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CIRCULAR TO ALL BANKS AND OTHER FINANCIAL INSTITUTIONS

REMINDER TO ADDRESS AML/CFT ISSUES

In view of the surge in reported cases of fraud and forgeries in Nigerian banks and other financial institutions and the recent alert by the Financial Intelligence Bureau (FIB), it has become imperative for operators to be reminded of the need to faithfully implement the various provisions of the Anti-Money Laundering/CFT Guidance for financial institutions in Nigeria and all other related legislation.

Further to our circular Ref: CBN/3/2009/001 of March 19, 2009 on the **CBN AML/CFT Compliance Manual**, banks and other financial institutions are reminded to:

1. Conduct **enhanced due diligence (CDD)** particularly where doubts arise as to previously obtained CDD information for occasional transactions above USD 5,000 that are not cash-based, where there is a suspicion of terrorist financing and on wire transfers for occasional transactions;
2. Apply the guidance for enhanced CDD and ongoing due diligence procedures on non face-to-face customers;
3. Provide evidence of having requested that proper due diligence be conducted on third parties based abroad where FATF standards for CDD requirements apply.
4. Provide evidence of having preserved information and complied with other record-keeping requirements by law and regulation.
5. Show evidence that the CCOs are as operationally independent as possible.
6. Evidence to confirm that BDCs do not allow their members and officers to operate in an un-orthodox manner of soliciting for funds indiscriminately outside their registered places of operation.
7. Keep evidence showing that BDCs take steps to verify the identification information obtained from their customers and comply with the CDD requirements on the subject.
8. Maintain evidence that BDCs carry out CDD measures themselves and retain the required CDD information in compliance with the CBN AML/CFT Compliance Manual, rather than relying on their agents to do so.

**D.A.N. EKE
ACTING DIRECTOR OF BANKING SUPERVISION**