guidelines require the Accountable Institutions to submit their End of Year statutory and mandatory returns to the Centre.

Accordingly, the Centre received one hundred and twenty-seven (127) AML/CFT Compliance Reports from the various Accountable Institutions including the Banks and Non-Bank Financial Institutions (NBFIs), Insurance Companies and Capital Market Operators (CMOs).

The following deficiencies were however identified during the review and AIs involved accordingly advised;

- i. Some of the AIs did not include their Audit Function Reports when submitting their detailed End of Year Compliance Reports.
- ii. Some Capital Market Operators (CMOs) which had appointed/designated new Compliance Officers did not communicate to the Centre as required by Act 749, as amended.
- iii. Some of the institutions did not submit their 2018 AML/CFT Employee-Education Training Programme.
- iv. Some AIs did not attach/forward their updated Politically Exposed Persons (PEP) Lists to their reports albeit, they stated in their reports that they had on-boarded PEPs during the year under review.

In order to address the issues mentioned above, the Centre took the following actions;

- i. The AIs involved were accordingly advised to forward their Audit Function Reports, PEP list and Employee-Education and Training Programme to the Centre for review and advice.
- ii. The newly appointed AMLROs were invited for orientation on their key responsibilities.

## DEVELOPMENT OF THE AML/CFT SECTORAL GUIDELINES

The Centre in collaboration with the Bank of Ghana, Securities and Exchange Commission and National Insurance Commission revised the existing AML/CFT Guidelines for the respective sectors.

### Introduction

In 2016, Ghana was the first country in the West African sub region to have subjected itself to the 2<sup>nd</sup> Round of Mutual Evaluation exercise conducted by the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) under the 2013 FATF methodology.

The criteria for the evaluation was to assess both Technical Compliance and the Effectiveness of the country's AML/CFT regime. The outcome of the evaluation was discussed and the draft report on Ghana adopted at the Twenty-Seventh (27<sup>th</sup>) Technical Commission Plenary/meetings of GIABA held in Monrovia, Liberia in May 2017.

A twenty-seven (27) member delegation from Ghana comprising representatives from the Financial Intelligence Centre (FIC), Ghana Immigration Service (GIS), the Judiciary, Ministry of Justice and Attorney General (MOJAG), Ghana Revenue Authority (GRA), Bank of Ghana (BoG), Securities and Exchange Commission (SEC), National Insurance Commission (NIC), Registrar General's Department (RGD), The Bureau of National Investigation (BNI), Economic and Organised Crime Office (EOCO),



National Security Council Secretariat (NSCS) and the Research Department of the Ministry of Foreign Affairs and Regional Integration were in attendance to justify the outcome of the Mutual Evaluation ratings.

Ghana performed better under “Technical Compliance” than “Effectiveness” as shown below.

The table below assessed on the forty (40) FATF recommendations with ratings explained as follows:

Compliant (C) – There are no shortcomings.

Largely Compliant – (LC) There are only minor shortcomings

Partially Compliant (PC)– There are moderate shortcomings.

Non-Compliant (NC)– There are major shortcomings

Not applicable (NA) - A requirement does not apply due to the structural, legal or institutional features of the country.

Out of the forty (40) FATF recommendations, Ghana scored seventeen Compliant (17), sixteen (16) Largely Compliant, six (6) Partially Compliant and one (1) Non-Compliant.

The eleven (11) ratings on the Effectiveness criteria, consistent with the FATF (2013) Methodology for mutual evaluations are as follows:

**High level of effectiveness-** The Immediate Outcome is achieved to a very large extent. Minor improvements needed.

**Substantial level of effectiveness** - The Immediate Outcome is achieved to a large extent. Moderate improvements needed.

**Moderate level of effectiveness** - The Immediate Outcome is achieved to some extent. Major improvements needed.

**Low level of effectiveness** -The Immediate Outcome is not achieved or achieved to a negligible extent. Fundamental improvements needed.

Regarding the Immediate Outcome (I.O) criteria which tests the “Effectiveness” of AML/CFT measures undertaken by the country, Ghana was put under review by the assessment team. The ratings on I.O 5 (Legal Persons and Arrangements) was downgraded from Moderate rating to Low and I. O6 (Use of Financial Intelligence) was downgraded from Substantial to Moderate. The remaining nine (9) I.O ratings were accepted as a reflection of the current AML/CFT regime of Ghana. Subsequently, Ghana was put on the “Enhanced Follow Up Process” to report to GIABA on an annual basis, the progress made in rectifying the identified deficiencies in its Mutual Evaluation report.

In the first year of the “Enhanced Follow up Process, if measures undertaken by Ghana are not satisfactory, FATF will issue a public statement on Ghana and require that the country is placed on an International Cooperation Review Group (ICRG) process to report intensely on half yearly basis on corrective measures undertaken.

## Technical Compliance ratings

R.1	R.2	R.3	R.4	R.5	R.6	R.7	R.8	R.9	R.10	R.11	R.12	R.13	R.14
LC	LC	C	LC	LC	LC	LC	<b>NC</b>	C	LC	C	C	C	C
R.15	R.16	R.17	R.18	R.19	R.20	R.21	R.22	R.23	R.24	R.25	R.26	R.27	R.28
C	PC	LC	C	C	C	C	LC	C	LC	PC	LC	LC	PC
R.29	R.30	R.31	R.32	R.33	R.34	R.35	R.36	R.37	R.38	R.39	R.40		
C	C	C	LC	PC	LC	PC	C	C	LC	PC	LC		

## Immediate Outcome Ratings

IO1	IO2	IO3	IO4	IO5	IO6
Understanding ML/TF risks	International Cooperation	Supervision	Preventive Measures	Legal Persons and arrangements	Use of Financial Intelligence
Moderate	Substantial	Moderate	Moderate	Low	Moderate
IO7	IO8	IO9	IO10	IO11	
ML/TF investigations	Confiscation	TF investigation and prosecution	TF related targeted financial sanctions and NPOs	Proliferation	
Low	Low	Low	Low	Low	

## INTERNATIONAL COOPERATION

### Introduction

A Financial Intelligence Unit's (FIU) ability to effectively execute its core functions relating to Money Laundering, Terrorist Financing and Proliferation of weapons of mass destruction (AML/CFT&P) is largely dependent on its ability to exchange financial intelligence with competent authorities in foreign jurisdictions.

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. The Centre also participated in other global AML/CFT&P related capacity building sessions including undertaking working visits 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.

In 2017, the Centre executed an MoU with the Republic of China (Taiwan), bringing to twenty-five (25) the total number of MoUs executed by the Centre with foreign counterparts across Africa, Europe, America and Asia.

The Centre recognizing the significance of global collaboration in the fight against Money Laundering and Terrorism Financing (ML/TF) continued to strengthen relationships with the following relevant stakeholders:

1. The Financial Action Task Force (FATF) – The Centre participated in the FATF Plenary Meeting held in Buenos Aires, Argentina from 1<sup>st</sup> November, 2017 to 3<sup>rd</sup> November, 2017.
2. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) – The Centre participated in the 27<sup>th</sup> and 28<sup>th</sup> Technical /Plenary Meetings of GIABA held between May 7, 2017 & May 13, 2017 and November 13, 2017 & November 18, 2017 in Liberia and Nigeria respectively.
3. The Egmont Group of Financial Intelligence Units – The Centre participated in the 24<sup>th</sup> Plenary Group Meeting Held in Macao, China from 2<sup>nd</sup> July, 2017 to 7<sup>th</sup> July, 2017.
4. The International Criminal Police Organization (Interpol) – The FIC participated in an AML/CFT workshop organized by Interpol in Lome from 31<sup>st</sup> January to 3<sup>rd</sup> February 2017.
5. The Asset Recovery Inter-Agency Network for West Africa- (ARIN-WA).

The FIC received sixty-four (64) requests from foreign counterparts and sent thirty-two (32) requests to foreign FIUs as indicated in the Table below:

The FIC received forty-two (42) spontaneous dissemination and sent One hundred and forty-one (141) to foreign FIUs.

#### List of Countries having an MoU with the FIC

No	Name of Country	Signing Date
1	Republic of Togo	November 16 , 2011
2	Burkina Faso	November 16 , 2011
3	La Cote D'Ivoire	January 6 , 2012
4	Republic of Niger	January 31, 2012
5	Republic of South Africa	March 19, 2012
6	Federal Republic of Nigeria	June 25 , 2012



7	Guinea Bissau	November 5, 2013
8	Cabo Verde	November 5, 2013
9	Benin	May 7, 2014
10	The Gambia	May 7, 2014
11	Liberia	May 7, 2014
12	Sierra Leone	May 7, 2014
13	Senegal	May 7, 2014
14	Mali	May 7, 2014
15	Sao Tome and Principe	May 20, 2014
16	Columbia	August 8, 2014
17	Israel	October 20, 2014
18	Panama	January 27, 2015
19	Australia	August 21, 2015
20	Belgium	September 3, 2015
21	Kosovo	September 29, 2015
22	Canada	August 1, 2016
23	Japan	August 10, 2016
24	Taiwan	December 19, 2017
25	Vatican City	February 27, 2017

## SPONTANEOUS DISCLOSURES

In furtherance of FATF Recommendation 40 which requires countries to ensure that their competent authorities can rapidly, constructively and effectively provide the wide range of International Cooperation as regards ML/TF and Associated Predicate offences, the FIC continued to exchange information on Money Laundering and other Transnational organized crimes with FIUs as well other competent authorities in different jurisdictions.

Statistics are provided in the table below.

No	Out-going		Incoming	
	Receiving Country/Agency	Number of requests sent	Requesting Country /Agency	Number of requests received
1.	Interpol		United Kingdom	
2.	United States		New Zealand	
3.	United Kingdom		Nigeria	
4.	Australia		Malawi	
5.	Cote D'Ivoire		United States	



6.	Italy		Philippines	
7.	South Africa			
8.	Canada			
9.	Zimbabwe			
10.	Trinidad and Tobago			
11.	Norway			
12.	South Africa			
13.	Germany			
14.	Japan			
15.	Switzerland			
16.	United Arab Emirates			
17.	Taiwan			
18.	Cayman Islands			
	<b>GRAND TOTAL</b>			

## HUMAN RESOURCE DEVELOPMENT

Staff participated in various forms of domestic/international Capacity Building Programmes as indicated below.

### International capacity building programmes

S/N	Date	Course Attended	Number of staff	Sponsors	Venue
	January 2017	Global Conference On Money Laundering And Digital Currencies	1	FIC	Doha, Qatar
	February 2017	FATF Plenary And Working Group Meeting	2	OECD	Paris, France
	March 2017	Basic Investigation Of Computers And Electronics Crimes Course	1	US Embassy	Gaborone-Botswana
	April 2017	Counter Terrorism And Applied Intelligence	2	FIC	Den Haag, Netherlands
	May 2017	GIABA Plenary	3	FIC	Liberia
	June 2017	Financial Investigations for Public Corruption Course	1	US Embassy	Gaborone-Botswana
	June 2017	FATF Plenary And Working Group Meeting	2	FIC	Spain

	July 2017	Egmont Group Plenary	1	FIC	China
	July 2017	Combating Money Laundering And Other Financial Crimes	1	WAIFEM	Nigeria
	July 2017	ML/TF Through International Trade	2	GIABA/FIC	Cotonou
	August 2017	Regional Workshop On Money Laundering And Terrorist Financing Risk Assessment For Financial Institutions And Designated Non-Financial Businesses And Professions	1	GIABA/FIC	Senegal
	November 2017	Human financial Investigative Techniques	2	US Embassy	Botswana
	November 2017	GIABA Plenary	4	FIC	Abuja

#### Local capacity building programmes

S/N	Date	Course Attended	Number of staff	Sponsors	Venue
1	January 2017	Countering Violent Extremism – Threat Finance Course	3	US Embassy	West African Regional Training Centre, Accra
2	February 2017	Introduction to Bitcoin	1	BoG	Bank of Ghana
3	February - 2017	Countering Violent Extremism – FBI/Anti-Corruption Course	4	US Embassy	West African Regional Training Centre, Accra
4	July 2017	International Law of the Sea and current developments in Africa	1	FIC	Kofi Annan International Peace keeping Centre
5	September 2017	Training on the use of Interpol policing capabilities in cocaine trafficking investigations	3	INTERPOL	
6	October 2017	Digital Financial inclusion supervising	2	BoG	Accra



7	October 2017	HR Professional and Legal Compliance	1	FIC	Accra
8	November 2017	Cost Control/ management towards reducing revenue leakages in petroleum and mineral contract	1		Koforidua
9	December 2017	Criminal Justice Executive Training	4	KAIPTC	Kofi Annan International Peace Keeping Centre
10	December 2017	Capital Market AML/CFT Training Programme	2	SEC	Accra

## Challenges and Achievements

### Achievements

- Convictions and Asset Recovery
- Development of a consolidated NRA and MER Action Plan to address the strategic deficiencies within the AML/CFT Regime of the country.
- Effective collaboration among the financial sector regulatory bodies.
- Deepened AML/CFT awareness.

### Challenges

1. Inadequate office space.
2. Remuneration leading to high staff attrition.
3. Absence of legal and institutional framework for the regulation of the Real Estate and NGO sectors.
4. Dwindling and untimely release of funds from the Ministry of Finance.

### Way forward

1. Implementation of the NRA and MER recommendations.
2. Development of sector specific guidelines for the DNFBPs.
3. Review of AML/CFT guidelines for the financial sector (Banking, Insurance and Securities).
4. Develop a sanctions document for the financial sector.
5. Develop a consolidated SOP for the law enforcement community.
6. Establishment of an AML Unit within the GRA to register and regulate the DNFBPs.
7. Awareness creation in the NGO and the extractive industry.

