



**PROGRESS REPORT BY THE SEC ON IMPLEMENTATION OF THE
ROAD-MAP FOR ADDRESSING DEFICIENCIES IN NIGERIA'S
MUTUAL EVALUATION REVIEW (MER)**

PRESENTED AT THE 2022 FIRST CMC MEETING

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BY

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BACKGROUND



- The Second Mutual Evaluation Review (MER) for the Federal Republic of Nigeria was conducted from September 23 to October 14, 2019.
- Nigeria's final report was published in August, 2021 where the country was rated poorly for both technical compliance and effectiveness.
- These poor ratings automatically placed Nigeria on GIABA's Enhanced Follow-up Process, whereby the country is expected to report its progress every year.
- Consequent upon her placement of the Enhanced Follow-up Process, Nigeria was also referred to the International Cooperation Review Group (ICRG) process of the Financial Action Task Force (FATF). Under this process, the country was given one (1) year observation period to address its deficiencies or stand the risk of being publicly placed on the "Grey List" Jurisdictions.
- This may further be escalated to FATF list of 'High Risk' jurisdictions (i.e., black list).
- The ICRG may also call for counter-measures to protect the global financial system against the country if the action plan is not effectively implemented.

NATIONAL IMPLEMENTATION ROADMAP (IR)



89 Recommended Actions and 301 Associated Tasks to be accomplished by October, 2022.

S/N	IMMEDIATE OUTCOME/MER RATING	MER RECOMMENDED ACTIONS & ASSOCIATED TASKS	CAPITAL MARKET Actions/Tasks	PRIORITY
1.	IO1-Risk, Policy and Coordination [MER Rating: Low]	10/40	18	Majority high
2	IO2 – International Cooperation [MER Rating: Low]	11/31	10	Majority high
3.	IO3-Supervision [MER Rating: Moderate]	15/52	30	Majority high
4.	IO4-Preventive Measures for FIs and DNFBPs [MER Rating: Low]	11/30	14	Majority high
5.	IO5-Transparency of Legal Persons and Arrangement [MER Rating: Low]	8/21	3	High/medium
6.	IO6-Financial Intelligence [MER Rating: Moderate]	7/30	11	High/medium
7.	IO7-ML Investigations and Prosecutions [MER Rating: Low]	8/15	-	High
8.	IO8 - Confiscation [MER Rating: Low]	5/12	-	High
9.	IO9-TF Investigations and Prosecutions [MER Rating: Low]	5/27	-	High
10.	IO10-Preventive Measures and Financial Sanctions [MER Rating: Low]	5/30	6	High/Medium
11.	IO11- Proliferation Finance Sanctions [MER Rating: Low]	4/13	4	High/medium
	Aggregate number of Recommended Actions/Associated Tasks	89/301	96	

CAPITAL MARKET ACTION PLAN



1. Review of AML/CFT Regulations
2. Review of AML/CFT structure
3. Automation/Fintech
4. Implementation of the UNSCRs
5. Advisories and Circulars
6. ML/TF/PF Risk Assessment
7. Market wide sensitization/capacity building
8. Typologies
9. RBS Onsite Examinations
10. MOUs
11. Collaboration & Engagement with Key Stakeholders

CREATION OF CAPITAL MARKET WORK STREAMS



**Legislative/Regulatory
Amendments**

**Assessment of
inherent ML/TF/PF
Risks in the activities
of Core CMOs**

**Inherent ML/TF/PF
Risk in the
activities of Non-
Core CMOs**

**Capital Market
Products and Delivery
Channels**

**Risk Profiling of
CMOs/Impact
Analysis**

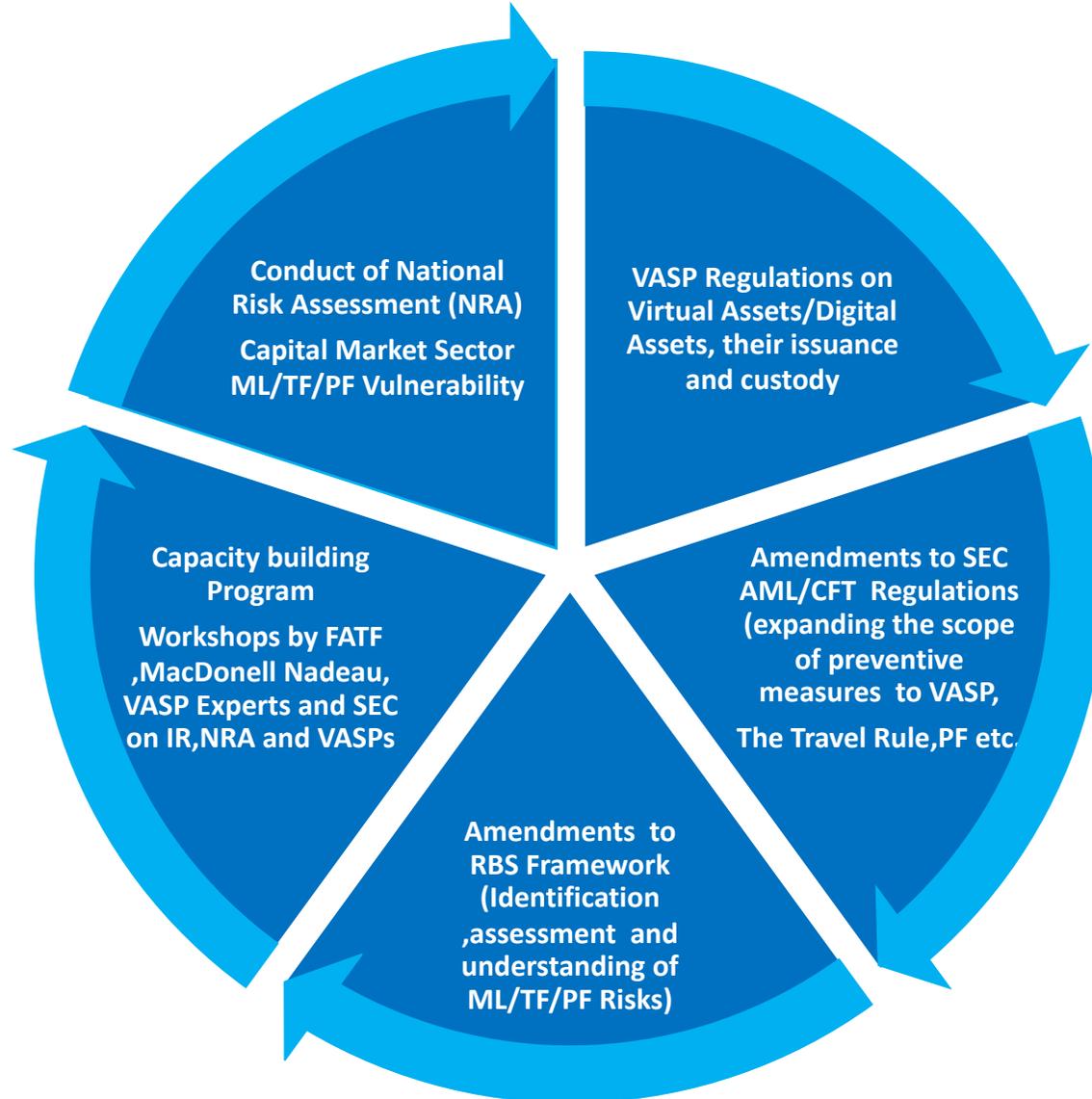
**Risk-Based
Examination**

**Capacity
Building/Sensitization
on ML/TF/PF**

Typologies

**Data Mgt.
& Statistics**

SEC ACHIEVEMENTS



Conduct of National Risk Assessment (NRA)
Capital Market Sector
ML/TF/PF Vulnerability

VASP Regulations on Virtual Assets/Digital Assets, their issuance and custody

Amendments to SEC AML/CFT Regulations (expanding the scope of preventive measures to VASP, The Travel Rule, PF etc)

Amendments to RBS Framework (Identification, assessment and understanding of ML/TF/PF Risks)

Capacity building Program
Workshops by FATF, MacDonell Nadeau, VASP Experts and SEC on IR, NRA and VASPs

GLOBAL FIGHT

The fight against ML/TF/PL is a global fight, it needs the collaboration of all stakeholders in order to fight the menace. It is, therefore, important for both Regulators and Regulated entities to work as a team in order to protect our system by ensuring that proceeds of crimes and terrorism acts are not injected into the financial system through the Capital Market to disguise their nature. The SEC urges concerted efforts in this GLOBAL war which cannot be won without dedication, team work, domestic and international cooperation by all.

