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**ECONOMIC AND FINANCIAL CRIMES COMMISSION
(ANTI-MONEY LAUNDERING, COMBATING THE FINANCING
OF TERRORISM AND COUNTERING PROLIFERATION
FINANCING OF WEAPONS OF MASS DESTRUCTION FOR
DESIGNATED NON-FINANCIAL BUSINESSES AND
PROFESSIONS, AND OTHER RELATED MATTERS)
REGULATIONS, 2022**



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**ECONOMIC AND FINANCIAL CRIMES COMMISSION
(ANTI-MONEY LAUNDERING, COMBATING THE FINANCING
OF TERRORISM AND COUNTERING PROLIFERATION
FINANCING OF WEAPONS OF MASS DESTRUCTION FOR
DESIGNATED NON-FINANCIAL BUSINESSES AND
PROFESSIONS, AND OTHER RELATED MATTERS)
REGULATIONS, 2022**

In exercise of the powers conferred on me by section 28 of the Money Laundering (Prevention and Prohibition) Act, No. 14, 2022 and section 95 of the Terrorism (Prevention and Prohibition) Act, No. 15, 2022, and all other powers enabling me in that behalf. I, ABUBAKAR MALAMI, SAN, Attorney-General of the Federation and Minister of Justice, make the following Regulations —

[7th Day of November, 2022]

Commence-
ment.

PART I — OBJECTIVES, SCOPE AND APPLICATION

1. The objectives of these Regulations are to —

Objectives.

(a) provide implementation guidelines for the registration and effective supervision of Designated Non-Financial Businesses and Professions (DNFBPs) ;

(b) make provisions for administrative sanctions for DNFBPs ;

(c) strengthen the existing system for combatting Money Laundering, Terrorism Financing and Proliferation Financing ;

(d) make provisions for developing sector specific guidelines for supervision of DNFBPs ; and

(e) make provisions for the development of strategies to enhance compliance culture for DNFBPs.

2. These Regulations cover the relevant provisions of the MLPPA, TPPA and any other relevant laws or regulations that provides for —

Scope.

(a) Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction (AML, CFT and CPF) Policy ;

(b) the development of Compliance Unit and functions ;

(c) the Compliance Officer designation and duties ;

(d) the requirement to co-operate with the competent or supervisory authorities ;

(e) the conduct of Customer Due Diligence ;

(f) monitoring and filing of suspicious transactions reports to the Nigerian Financial Intelligence Unit (NFIU) ;

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(g) filing of Currency Transaction Reports (CTRs) and Cash Based Transaction Reports (CBTRs) to the Special Control Unit against Money Laundering (SCUML) and other reporting requirements ;

(h) record keeping ;

(i) AML, CFT and CPF employee training ; and

(j) Administrative Sanctions.

Application.

3. These Regulations apply to —

(a) DNFBPs as listed under section 30 of the Money Laundering (Prevention and Prohibition) Act, 2022 ; and

(b) other businesses and professions as may be designated by the Minister.

PART II — DESIGNATION OF NON-FINANCIAL BUSINESSES AND PROFESSIONS

Designation
of DNFBPs.

4.—(1) The businesses and professions listed under section 30 of the MLPPA and under the First Schedule to these Regulations shall continue to exist as Designated Non-Financial Businesses and Professions (DNFBPs) as it relates to AML, CFT, CPF obligations as prescribed in these Regulations.

(2) As from the commencement of these Regulations, the following businesses shall continue to exist as DNFBPs as it relates to AML, CFT, CPF obligations as prescribed in these Regulations —

(a) dealers in precious stones and metals ;

(b) dealers in real estate, estate developers, estate agents and brokers ;

(c) hospitality industry ;

(d) consultants and consulting companies ;

(e) construction companies ;

(f) importers and dealers in cars or any other automobiles ;

(g) dealers in mechanized farming equipment and machineries ;

(h) practitioners of mechanized farming ;

(i) mortgage brokers ;

(j) pool betting ; and

(k) lottery business including fixed odds, pari-mutuel, sports lottery (betting), and scratch card gaming and other forms of gaming.

(3) As from the commencement of these Regulations, the following professions shall continue to exist as DNFBPs in Nigeria as it relates to AML, CFT, CPF obligations as prescribed in these Regulations —

(a) law firms, notaries, and other independent legal practitioners ;

(b) accountants and accounting firms ;

(c) trust and company service providers ;

(d) tax consultants ; and

(e) estate surveyors and valuers.

5.—(1) The Special Control Unit Against Money Laundering (SCUML) shall be responsible for the registration, monitoring and supervision of the activities of DNFBPs in Nigeria in relation to Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (AML, CFT and CPF) pursuant to the provisions of MLPPA, TPPA, these Regulations and any other relevant law or regulations.

Registration and supervision of DNFBPs.

(2) Existing businesses and professions prior to the coming into effect of MLPPA shall register with SCUML within three (3) months from the date of commencement of MLPPA.

(3) New businesses and professions shall, before the commencement of business, register with SCUML.

(4) DNFBPs operating in the free trade zones in Nigeria shall register with SCUML and be subject to registration, conduct of customer due diligence and reporting obligations.

6.—(1) SCUML shall conduct entry control checks, as part of registration process of DNFBPs, to ensure that only fit and proper persons own and manage DNFBPs in Nigeria.

Entry Controls.

(2) DNFBPs shall comply with the entry control requirements applicable to their respective subsectors, as may be provided in guidelines issued by SCUML.

7.—(1) SCUML shall —

Role of SCUML.

(a) register and certify designated non-financial businesses and professions in Nigeria in accordance with the provisions of the MLPPA, other relevant laws, and applicable regulations ;

(b) monitor and supervise designated non-financial businesses and professions in accordance with the provisions of MLPPA, relevant laws and applicable regulations ;

(c) impose administrative sanctions to ensure compliance with MLPPA and these Regulations ;

(d) take necessary enforcement measures to ensure compliance with MLPPA, relevant laws and applicable regulations ;

(e) conduct off-site, on-site and on the spot checks, inspection of designated non-financial businesses and professions for the purposes of money laundering control, combating the financing of terrorism and countering proliferation financing ;

(f) establish and maintain a comprehensive database of DNFBPs in Nigeria ;

(g) receive Cash Based Transaction Reports (CBTRs) and Currency Transaction Reports (CTRs) from designated non-financial businesses and professions in accordance with the provisions of MLPPA ;

(h) sensitize designated non-financial businesses and professions of their responsibilities under MLPPA ;

(i) recommend to the Minister to designate as DNFBP, any other business or profession not listed under section 30 of MLPPA and First Schedule to these Regulations ; and

(j) perform other functions necessary to fulfill its responsibilities under the MLPPA or any other relevant laws and applicable regulations.

(2) The relevant Self-Regulatory Organisations (SROs) and Trade Associations, in consultation with SCUML, shall —

(a) develop internal compliance systems, and sensitization and training programmes for their members ;

(b) monitor members to ensure compliance with the MLPPA, TPPA and these Regulations ; and

(c) apply relevant sanctions on its members, including suspension, revocation or withdrawal of licenses of members for non-compliance with AML, CFT and CPF laws and regulations, subject to section 21 (1) and (2) of the MLPPA.

**PART III — OBLIGATIONS OF DESIGNATED NON-FINANCIAL BUSINESSES
AND PROFESSIONS (DNFBPS)**

Compliance
with existing
laws and
regulations.

8.—(1) Designated Non - Financial Businesses and Professions shall conduct their businesses in compliance with the provisions of the MLPPA, TPPA, these Regulations and other relevant laws and regulations.

(2) Subject to the provisions of section 11(4) of MLPPA, the reporting obligations of law firms, notaries and other independent legal professionals, audit firms, accountants and accounting firms shall arise where they render services to and carry out transactions for any client concerning —

(a) buying and selling of real estate within or outside Nigeria ;

(b) managing of client money, securities or other assets ;

(c) management of bank savings or securities accounts ;

(d) organization of contributions for the creation, operation or management of companies ;

(e) creation, operation or management of legal persons or arrangements and buying and selling of business entities ;

(f) acting as a formation agent of a legal person or entity ;

(g) acting as or arranging for another person to act as a trustee of an express trust or performing the equivalent function for another form of legal arrangement ; or

(h) acting as or arranging for another person to act as a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons, entities or arrangements ;

(3) For the purpose of these Regulations, the reporting and other compliance obligations of trust and company service providers, registered as trustees shall arise when —

- (a) acting as a formation agent of legal persons ;
- (b) acting as or arranging for another person to act as a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons ;
- (c) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement ;
- (d) acting as or arranging for another person to act as a trustee of an express trust or performing the equivalent function for another form of legal arrangement ; or
- (e) acting as or arranging for another person to act as a nominee shareholder for another person.

9.—(1) Designated Non-Financial Businesses and Professions, shall establish AML, CFT and CPF programmes designed on a risk-based approach and integrate its customers or clients into its AML, CFT and CPF regime in order to monitor and ensure compliance.

Obligations to establish AML, CFT and CPF programmes

(2) The programme referred to in sub-regulation (1) of this regulation shall include —

- (a) internal policies, procedures and controls, based on the DNFBPs assessment of the ML/FT/PF risks associated with its business and designed to reasonably anticipate and prevent money laundering, terrorist financing and proliferation financing ;
- (b) Customer Due Diligence ;
- (c) application of due diligence proportionate to the identified risk ;
- (d) appointment of a Compliance Officer ;
- (e) establishment of an Internal Audit Unit to ensure compliance with the AML, CFT and CPF programme ;
- (f) rendition of CTRs to SCUML ;
- (g) rendition of Cash Based Transaction Reports (CBTRs) to SCUML ;
- (h) rendition of Suspicious Transactions Reports (STRs) on ML, TF and PF to the NFIU in compliance with the provisions of section 7 of MLPPA and section 84 of the TPPA ;
- (i) regular training and retraining for its employees ;

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(j) record keeping, preservation, retrieval, and communication of records in accordance with the provisions of section 8 of MLPPA ;

(k) centralisation of information collected ; and

(l) initiating or putting in place counter measures proportionate to identified risks.

(3) DNFBPs shall ensure that their employees, agents and others doing business with them understand the AML, CFT and CPF programmes.

(4) DNFBPs shall take measures to implement targeted financial sanctions in line with the provisions of MLPPA, TPPA and other relevant laws and regulations.

(5) DNFBPs shall promptly comply with requests for information made by SCUML and other relevant Authorities pursuant to section 9 of MLPPA.

(6) DNFBPs shall design comprehensive training programmes for board members (where applicable), management and staff to establish full awareness of their obligations and also to equip them with relevant skills required for the effective discharge of their AML, CFT and CPF obligations.

(7) The timing, coverage and content of the employee training programme shall be designed to meet the needs of the DNFBP to ensure compliance with the requirements and provisions of these Regulations.

(8) DNFBPs shall provide comprehensive training programmes for employees, compliance officers and as part of the orientation programme for new employees and those posted to the front office and branch offices.

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

(10) The basic elements of the AML, CFT and CPF training programme of DNFBPs shall include —

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

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

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

(d) reporting requirements;

(e) Customer Due Diligence ;

(f) risk-based approach to AML, CFT and CPF ; and

(g) record keeping and retention policy.

(11) DNFBPs shall submit their annual AML, CFT and CPF employee training programme to SCUML at the beginning of each year not later than 31st March of the year.

10.—(1) DNFBPs shall in the course of their business activities, identify and report to the NFIU, any suspicious transaction relating to the following criminal activities —

Predicate offences to money laundering.

- (a) participation in an organized criminal group ;
- (b) racketeering, terrorism, terrorist financing ;
- (c) trafficking in persons, smuggling of migrants, sexual exploitation, sexual exploitation of children ;
- (d) illicit trafficking in narcotic drugs and psychotropic substances ;
- (e) illicit arms trafficking, illicit trafficking in stolen goods ;
- (f) corruption, bribery, fraud, currency counterfeiting ;
- (g) counterfeiting and piracy of products, environmental crimes ;
- (h) murder, grievous bodily injury ;
- (i) kidnapping, hostage taking, robbery or theft ;
- (j) smuggling (including in relation to customs and excise duties and taxes),
- (k) tax crimes (relating to direct taxes and indirect taxes) ;
- (l) extortion, forgery, piracy ;
- (m) insider trading and market manipulation ; and
- (n) any other criminal act specified in the Act or any other law in Nigeria including any act, wherever committed in so far as such act would be an unlawful act if committed in Nigeria.

(2) In these Regulations, terrorism financing offences —

(a) extend to any person or entity, within or outside Nigeria, in any manner, who, directly or indirectly, and willingly provides, solicits, acquires, collects, receives, possesses, or makes available, property, funds or other services or attempts to provide, solicit, acquire, collect, receive, possess or make available, property, funds or other services with the intention or knowledge, or having reasonable grounds to believe that it will be used, in full or in part to finance any act of terrorism, terrorist or terrorist group in line with relevant sections of TPPA ; and

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

11. DNFBPs shall —

- (a) adopt a risk-based approach in the identification and assessment of ML, TF and PF risks in line with relevant laws and regulations ;
- (b) take appropriate steps to identify, assess and understand ML, TF and PF risks for their customers, countries or geographic areas of operations, services, products and delivery channels ;

Identification, assessment and management of ML, TF and PF risks.

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(c) have policies, controls and procedures approved by their management to mitigate identified risks ;

(d) monitor the implementation of the policies, controls and procedures referred to under paragraph (c) of this sub-regulation ; and

(e) apply enhanced measures to manage higher risks and simplified measures to manage lower risks.

Cooperation with regulators and law enforcement agencies

12. DNFBPs shall —

(a) cooperate with regulators and law enforcement agencies in the implementation of a robust AML, CFT and CPF regime in Nigeria ;

(b) render statutory reports to appropriate authorities as required by law ; and

(c) guard against any act that may cause a customer or client to avoid compliance with the AML, CFT and CPF legislation.

PART IV — COMPLIANCE RESPONSIBILITIES

Board of directors of DNFBPs.

13.—(1) The board of directors shall be responsible for providing leadership and direction in the management of ML, TF and PF compliance risks.

(2) The board of directors shall approve the issuance of compliance guidelines or manuals on AML, CFT and CPF.

(3) The compliance guidelines or manuals issued under sub - regulation (2) of this regulation shall be reviewed periodically.

(4) The board of directors shall oversee the implementation of the policies contained in the compliance guidelines or manuals.

Designation and duties of compliance officers.

14.—(1) DNFBPs shall designate Compliance Officers at management level with the relevant competencies, authority and independence to implement their AML, CFT and CPF compliance programmes.

(2) A Compliance Officer shall —

(a) develop the compliance strategy, policy, structure and processes ;

(b) implement the DNFBPs AML, CFT, CPF compliance initiatives and programmes; report periodically on AML, CFT, CPF compliance matters to management ;

(c) report non-compliance and other potential risk exposures to management immediately and establish prompt mechanisms for resolutions ;

(d) collaborate with stakeholders and other regulators for the development and implementation of compliance programmes ;

(e) enhance the AML, CFT and CPF compliance culture in the DNFBP through the —

(i) development of appropriate compliance awareness programmes ;

- (ii) training of employees in AML, CFT and CPF awareness, detection methods and reporting requirements ;
 - (f) ensure the implementation of AML, CFT and CPF regulatory requirements into operations regulations ;
 - (g) ensure that all the new and existing AML, CFT and CPF regulations, guidance and directives are communicated to employees ;
 - (h) identify and assess the ML, TF and PF risks that may arise in relation to the development of new products and new business practices ;
 - (i) monitor day to day compliance with applicable AML, CFT and CPF laws and regulations ;
 - (j) receive and vet transaction reports from employees ;
 - (k) assist the Chief Compliance Officer, where applicable, in organizing AML, CFT and CPF regulator reports ; and
 - (l) serve as a liaison officer between the DNFBP and regulators.
- (3) Where a DNFBP operates more than one business location or branch, it shall designate a Chief Compliance Officer at the Head Office at management level.

(4) The Chief Compliance Officer designated pursuant to sub-regulation (3) of this regulation shall —

- (a) coordinate the identification, assessment and management of compliance risks ;
- (b) supervise the work of Compliance Officers and compliance functions of the DNFBP ;
- (c) ensure continuous training of Compliance Officers on AML, CFT and CPF ; and
- (d) serve as a liaison officer between the DNFBP and regulators.

15.—(1) Employees of a DNFBP shall —

Employees
of DNFBP.

- (a) adhere to the AML,CFT and CPF compliance policy guidelines of the DNFBP ;
 - (b) conduct businesses in accordance with applicable AML,CFT and CPF laws, regulations and corporate policies ; and
 - (c) maintain the highest ethical standards in the performance of their duties.
- (2) Employees shall not provide advice or other assistance to individuals or institutions who attempt to violate or evade anti-money laundering, counter-terrorist financing and counter proliferation financing laws, regulations and corporate policies.
- (3) Employees shall not disregard signs disclosing that a customer seeks to engage in a relationship or transaction other than for a lawful purpose.

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(4) Employees shall avoid conflict of interest in establishing relationships with individuals or entities who may pose ML, FT and PF risks to the DNFBP.

Design and implementation of comprehensive AML, CFT and CPF training programmes.

16.—(1) DNFBPs shall design and implement a comprehensive AML, CFT and CPF training programmes to —

(a) make employees aware of their obligations under the AML, CFT and CPF laws and regulations ; and

(b) equip the employees with relevant skills required for the effective discharge of their AML, CFT and CPF compliance tasks.

(2) DNFBPs shall develop and implement the appropriate training for employees to keep pace with the dynamism of money laundering, terrorism and proliferation financing challenges.

(3) The employee training programme shall be developed by the AML, CFT and CPF Compliance Officer under the directive of management.

(4) The training programme referred to in sub-regulation (3) of this regulation shall include —

(a) a description of the nature and processes of money laundering, terrorist and proliferation financing, including new developments, emerging trends, techniques and methods in ML, TF and PF ;

(b) an overview of legal obligations contained in the relevant laws ;

(c) reporting requirements ;

(d) customer due diligence ;

(e) enhanced customer due diligence on high risk persons ;

(f) risk-based approach to AML, CFT and CPF ;

(g) record keeping ;

(h) general understanding of the AML, CFT and CPF policy and procedures ;

(i) verification and recognition of suspicious customer transactions; and

(j) reporting suspicious transactions to the NFIU.

(5) For the purposes of ensuring maximum compliance with the training requirements on current AML, CFT and CPF laws and regulations, employees of DNFBPs shall undergo at least, one AML, CFT and CPF training in a year.

Independent testing and controls.

17.—(1) DNFBPs shall perform regular independent testing to —

(a) assess the adequacy of the AML, CFT and CPF policies and programmes ; and

(b) review the AML, CFT and CPF policies to enable the entity identify gaps and deficiencies.

(2) The independent testing requirement shall be performed —

(a) internally, by the internal audit department or unit ; or

(b) externally, by a consultant appointed by the DNFBP's AML, CFT and CPF procedures.

(3) DNFBPs shall carry out on a regular basis, independent review of their AML, CFT and CPF programme.

(4) The independent review of the AML, CFT and CPF programme of a DNFBP referred to in sub-regulation (3) of this regulation may be performed by —

(a) its internal audit and inspection departments where they have the requisite AML, CFT and CPF knowledge or experience ; or

(b) qualified and experienced AML, CFT and CPF consultant, appointed by the DNFBP.

(5) The Audit Report shall specifically comment on the robustness of the internal policies, controls and processes, and make constructive suggestions, where necessary, to strengthen the policy and implementation.

18.—(1) DNFBPs shall ensure that information, document or data collected under the customer identification process are kept up-to- date and relevant by undertaking regular reviews of existing records, particularly the record in respect of higher risk business relationships or categories of customers.

Record keeping of documents or data collected under the customer identification process.

(2) DNFBPs shall maintain necessary records of transactions, both domestic and international, for at least five years, following completion of the transaction.

(3) The provisions of sub-regulation (2) of this regulation shall apply regardless of whether the transaction or business relationship is on-going or has been terminated.

(4) The records of transactions required to be maintained by DNFBPs under sub-regulation (2) of this regulation shall include —

(a) the risk profile of each customer or beneficial owner ;

(b) the data obtained through the customer due diligence process including the name, address, National Identification Number (NIN), nature and date of the transaction ;

(c) the type and amount of currency involved ;

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

(e) official identification documents, including International Passports, National Identity Cards issued by National Identity Management Commission (NIMC), Driver's License issued by Federal Road Safety Corps (FRSC), or Voter's Card issued by Independent National Electoral Commission (INEC) ;

(f) business correspondences ; and

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(g) result of any analysis undertaken on documents or records listed in this sub-regulation.

(5) DNFBPs shall implement specific procedures for retaining internal records of transactions, both domestic or international, to ensure swift compliance with information requests from the competent authorities, and such records shall be sufficient to permit reconstruction of individual transactions, including the amounts and types of currency involved so as to provide, where necessary, evidence for the prosecution of criminal activities.

(6) Where the records relate to on-going investigations or transactions which have been the subject of a disclosure, the DNFBPs shall retain the records for a period of at least five years after the case has been closed.

Sanctions screening.

19. DNFBPs shall —

(a) screen their customers and customer transactions in line with United Nations Consolidated List and Nigeria Sanctions List to ensure that proscribed individuals and entities do not have control and access to DNFBPs whether directly or indirectly ;

(b) without delay, implement targeted financial sanction in relation to terrorism financing and proliferation financing, as provided under the TPPA and Regulations ; and

(c) report to the NFIU without delay, any assets frozen or action taken, in compliance with the United Nations Security Resolutions and other successive resolutions.

Risk assessment framework.

20.—(1) DNFBPs shall, in collaboration with SCUML, periodically assess the ML, TF and PF risks inherent in their systems and develop measures to safeguard the DNFBPs from being used to launder proceeds of crime, terrorism financing or proliferation financing.

(2) The risk assessment referred to in sub-regulation (1) of this regulation shall be conducted on customers, products or services, geographical locations and delivery channels to ensure that the identified risks are properly mitigated.

(3) DNFBPs shall adopt risk-based approaches that are commensurate with the specific risks of ML, TF and PF identified in the risk assessment.

Classification of customers.

21. Prior to establishing business relationship with prospective customers, DNFBPs shall —

(a) carry out a formal assessment on the customer and classify them as either “high”, “medium” or “low” risks ; and

(b) where applicable, deploy —

(i) simplified due diligence, for low-risk customers,

(ii) standard due diligence, for medium risk customers, or

(iii) enhanced due diligence, for high-risk customers.

22.—(1) DNFBPs shall take appropriate measures to prevent the misuse of technological developments in ML, TF and PF schemes including the use of —

- (a) internationally accepted credit or debit cards ; and
- (b) mobile telephone banking systems.

(2) DNFBPs shall have policies and procedures in place to address specific risks associated with non-face-face business relationships or transactions.

New technology, and non-face-to face transactions.

23.—(1) DNFBPs shall verify the identity of a customer, beneficial-owner and occasional customer before or during the course of establishing a business relationship or conducting transactions with them.

Timing of verification.

(2) DNFBPs shall complete the verification of the identity of a customer and beneficial owner following the establishment of business relationship, only where —

- (a) an acceptable time span for obtaining satisfactory evidence of identity is determined by the nature of the business, the geographical location of the parties and whether it is possible to obtain the evidence before commitments are entered into or the transactions is consummated ;
- (b) it is essential not to interrupt the normal business conduct of the customer such as non-face-to-face business transactions ; or
- (c) the money laundering, terrorism financing or proliferation financing risks can be effectively managed.

(3) DNFBPs shall, upon coming into contact with a client, obtain identification to —

- (a) agree with client to carry out an initial transaction; or
- (b) reach an understanding, whether binding or not, with the clients to carry out future transactions.

(4) Where the client fails to supply the required information as stipulated in sub-regulation (3) of this regulation, the DNFBPs shall —

- (a) discontinue the business activity, and
- (b) without delay, file an STR to the NFIU.

(5) Where a client, customer or a beneficiary is permitted to utilise the business relationship prior to verification, the DNFBPs shall adopt risk management procedures concerning the conditions under which this may occur.

(6) The conditions referred to in sub-regulation (5) of this regulation shall include —

- (a) a limitation of the number, types, or amount of transactions that can be performed ; and

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(b) the monitoring of large or complex transactions being carried out outside the expected norms for that type of relationship.

Failure to complete customer due diligence.

24.—(1) DNFBPs shall not carry out any transaction, in the event of failure or inability to —

- (a) complete verification of relevant information or data; or
- (b) obtain information on the purpose and intended nature of the business relationship.

(2) A DNFBP that has already commenced a business relationship under sub-regulation (1) of this regulation shall terminate the business relationship and render an STR to the NFIU.

Application of customer due diligence measures on existing customers.

25.—(1) DNFBPs shall apply customer due diligence measures on existing customers on the basis of risks, taking into account whether customer due diligence measures have previously been undertaken and the adequacy of data obtained.

(2) The appropriate time to conduct customer due diligence on existing customers is where —

- (a) business transaction of significant value, in relation to customer's profile, takes place ;
- (b) the DNFBPs becomes aware that it lacks sufficient information about an existing customer ; or
- (c) a suspicious transaction occurs.

On-going due diligence.

26. DNFBPs shall perform on-going due diligence on all business relationships, and —

- (a) monitor and verify all requested changes to the business relationship ;
- (b) monitor changes or transactions inconsistent with the profile of the customer or beneficial owner ; and
- (c) review the transactions to determine if there are unusual or suspicious reasons to terminate the relationship, and file and send STRs to the NFIU.

Complex transactions.

27.—(1) DNFBPs shall monitor complex or unusually large transactions, and unusual patterns of transactions that have no apparent economic justification or visible lawful purpose.

(2) The background and purpose of the transactions referred to in sub-regulation (1) of this regulation shall as far as possible, be examined, the findings established in writing, and any suspicion made available to the NFIU.

PART V — CUSTOMER DUE DILIGENCE MEASURES

- 28.**—(1) DNFBPs shall put in place customer due diligence (CDD) measures, which shall be monitored by a chief compliance officer. General principles of customer due diligence.
- (2) DNFBPs shall conduct customer due diligence on a risk sensitive basis to ensure that limited resources are focused on the higher risk accounts or transactions.
- (3) Where a DNFBP is dealing with an agent or an intermediary in a business relationship, it shall ensure that it obtains accurate information on the ultimate beneficial owners and related parties in the business relationship or transaction.
- 29.** Standard due diligence shall be conducted for all customers, where a — Standard customer due diligence.
- (a) new business relationship is established ; and
- (b) customer carries out occasional cash transactions in excess of \$1,000 or its equivalent.
- 30.**—(1) Where a business relationship or transaction is, upon the conduct of a risk assessment, determined to be low risk, the DNFBPs shall apply reduced or simplified measures. Simplified due diligence measures.
- (2) Under this regulation, low risk shall be identified in circumstances where —
- (a) the risk of money laundering, terrorism financing or proliferation financing is lower ;
- (b) the identity of the customer and the beneficial owners of the transactions or the business relationship is publicly available ;
- (c) adequate checks and controls exist elsewhere in national system ; or
- (d) the volume transacted in the business relationship or transaction is considered low.
- (3) The simplified customer due diligence measures shall not apply to a customer where there is suspicion of ML, TF and PF.
- 31.**—(1) Enhanced due diligence measures shall apply where the transaction or business relationship is deemed to be high risk in nature. Enhanced due diligence measures.
- (2) Enhanced due diligence shall be conducted for all customers, where —
- (a) there is a suspicion of ML, TF or PF ;
- (b) the DNFBP has doubts about the veracity or adequacy of previously obtained customer identification data ;
- (c) there are reasonable grounds to suspect that the amount involved in a transaction is the proceeds of a crime or an illegal act ; or

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(d) a customer or the beneficial owner of a customer is a politically exposed person.

(3) Where higher risk of ML, TF and PF is identified, the DNFBPs shall apply a higher level of monitoring measures on such transactions in line with the provisions of MLPPA, TPPA and these Regulations.

Reliance on third parties.

32.—(1) DNFBPs may rely on third parties to —

(a) identify a customer and verify that customer’s identity using reliable independent source documents, data or information ;

(b) identify a beneficial owner and take reasonable measures to verify the identity of the beneficial owner ;

(c) understand and obtain information on the purpose and intended nature of the business relationship ; and

(d) conduct due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transaction being conducted are consistent with the institution’s knowledge of the customer, their business and risk profile, including, where necessary, the source of funds.

(2) Where a DNFBP relies on a third party to conduct CDD, the responsibility for the outcome of the CDD measures shall be with the DNFBP.

Relationship with anonymous or fictitious customers.

33.—(1) DNFBPs shall not establish business relationship with anonymous or fictitious clients, customers or persons.

(2) DNFBPs shall take appropriate measures to identify and know the customer, client or person they are dealing with, through —

(a) an established customer due diligence policies ; and

(b) clear, written and risk based client or customer acceptance policies and procedures, which provisions shall include dealings with different client or customer profiles.

(3) DNFBPs shall —

(a) identify a customer, whether existing or occasional, natural or legal person, or any other form of legal arrangements, using identification documents as prescribed in relevant laws and regulations ;

(b) verify the identity of the customer using reliable, independent source documents, data or information ; and

(c) identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner using relevant information or data obtained from a reliable source such that the DNFBP, is satisfied that it knows who the beneficial owner is.

(4) In this regulation “reasonable measures” includes visitation to the address provided by the customer to verify its authenticity.

34.—(1) DNFBPs shall comply with beneficial ownership verification and reporting obligations for persons holding significant shareholding or exercising control on the DNFBP in accordance with sections 119 to 123 of Companies and Allied Matters Act.

Beneficial ownership.

(2) DNFBPs shall identify and verify the beneficial owners when transacting with legal persons or legal arrangements, where a legal person or legal arrangement is a significant shareholder in a corporate entity transacting with a DNFBP.

PART VI — MANDATORY TRANSACTION REPORTS

35.—(1) Where the conduct of additional due diligence activities may lead to an unintentional tip - off to the customer, beneficial owner, or other subjects, the DNFBP shall file an STR to the NFIU, pursuant to section 7 (2)(c) of MLPPA.

Suspicious transaction reports.

(2) A director, officer and employee of a DNFBP, who discloses to a customer or beneficiary that an STR or any other related information is to be reported, or has been reported to the NFIU commits an offence and is liable on conviction to the penalty provided under section 7(10) of MLPPA.

(3) DNFBPs shall ensure that there is a clear procedure for staff to report suspicious transactions involving ML, TF and PF without delay to the NFIU.

(4) Suspicious transactions, including attempted transactions, shall be reported to the NFIU regardless of the amount involved, and the report shall include any action taken on the suspicious activity by the DNFBP.

(5) DNFBPs shall adhere to the reporting format provided by the NFIU and develop internal procedures for the purpose of filing confidential STRs to the NFIU.

(6) In these Regulations, “Suspicious Transaction” includes —

(a) a transaction which is unusual because of its size or volume, type or pattern ;

(b) a transaction which is suggestive of known money laundering methods ;

(c) a transaction which is or are inconsistent with the client’s or customer’s known legitimate, normal business or personal activities ; or

(d) activities that lack obvious economic justification.

36.—(1) DNFBPS shall file currency transactions reports above —

(a) ₦5,000,000 or its equivalent, in the case of individuals ; or

(b) ₦10,000,000 or its equivalent, in the case of a body corporate, to SCUML within seven days, from the date of the transaction.

Currency transaction reports.

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(2) Where there are no transactions, DNFBPs shall file nil report on a monthly basis to SCUML electronically in the format provided by SCUML.

(3) DNFBPs shall render reports in writing on domestic transfers involving foreign currencies by a person or body corporate, of a sum exceeding US\$10,000 or its equivalent to SCUML within seven days from the date of the transaction.

Cash-based transaction reports to be filed with SCUML.

37.—(1) DNFBPs shall fill a Standard Data Form provided by SCUML as set out in the Fourth Schedule to these Regulations on all cash transactions in excess of US\$1,000 or its equivalent.

(2) DNFBPs shall forward the completed Standard Data Form to SCUML not later than seven days in accordance with the relevant provisions of MLPPA.

(3) Where there are no cash transactions, DNFBPs shall file nil report on a monthly basis to SCUML in a format prescribed by SCUML.

(4) The Standard Data Form may be amended by Economic and Financial Crimes Commission (EFCC) as the need arises.

Other AML, CFT and CPF reports to be rendered.

38.—(1) DNFBPs shall render to SCUML —

(a) transactions conducted for and on behalf of public sector on a monthly basis ;

(b) transactions conducted for and on behalf of politically exposed persons on a monthly basis ;

(c) trainings conducted for employees on a yearly basis ; and

(d) DNFBPs' Training Plan on an annual basis.

(2) Where there are no such transactions, a nil report shall be filed to ensure compliance with this regulation.

PART VII — MISCELLANEOUS

Penalties for Non-Compliance.

39.—(1) A DNFBP who fails to comply with the provisions of these Regulations shall be sanctioned in accordance with the relevant provisions of the MLPPA and TPPA.

(2) SCUML may apply administrative sanctions specified in the Third Schedule to these Regulations, where there is a breach of the reporting requirements under these Regulations, the relevant provisions of MLPPA, the TPPA, and any other relevant laws or regulations.

(3) An existing DNFBP that fails to comply with section 6 (1)(a)(ii) of MLPPA and register with SCUML within three months after coming into effect of MLPPA in line with regulation 4(2) of these Regulations is liable to administrative sanctions specified in the Third Schedule to these Regulations.

(4) A new DNFBP that fails to comply with section 6 (1)(a)(i) of MLPPA and register with SCUML before commencement of business shall be liable to administrative sanctions specified in the Third Schedule to these Regulations.

(5) The payment of fines prescribed under the Third Schedule to these Regulations shall be accompanied by evidence of registration and filing of reports required under MLPPA.

(6) A Self-regulatory organization and relevant regulatory authorities shall, upon the recommendation of SCUML, withdraw, revoke or suspend the practicing license of a professional where there is persistent and deliberate breach of the provisions of these Regulations, the relevant provisions of MLPPA, TPPA and any other relevant laws or regulations.

(7) Where an SRO imposes sanctions against its member pursuant to these Regulations, the SRO shall file a report of the sanctions imposed and the infraction by the erring member to SCUML within 14 days from the date of imposition of the sanction.

(8) All monies received from DNFBPs as administrative sanctions pursuant to this regulation shall be paid into the EFCC recovery account for onward transmission to the Consolidated Revenue Funds Account of the Federal Government of Nigeria.

40.—(1) SCUML may issue sector specific guidelines to DNFBPs for the implementation of customer due diligence requirements and other relevant provisions of MLPPA and these Regulations.

Sector
specific
guidelines
and
reporting
requirements.

(2) Casino, lottery and pool betting companies seeking registration with SCUML shall hold an operating license or an approval in principle to operate from a competent State or Federal Authority.

(3) Casinos shall identify and verify the identity of their customers when their customers engage in financial transactions equal to or above USD 1,000 or its equivalent in Naira or any other currency.

(4) Real estate agents, brokers and developers shall identify and verify the identity of their clients whenever involved in transactions for the purchase or sale of real estates.

(5) Information required under this regulation shall include name, address, occupation, source of funds, account details and NIN.

(6) Dealers in precious metals or stones shall identify and verify the identity of their clients when they engage in any cash transaction with a customer of an amount equal to or above USD 3,000 or its equivalent in Naira or any other currency.

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(7) Financial transactions above specified thresholds under these Regulations shall include situations when the transactions are carried out in a single or several operations that appear to be linked.

Revocation
and savings
provisions.

41.—(1) The Federal Ministry of Industry, Trade and Investment (Designation of Non-Financial Institutions and Other Related Matters) Regulations, S. I. No. 59, 2013 is revoked.

(2) Without prejudice to section 6 of the Interpretation Act, the revocation of the Regulations specified in sub-regulation (1) of this regulation shall not affect anything done or purported to be done under or pursuant to the revoked Regulations.

Interpretation.

42. In these Regulations —

“*Acts*” means Money Laundering (Prevention and Prohibition) Act, 2022 and Terrorism (Prevention and Prohibition) Act, 2022 ;

“*AML, CFT and CPF*” means Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing ;

“*Accounts*” means a facility or an arrangement by which a financial institution —

(a) accepts deposits of currency,

(b) allows withdrawals of currency or transfers into or out of the account,

(c) pays cheques or issue payment orders drawn on a financial institution or cash dealer by a person or collect cheques or payment orders on behalf of a person,

(d) supplies a facility or an arrangement for a safe deposits box ;

“*Applicant for Business*” means the person or company seeking to establish a ‘business relationship’ or an occasional client undertaking a ‘one-off’ transaction whose identity must be verified ;

“*as soon as reasonably practicable*” means as soon as possible ;

“*Beneficial owner*” refers to—

(a) the natural person who ultimately owns or controls a customer;

(b) the natural person on whose behalf a transaction is being conducted; and

(c) a person who exercises ultimate effective control over a legal person or arrangement ;

“*Beneficiary*” means those natural persons, or groups persons, a legal person or arrangement who are entitled to benefit from any trust arrangement ;

“*Business relationship*” means an arrangement between a person and a Financial Institution or Designated Non-Financial Institution for the purpose of concluding a transaction ;

“*Business relationship*” means any arrangement between a Designated Non - Financial Institution and a customer, client or business which purpose is to facilitate the carrying out of a transaction between the parties on a frequent, habitual or regular’ basis ;

“*BVN*” means Bank Verification Number ;

“*Central Bank*” means Central Bank of Nigeria ;

“*Competent authority*” means any agency or institution concerned with combating money laundering, terrorist financing or proliferation financing under the Acts or under any other laws or regulations ;

“*Correspondent banking*” means the provision of banking services by one bank (the correspondent bank) to another bank (the respondent bank) ;

“*CAC*” means the Corporate Affairs Commission ;

“*CBT Reports*” means Cash Based Transaction Reports required by section 5 of MLPPA ;

“*CBTRs*” means Cash Based Transaction Reports ;

“*CDD*” means Customer Due Diligence ;

“*CTR*” means Currency Transaction Report in accordance with section 10 of MLPPA ;

“*Current AML/CFT legislation*” means the Money Laundering (Prevention and Prohibition) Act, 2022 and Terrorism (Prevention and Prohibition) Act, 2022 ;

“*customer*” includes clients ;

“*Cross-border transaction*” means any transaction where the originator and beneficiary are located in different jurisdictions ;

“*Dealers in high value goods*” means a person or business that deals with a single or a set of goods or items worth over five million naira ;

“*DNFBPs*” means dealers in jewellery, cars and luxury goods, chartered accountants, audit firms, tax, clearing and settlement companies, legal practitioners, hotels, casinos, supermarkets, consultants and consulting firms, dealers in mechanized farming equipment and machineries, mortgage brokers, practitioners of mechanized farming, pool betting, higher value dealers, construction companies or such other business undertakings as the Minister of Industry, Trade and Investment or other appropriate regulatory authority may from time to time designate ;

“*DNFBPs*” means Designated Non- Financial Businesses and Professions which shall be as defined under the MLPPA and shall include other businesses and professions as may be designated by the Minister of Industry, Trade and Investment ;

“*ECDD*” means Enhanced Customer Due Diligence ;

“*EFCC*” means Economic and Financial Crimes Commission ;

“*False disclosure*” means a misrepresentation of the value of currency or bearer negotiable instruments being transported, or a misrepresentation of other relevant data which is asked for in the disclosure or otherwise requested by the authorities ;

“*Financial Institution*” include banks, body corporate, associations or group of persons, whether corporate or incorporate which carries on the business of investment and securities, a discount house, insurance institution, debt factorization and conversion firm, bureau de change, finance company, money brokerage firm whose principal business includes factoring, project financing, equipment leasing, debt administration, fund management, private ledger service, investment management, local purchase order financing, export finance, project consultancy, financial consultancy, pension funds management and such other business as the Central Bank or other appropriate regulatory authorities may from time to time designate ;

“*FATF*” means Financial Action Task Force ;

“*Funds*” refers to assets of every kind whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to or interest in such assets, including but not limited to bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts or letters of credit ;

“*Immediately*” means spontaneous, instantly, rapidly, straightaway, take action in a timely manner, without delay or within 72 hours ;

“*Hotels and Hospitality industry*” means those engaged in providing hotel services, lodging and restaurants ;

“*Legal persons*” means bodies corporate, foundations, partnerships, associations, or any similar bodies that can establish a permanent client’s relationship with a Designated Non-Financial Businesses and Professions or otherwise own property ;

“*Legal practitioners, notaries public and accountants*” means sole practitioners, partners or employed professionals within professional firms. It is not meant to refer to “internal” professionals that are employees of other types of businesses, nor to professionals working for government agencies, who are already subject to measures designed to combat money laundering ;

“*lottery*” or “*lotteries*” have the same meaning as in the MLPPA and the TPPA, and includes any game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on the outcome of sporting events or any other game, scheme, arrangement, system,

plan, competition or device, which the President may by notice in the Gazette declare to be lottery and which shall be operated according to a licence ;

“*Minister*” means the Minister charged with responsibility for matters pertaining to Trade and Investment ;

“*MLPPA*” means Money Laundering (Prevention and Prohibition) Act, 2022 ;

“*Money Service Business*” includes currency dealers; money transmitters; cheque cashers; and issuers of travelers’ cheques, money orders or stored value ;

“*NFIU*” means Nigerian Financial Intelligence Unit and refers to the central unit responsible for the receiving, requesting, analyzing and disseminating information to the competent authorities disclosures of financial information concerning the suspected proceeds of crime and potential financing of terrorism ;

“*NGO*” means Non-Governmental Organization ;

“*NIN*” means National Identification Number ;

“*NPO*” means Non Profit Organization ;

“*Non-profit Organization or Non-governmental Organization*” means a legal entity or organization that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of ‘social works ;

“*One-off Transaction*” means any transaction carried out other than in the course of an established business relationship .It is important to determine whether an applicant for business is undertaking a one-off transaction or whether the transaction is or will be part of a business relationship as this can affect the identification requirements ;

“*pari-mutuel*” refers to a system of betting on races whereby the winners divide the total amount bet, after deducting management expenses, in proportion to the sums they have wagered individually, and may be used to refer to a machine that records such bets and computes the payoffs ;

“*pari-mutuel machine*” means an electronic machine that registers bets in pari-mutuel betting as they are made and calculates and posts the changing odds and final payoffs ; and

“*Person with significant control*” means any person —

(a) directly or indirectly holding at least 5% of the shares or interest in a company or limited liability partnership ;

(b) directly or indirectly holding at least 5% of the voting rights in a company or limited liability partnership ;

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(c) directly or indirectly holding the right to appoint or remove a majority of the directors or partners in a company or limited liability partnership ;

(d) otherwise having the right to exercise or actually exercising significant influence or control over a company or limited liability partnership ; or

(e) having the right to exercise, or actually exercising significant influence or control over the activities of a trust or firm whether or not it is a legal entity, but would itself satisfy any of the first four conditions if it were an individual ;

“*PEPs*” means Politically Exposed Persons” and includes —

(a) individuals who have been entrusted with prominent public functions by a foreign heads of State or government, senior politicians; senior government, judicial or military officials; senior executives of State owned corporations and important political party officials ;

(b) individuals who have been entrusted domestically with prominent public functions by a foreign heads of State or government, senior politicians; senior government, judicial or military officials; senior executives of State owned corporations and important political party officials ; or

(c) persons who are or have been entrusted with a prominent function by an international organization and includes members of senior management such as directors, deputy directors and members of the board or equivalent functions other than middle ranking or more junior individuals.

“*President*” means the President of the Federal Republic of Nigeria ;

“*Proceeds*” means any property or assets derived from or obtained, directly or indirectly, through the commission of an offence or an unlawful activity ;

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

“*Public Officers*” means individuals who are or have been entrusted with prominent public function, both within and outside Nigeria and those associated with them ;

“*Regulators*” means competent regulatory authorities responsible for ensuring compliance of Financial Institutions and Designated Non-Financial Businesses and Professions with requirements to combat money laundering, terrorist financing and proliferation financing ;

“*Regulatory Authority*” means sector regulatory authorities such as National Lottery Regulatory Commission, Corporate Affairs Commission, etc ;

“*Relevant authority*” means any persons or organization which has mandate over your activity as an individual ;

“*Risk*” means the risk of money laundering or terrorism financing ;

“*SCUML*” means Special Control Unit against Money Laundering, a department under the EFCC ;

“*Self Regulatory Organization*” or “*SRO*” means a professional body or faith based organization registered under the Law that represents its members (e.g. lawyers, accountants, Doctors, Pharmacists, Nurses, Engineering, auditors, Estates, Car Dealers, Hotel owners, Transporters and other professional or religious organizations, and which is made up of members from the profession. A Self Regulatory Organization has a role in regulating the persons that are qualified to enter and who practice in the profession, and also performs certain supervisory or monitoring type of functions. Such bodies should enforce rules to ensure that high ethical and moral standards are maintained by those practicing the profession ;

“*STR*” means Suspicious Transactions Report ;

“*Suspicious*” means a matter which is beyond mere speculations and is based on available facts ;

“*Suspicious Transaction*” For the purpose of these Regulations, a suspicious transaction may be defined as one which is unusual because of its size, volume, type or pattern or otherwise suggestive of known money laundering or terrorist financing methods. It includes such a transaction that is inconsistent with a client’s or customers known, legitimate business or personal activities or normal business for that type of account or that lacks an obvious economic rationale ;

“*Terrorist*” has the same meaning ascribed to it under the Terrorism (Prevention and Prohibition) Act, 2022 ;

“*Terrorist act*” means acts which constitutes an offence under the Terrorism (Prevention and Prohibition) Act, 2022 ;

“*TPPA*” means Terrorism (Prevention and Prohibition) Act, 2022 ;

“*Terrorism Financing*” means financial support, in any form, of terrorism or of those who encourage, plan, or engage in terrorism ;

“*Those who finance terrorism*” means any person, group, undertaking or other entity that provides or collects, by any means, directly or indirectly, funds or other assets that may be used, in full or in part, to facilitate the commission of terrorist acts, or to any persons or entities acting on behalf of, or at the direction of such persons, groups, undertakings or other entities.

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This includes those who provide or collect funds or other assets with the intention that they shall be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist acts ;

“*Transaction*” means—

- (a) acceptance of deposit and other repayable funds from the public ;
- (b) lending ;
- (c) financial leasing ;
- (d) money transmission service ;
- (e) issuing and managing means of payment (for example, credit and debit cards, cheques, travelers’ cheque and bankers’ drafts etc.) ;
- (f) financial guarantees and commitment ;
- (g) trading for account of customer (spot-forward, swaps, future options, etc.) in—

- (i) money market instruments (cheques, bills CDs, etc.) ;
- (ii) foreign exchange ;
- (iii) exchange interest rate and index instruments ;
- (iv) transferable securities ; and
- (v) commodity futures trading ;
- (h) participation in capital markets activities and the provision of financial services related to such issues ;
- (i) individual and collective portfolio management ;
- (j) safekeeping and administration of cash or liquid securities on behalf of clients ;
- (k) life insurance and all other insurance related matters ; and
- (l) money changing.

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

“*USD*” means United States Dollars ;

“*Wire transfer*” means any transaction carried out on behalf of a natural person or legal originator through a Financial Institution by electronic means with a view to making an amount of money available to a beneficiary person at another financial institution, irrespective of whether the originator and the beneficiary are the same person ;

“*Without delay*” means immediately or not later than 72 hours.

43. These Regulations may be cited as Economic and Financial Crimes Commission (Anti-Money Laundering, Combating the Financing of Terrorism and Countering the Proliferation Financing of Weapons of Mass Destruction for Designated Non-Financial Businesses and Professions and Other Related Matters) Regulations, 2022.

Citation.

SCHEDULES

FIRST SCHEDULE

[Regulations 4(1) and 7(h)]

DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS

- (1) Business outfits dealing in jewelries ;
- (2) Car dealers ;
- (3) Dealers in luxury goods ;
- (4) Chartered accountants ;
- (5) Audit firms ;
- (6) Tax consultants ;
- (7) Clearing and forwarding companies ;
- (8) Legal practitioners ;
- (9) Hotels ;
- (10) Casinos ;
- (11) Supermarkets ;
- (12) Dealers in Precious Stones and Metals ;
- (13) Law Firms, notaries and other independent legal professionals ;
- (14) Accountants and Accounting Firms ;
- (15) Trust and company service providers ;
- (16) Dealers in Real Estate, Estate Developers, Estate agents and brokers ;
- (17) Estate surveyors and Valuers ;
- (18) Mortgage brokers ;
- (19) Hotels and Travel Agencies ;
- (20) Consultants and Consulting companies ;
- (21) Construction Companies ;
- (22) Importers and Dealers in automobiles ;
- (23) Practitioners of mechanized farming ;
- (24) Pool betting and lottery ; and
- (25) Dealers in high value goods.

SECOND SCHEDULE

[Part IV]

FREQUENCY OF STATUTORY REPORTS AND PROGRAMMES

<i>Item</i>	<i>Description</i>	<i>Frequency</i>
PEPs Report.	Reports on all customers transaction above One Hundred Million (₹100m).	Monthly.
Testing of Adequacy of AML/CFT Compliance.	The CCO is required to test and determine the adequacy of the AML/CFT framework and identify area of potential risks not covered by the AML/CFT regulations.	Bi-Annually (June and December).
Additional AML/CFT/CPF Risks.	The CCO is required to review, identify, and record other areas of potential money laundering risks not covered by the Regulation and the same to the Board Audit Committee (for publicly quoted DNFBPs).	Quarterly.
Training Plan		Annually.
Employee Money laundering and Training Programmes.	Capacity Development Department shall develop an action plan for training in collaboration with SCUML. Training /Capacity Development of every DNFBP is required to render quarterly returns on their level of compliance with the training plan to SCUML.	Annually. Bi-Annually.
Returns on United Nations Security Council Resolutions (UNSCRs) and other Terrorism Financing Designated Sanction Lists	DNFBPs are required to deploy appropriate software/technology for compliance.	As the need arises

THIRD SCHEDULE

[Regulation 39 (2), (3), (4) and (5)]

ADMINISTRATIVE SANCTIONS FOR DNFBPs

INTERNAL PROCEEDURES AND POLICIES

<i>S/N</i>	<i>Required Action</i>	<i>Offence</i>	<i>Professional Firms</i>	<i>Businesses</i>	<i>Other Penalty</i>
1.	Compliance programmes that outlines AML, CFT, CPF Policies and Procedures of the DNFBP.	Failure to put in place a written and approved AML, CFT, CPF Policies and Procedures.	A fine of ₦1million.	₦500,000	In aggravated circumstances impose additional penalties such as suspension, revocation or withdrawal in consultation with the relevant SRO.
2.	Review and update of AML/ CFT/CPF Policies and Procedures after every three(3) years.	Failure to review and update AML/ CFT/CPF Policies and Procedures after three (3) years.	A fine of ₦200,000 with evidence of a revised AML, CFT and CPF policies and procedures.	A fine of ₦100,000 with evidence of a revised AML, CFT and CPF policies and procedures.	In aggravated circumstances , a fine of ₦500,000 with evidence of a revised AML, CFT and CPF policies and procedures.
3.	Communication of AML/CFT/ CPF policies and Procedures to employees.	Failure to ensure that every employee is trained on the DNFBP's written AML/ CFT/CPF policies and procedure with evidence of a signed undertaken of understanding.	A fine of ₦200,000 with evidence of a revised AML, CFT and CPF policies and procedures.	A fine of ₦100,000 with evidence of a revised AML, CFT and CPF policies and procedures.	For non-compliance for a period of six(6) months after examination, a fine of ₦500,000 with evidence of a revised AML, CFT and CPF policies and procedures.
4.	Appointment of Compliance Officers at management level with clearly defined roles and responsibilities.	Failure to appoint a compliance officer at management level with clearly defined roles and responsibilities.	A fine of ₦150,000 with evidence of a appointment of compliance officer at management level.	A fine of ₦150,000 with evidence of a appointment of compliance officer at management level.	For non-compliance for a period of six (6) months after examination, a fine of ₦500,000 with evidence of appointment of compliance officer at management level.

5. Implement and approve annual AML/ CFT/CPF Training for all categories of employee.	Failure to implement an approved annual AML, CFT and CPF training for all categories of employees.	₦300,000	₦150,000	Where the violation becomes recurrent for more than two (2) years maximum penalty of ₦1,000,000 shall apply.
6. Internal Audit shall have the competency to conduct oversight of AML, CFT and CPF compliance function of the DNFBP.	Failure of the internal audit department to competently conduct oversight of the compliance function.	₦250,000	₦150,000	Where the violation becomes recurrent for more than two (2) years maximum penalty of ₦500,000 shall apply.
7. Inter Audit shall periodically review and conduct independent testing of compliance policies and procedures and follow up on the finding.	Failure of the Internal audit to periodically review and conduct independent testing of compliance policies and procedures and follow up on the finding.	₦150,000	₦100,000	For non-compliance for a period of six (6) months after examination, a fine of ₦500,000 with evidence of compliance.
8. Preparation and maintenance of records of observed deficiencies in the AML, CFT, and CPF policies and procedures of the DNFBPs and records of remedial actions taken by the Internal Audit.	Failure to prepare and maintain records of observed deficiencies in the AML, CFT and CPF policies and procedures of the DNFBPs and records of remedial actions.	₦100,000 and a warning letter.	₦50,000 and a warning letter.	Report to relevant SRO for further necessary sanctions.

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<p>9. Management or compliance Officer shall not override approved AML/CFT/CPF controls.</p>	<p>Override of AML/CFT/CPF controls by the management or compliance officer.</p>	<p>₦500,000</p>	<p>N250,000</p>	<p>Suspension of professional license for two years where the persons involved are licensed professionals and are employed in such professional capacity.</p>
<p>POLICIES AND PROCEDURES ON CUSTOMER DUE DILIGENCE</p>				
<p>10. Obtain information on beneficial owners in transactions where the customer is an intermediary or representative of another party in all circumstances or form such representation may take.</p>	<p>Failure to obtain information on beneficial owners in transactions where the customer is an intermediary or representative of another party in all circumstances or form such representation may take.</p>	<p>₦500,000</p>	<p>N250,000</p>	<p>A penalty of ₦1,000,000 shall apply if the violation becomes recurrent after one (1) year a SCUML examiner observed the violation.</p>
<p>11. Classification of Customers into Risk Categories and apply Customer Due Diligence accordingly.</p>	<p>Failure to classify customers into Risk Categories and apply Customer Due Diligence accordingly.</p>	<p>Warning letter.</p>	<p>Warning letter.</p>	<p>A penalty of N500,000 shall apply if the violation becomes recurrent after one (1) year a SCUML examiner observed the violation.</p>
<p>12. Put in place mechanism for monitoring of Politically Exposed Persons transactions</p>	<p>Failure put in place mechanisms to monitor transactions linked to PEPs.</p>	<p>₦500,000</p>	<p>N300,000</p>	<p>A penalty of N1,000,000 shall apply if the violation becomes recurrent after two (2) years that a SCUML examiner observed the violation Report to relevant SRO for additional punishment such as suspension, revocation or withdrawal of license.</p>

POLICIES AND PROCEDURES ON CUSTOMER DUE DILIGENCE				
13. Put in Place ML, TF and PF risk classification system in accordance with the National Risk Assessment and Risk Based Guidance issued by SCUML from time to time.	<ul style="list-style-type: none"> - Failure to classify ML, TF and PF risks. - Failure to put in place guidelines for risk assessment and profiling of customers. - Failure to carry out risk assessment and profiling of each customer. 	₦250,000	₦250,000	A penalty of ₦500,000 shall apply if the violation becomes recurrent after one (1) year a SCUML examiner observed the violation.
POLICIES AND PROCEDURES ON CUSTOMER DUE DILIGENCE				
14. Maintenance of records in a manner that permits reconstruction of individual transaction.	Failure to maintain record in a manner that permits reconstruction of individual transaction	₦300,000 and a warning letter.	₦200,000 and a warning letter	A penalty of ₦500,000 shall apply if the violation becomes recurrent after one (1) year a SCUML examiner observed the violationReport to relevant SRO for additional punishment such as suspension, revocation or withdrawal of license.

Note : These administrative sanctions shall separately apply for each infraction observed.

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[regulation 37 (1)]

FOURTH SCHEDULE
STANDARD DATA FORMS FOR CBTRs

STATUTORY REPORTING TEMPLATE FOR DNFBPs UNDER SECTION 3, 6 AND 11 OF THE MONEY LAUNDERING (PREVENTION AND PROHIBITION) ACT, 2022 AND ANY OTHER LAWS AND REGULATIONS												
SCUML Registration Name												
SCUML Registration Number												
Reporting Date												
Transaction Date	Customers/ Client Name	Mode of Transaction	Amount	Source Account Name/ Person	Source Account Number	Source Bank Name	Purpose of Transaction	Destination Account Name/ Person	Destination Account Number	Destination Bank Name		

EFCC - SCUML - 001

Made at Abuja this 7th day of November, 2022.

ABUBAKAR MALAMI, SAN
*Honourable Attorney-General of the Federation
and Minister of Justice*

EXPLANATORY NOTE

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

These Regulations seek to provide implementation guidelines for the registration and effective supervision of Designated Non-Financial Businesses and Professions (DNFBPs), make provisions for administrative sanctions for DNFBPs, strengthen the existing system for combating money laundering, terrorists financing and proliferation financing against weapons of mass destruction, make provisions for developing sector specific guidelines for supervision of DNFBPs, and develop and enhance compliance culture and strategy for DNFBPs.