



**ANTI MONEY LAUNDERING, TERRORIST
FINANCING, PREVENTIVE MEASURES, AND
PROCEEDS OF CRIME ACT, 2021**

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REPUBLIC OF LIBERIA

**ANTI MONEY LAUNDERING, TERRORIST FINANCING, PREVENTIVE
MEASURES, AND PROCEEDS OF CRIME ACT, 2021**

It is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature Assembled:

Chapter 15 Offenses Against Property

**Sub-chapter G. Money Laundering, Terrorist Financing, Preventive Measures, and
Proceeds of Crime**

§15.1 GENERAL PROVISIONS

§15.1.1 Repealer

§15.1.2 Short Title

§15.1.3 Amendment

§15.1.4 Definitions

§15.1.5 National AML/CFT Inter-Ministerial Committee (IMC)

§15.1 GENERAL PROVISIONS

§15.1.1 Repealer

The “Anti-Money Laundering and Terrorist Financing Act, 2012” is hereby repealed and replaced with the “Anti-Money Laundering, Terrorist Financing, Preventive Measures, and Proceeds of Crime Act, 2021”.

§15.1.2 Short Title

This Act may be cited as the “Anti-Money Laundering and Countering Financing of Terrorism Act” or the “AML/CFT Act”.

§15.1.3 Amendment

Sub-Chapter G Prevention of Money Laundering, Chapter 15 Offenses Against Property of the Penal Law, Title 26 of the Liberian Code of Laws Revised, is hereby amended to be entitled Sub-Chapter G Money Laundering, Terrorist Financing, Preventive Measures, and Proceeds of Crime; and to read as follows

§15.1.4 Definitions

As used in this Subchapter, unless the context otherwise requires:

- (1) “AML/CFT” means anti-money laundering and countering or combating the financing of terrorism.

- (2) "Account" includes any facility or arrangement by which a financial institution or a designated non- financial business and profession does any of the following:
 - (a) accepts deposits of funds or other assets;
 - (b) allows withdrawals or transfers of funds or other assets;
 - (c) pays negotiable or transferable instruments or orders drawn on, or collects negotiable or transferable instruments or payment orders on behalf of, any other person;
 - (d) any facility or arrangement for a safety deposit box or for any other form of safe deposit; and
 - (e) Such other facility or arrangement applicable to reporting entities covered by this Act.
- (3) "Bearer negotiable instrument" includes monetary instruments in bearer form such as travelers' checks, negotiable instruments, including checks, promissory notes and money orders, that are either in bearer form, endorsed without restriction, made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery; incomplete instruments including checks, promissory notes and money orders, signed but with the payee's name omitted; and other instruments that have monetary value including precious metals and stones.
- (4) "Benefit" includes an advantage, gain, profit, or payment of any kind, and the benefits that a person derives or obtains or that accrue to him include those that another person derives, obtains or that otherwise accrue to such other person, if the other person is under the control of, or is directed or requested by the first person.
- (5) "Beneficial owner" means a natural person who, directly or indirectly, owns or controls or directs or influences a customer, an account, or the person on whose behalf a transaction is conducted, or exercises effective control over a legal person or legal arrangement or remains as an ultimate beneficiary or owner of such activities.
- (6) "Business relationship" means an association between individuals and or companies entered into for commercial purposes.
- (7) "Currency" includes the coin and paper money of Liberia, or of a foreign country, that is designated as legal tender or is customarily used and accepted as a medium of exchange.
- (8) "Currency Transaction Report (CTR)" means a report required to be filed under Section 15.3.21 of this Act.
- (9) "Customer" in relation to a transaction or an account includes:
 - (a) the person in whose name a transaction or account is arranged, opened or undertaken;
 - (b) a signatory to a transaction or account;
 - (c) any person to whom a transaction has been assigned or transferred;
 - (d) any person who is authorized to conduct a transaction or control an account; or

- (e) any other person as may be prescribed.
- (10) "Customer Due Diligence (CDD)" refers to measures taken by a financial institution and DNFBPs to identify customers and include them in the appropriate risk category.
- (11) "Designated non-financial businesses and professions (DNFBPs)" includes any of the following:
- (a) games of chance (entities engage in sports betting activities), casinos, internet casinos, and lottery;
 - (b) real estate agents, real estate developers and construction entities;
 - (c) dealers in high value items including precious metals and stones, automobiles, antiques and other high value items;
 - (d) Hospitality service providers including accommodation, restaurant and night club/bar, travel and tourism, and other hospitality service providers;
 - (e) accountants, accounting firms, lawyers, law firms, notaries and other independent professionals when they prepare for, engage in, or carry out transactions for a client concerning any of the following:
 - (i) buying and selling of real estate;
 - (ii) managing of client money, securities or other assets;
 - (iii) management of bank, savings or securities accounts;
 - (iv) organization of contributions for the creation, operation or management of legal persons; or
 - (v) creation, operation or management of legal persons or arrangements, and buying and selling of business entities.
 - (f) trust and company service providers not otherwise covered by this law which, as a business, prepare for or carry out transactions on behalf of customers in relation to any of the following services to third parties:
 - (i) acting as a formation, registration or management agent of legal persons;
 - (ii) acting as or arranging for another person to act as a director or secretary of a company or a partner of a partnership, or to hold a similar position in relation to other legal persons;
 - (iii) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;

- (iv) acting as, or arranging for another person to act as a trustee of an express trust or other similar arrangement; or
 - (v) acting as or arranging for another person to act as, a nominee shareholder for another person and such other businesses and professions as may be prescribed by regulation by a competent authority.
 - (g) Nonprofit or Non-for-Profit or Non-Government Organizations including civil society organization, charitable or humanitarian organizations, foundations, churches, and other entities registered or classified as such.
 - (h) Any other activities or operations set out in regulations by the Financial Intelligence Agency, the Minister of Justice or the Minister of Finance and Development Planning or the Executive Governor of the Central Bank of Liberia.
- (12) "Document" includes record or information kept in any form including:
- (a) written, drawn, presented, or memorialized representation of thought;
 - (b) anything on which there are marks, figures, symbols or perforations having a meaning for persons qualified to interpret them;
 - (c) anything from which sounds, images or writings can be reproduced with or without the aid of anything else; or
 - (d) maps, plans, drawings or photographs.
- (13) "Effective control" describes the power that the person or position has within an organization.
- (14) "Financial institution" includes any person or entity that conducts as a business one or more of the activities listed below for or on behalf of a customer:
- (a) acceptance of deposits and other repayable funds from the public;
 - (b) lending including, but not limited to, consumer credit, mortgage credit, factoring (with or without recourse) and financing of commercial transactions, including forfeiting;
 - (c) financial leasing other than with respect to arrangements relating to consumer products;
 - (d) the transfer of money or value;
 - (e) issuing and managing means of payment, including, but not limited to, credit and debit cards, checks, travelers' checks, money orders and bankers' drafts, and electronic money;
 - (f) issuing financial guarantees and commitments;
 - (g) trading in:

- (i) money market instruments, including, but not limited to, checks, bills, certificates of deposit and derivatives;
 - (ii) foreign exchange;
 - (iii) exchange, interest rate and index instruments;
 - (iv) transferable securities; and
 - (v) commodity futures trading;
- (h) participation in securities issues 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 other persons;
 - (k) investing, administering, or managing funds or money on behalf of other persons;
 - (l) underwriting and placement of life insurance and other investment-related insurance, including insurance intermediation by agents and brokers; and
 - (m) money and currency changing;
 - (n) any other activities or operations in consultation with the Central Bank and FIA head.
- (15) “Freezing” means to prohibit the transfer, conversion, disposition or movement of funds or other assets on the basis of and for the duration of the validity of an action initiated by a court order or a freeze ordered under the Targeted Financial Sanctions regime which prohibits the transfer, conversion, disposition or movement of any funds or other assets that are owned or controlled by designated persons or entities on the basis of, and for the duration of the validity of, an action initiated by the United Nations Security Council, the Targeted Financial Sanctions Act of 2016, or in accordance with applicable Security Council resolutions by a competent authority or a court.
- (16) “Funds or other property” includes assets, economic resources, property of every kind, whether tangible or intangible, corporeal or incorporeal moveable or immovable, however acquired, wherever located and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such other assets, economic resources or property, including but not limited to currency, bank credits, deposits and other financial resources, travelers checks, bank checks, money orders, shares, securities, bonds, drafts or letters of credit, and any interest in, dividends or other income on or value accruing from or generated by, in full or in part, any such other assets, economic resources or property. This includes funds or other property wherever located.
- (17) “Instrumentality” includes any property used or intended to be used, in any manner, wholly or in part to commit a predicate offense and is deemed to include property of or available for use by a terrorist organization.
- (18) “Interest” in relation to property, includes:

- (a) a legal or equitable estate or interest in the property; or
 - (b) a right, power or privilege in connection with the property;
- (19) “Legal arrangement” refers to express trusts or other similar legal arrangements.
- (20) “Money laundering” includes the offense of money laundering as defined herein.
- (21) “Originator” refers to the account holder who allows the wire transfer from that account, or where there is no account, the natural or legal person that places the order with the ordering financial institution to perform a wire transfer.
- (22) “Politically-Exposed Persons” refers to any person who falls within the following categories:
- (a) Domestic politically exposed person means any person who is or has been entrusted with a prominent public function in Liberia, including but not limited to a Head of State or Head of Government, a senior politician, a senior Government, judicial or military official, senior executives of state-owned corporations and important political party officials.
 - (b) Foreign Politically exposed person means any person who is or has been entrusted with a prominent public function by a foreign country, for example Heads of State or Heads of government, senior politicians, senior government, judicial, or military officials, senior executives of state-owned corporations, or senior political party officials.
 - (c) International political exposed person means any person who is or have been entrusted with prominent public functions by international organizations, which includes members of senior management, including directors, deputy directors, and members of the board or other equivalent functions are also referred to as PEPs.
 - (d) Family members and close associates of persons referred to in (a), (b) and (c) above.
- (23) “Predicate offence” means an offence as listed in Section 15.2.2 of this Act.
- (24) “Proceeds of crime” includes instrumentalities or any property or economic advantage derived from or obtained directly or indirectly through the commission of a predicate offense, or in connection therewith. It shall include economic gains from the property and property converted or transformed, in full or in part, into other property.
- (25) “Property” means the definition of funds or other property as defined above.
- (26) “Record” includes any material on which information is recorded or marked and which is capable of being read or understood by a person, or by an electronic system or other device.
- (27) “Reporting Entity” means a financial institution, a designated non-financial business and profession and Virtual Assets Service Provided (VASP)

- (28) "Shell bank" includes a bank that has no physical presence in the country in which it is incorporated and licensed, unless such bank is wholly owned by one or more financial institutions forming part of a regulated financial services group that is subject to effective consolidated supervision.
- (29) "Significant shareholding" refers to any person who beneficially owns directly, or indirectly, through entities controlled by such person(s) associated with or acting jointly or in concert with such person, shares or any class of the corporation in excess of ten percent (10%) of the total number of outstanding shares of that class.
- (30) "Supervisor or Supervisory Agency" means a competent authority responsible for licensing or supervising financial institutions, DNFBPs and non-profit organizations or for ensuring their compliance with requirements to combat money laundering and terrorism financing and the proliferation of weapons of mass destruction.
- (31) "Suspicious Transaction Report (STR)" means any report required to be made by reporting entities pursuant to Section 67.1 of the Financial Intelligence Agency Act.
- (32) "Transaction" includes a purchase, sale, loan, pledge, gift, transfer, delivery or other disposition, or the arrangement thereof, and includes but is not limited to:
- (a) an opening of an account;
 - (b) any deposit, withdrawal, exchange or transfer of funds in any currency whether in cash or by check, payment order or other instrument or by electronic or other non-physical means;
 - (c) the use of a safety deposit box;
 - (d) entering into any fiduciary relationship;
 - (e) Any payment made or received in satisfaction, in whole or in part, of any contractual or other legal obligation;
 - (f) any payment made in respect of a lottery, bet or other game of chance;
 - (g) establishing or creating a legal person or legal arrangement; or such other transaction as may be prescribed.
- (33) "Terrorist" is defined as contained in Section 3.6 of the Liberia Anti-Terrorism Act.
- (34) "Terrorist Act" is defined as contained in Section 3.7 of the Liberia Anti-Terrorism Act.
- (35) "Terrorist Organization" is defined as contained in Section 3.9 of the Liberia Anti-Terrorism Act.
- (36) "Wire transfer" includes any transaction carried out on behalf of an originator person 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 beneficiary may be the same person.

(37) “Virtual Assets Service Providers (VASPs)” refers to any natural or legal person not covered under this law and as a business entity conduct one or more of the following activities or operations for or on behalf of another natural or legal person:

- a) Exchange between virtual assets and Fiat currencies
- b) Exchange between one or more forms of virtual assets
- c) Transfer of virtual assets
- d) Safe-keeping and/or administration of virtual assets or instruments enabling control over said virtual assets; and
- e) Participation in and provision of financial services related to an issuer’s offer and/or sale of a virtual asset.

In this context of virtual assets, transfer means to conduct a transaction on behalf of a natural or legal person that moves a virtual asset from one virtual asset address or account to another.

§15.1.5 National AML/CFT Inter-Ministerial Committee (IMC)

§15.1.5.1. Establishment of the IMC.

There is hereby established a National AML/CFT Inter-Ministerial Committee (IMC) which shall be appointed by the President of Liberia and shall comprise the heads or a deputy designated in writing by the head of the below listed institutions:

- a. Ministry of Justice as the Chairman
- b. Ministry of Finance Development Planning as the Vice Chairman
- c. Director General of the FIA as the Secretary General
- d. Central Bank of Liberia member
- e. Ministry of Foreign Affairs as a member
- f. Ministry of Commerce and Industry as a member
- g. Ministry of Mines and Energy as a member
- h. Ministry of Labor as a member
- i. Ministry of Transport as a member
- j. Liberia Revenue Authority as a member
- k. Liberian Anti-Corruption Commission as a member
- l. National Lottery Authority as a member
- m. Liberia Business Registry as a member
- n. Liberia National Police as a member
- o. Liberia Immigration Service as a member
- p. Liberia Drug Enforcement Agency as a member
- q. National Security Agency as a member

§15.1.5.2. *Functions and Powers of the IMC.*

- (1) The IMC shall:
 - (a) serve as the central coordinating body for the formulation of national AML/CFT policies and strategies necessary for the achievement of the objectives of the anti-money laundering and countering or combating the financing of terrorism laws and the combating of the financing of the proliferation of weapons of mass destruction;
 - (b) give directions, oversee and monitor the implementation of anti-money laundering and financing of terrorism and the financing of proliferation of weapons of mass destruction policies and strategies, including the National Risk Assessment.
 - (c) Collect and analyse statistics and other information from competent authorities to assess the effectiveness of the national AML/CFT system;
 - (d) oversee and monitor the effective implementation of AML/CFT measures by AML/CFT stakeholders in accordance with AML/CFT laws and regulations, international standards and recommended practices;
 - (e) facilitate the coordination and cooperation between AML/CFT stakeholders;
 - (f) establish operational working groups to assist in the implementation of anti-money laundering and financing of terrorism and the financing of proliferation of weapons of mass destruction policies and strategies and measures, including the National Risk Assessment.
- (2) The FIA shall act as the secretariat of the IMC.
- (3) The IMC shall issue regulations to establish its internal structure and work procedures.

§15.2 MONEY LAUNDERING AND TERRORIST FINANCING OFFENSES

§15.2.1 Money Laundering Offenses

§15.2.2 Predicate Offenses for Money Laundering

§15.2.3 Terrorist Financing Offenses

§15.2 MONEY LAUNDERING AND TERRORIST FINANCING OFFENSES

§15.2.1 Money Laundering Offenses

(1) Offense of Money Laundering: a person or body corporate or other legal entity commits the offense of money laundering if that person knowing or having reason to believe or suspect that property, is the proceeds of crime:

- (a) converts or transfers the property for the purpose of concealing or disguising the illicit origin of that property, or of aiding any person involved in the commission of the criminal conduct to evade the legal consequences of the conduct;
- (b) conceals or disguises the true nature, origin, location, disposition, movement or ownership of or rights with respect to, the property;
- (c) acquires, possesses or uses the property;
- (d) engages directly or indirectly in any transaction which involves the property;
- (e) receives, possesses, conceals, disguises, transfers, converts, disposes of, removes from or brings the property into Liberia; or
- (f) Participates in, associates with or conspires to commit, attempts to commit or aids, abets or facilitates or counsels the commission of any of the above acts.

2) Grading. The offense of money laundering shall be punishable as a first-degree felony.

§15.2.2 Predicate Offenses for Money Laundering

(1) Predicate offenses for money laundering are those criminal offences and/or acts, which result in the generation of proceeds. Predicate offenses include, but are not limited to the following criminal acts, which may be found in the Penal Law or other laws of Liberia:

- (a) participation in an organized criminal group and racketeering;
- (b) terrorism, including terrorist financing;
- (c) trafficking in human beings and migrant smuggling;
- (d) sexual exploitation, including sexual exploitation of children;
- (e) illicit trafficking in narcotic drugs and psychotropic substances;

- (f) illicit arms trafficking;
- (g) theft, and illicit trafficking in stolen and other goods;
- (h) corruption and bribery;
- (i) fraud;
- (j) counterfeiting currency;
- (k) counterfeiting and piracy of products;
- (l) environmental crime;
- (m) murder, grievous bodily injury;
- (n) kidnapping, illegal restraint and hostage-taking;
- (o) robbery or theft;
- (p) smuggling; (including in relation to customs and excise duties and taxes);
- (q) extortion;
- (r) forgery;
- (s) piracy;
- (t) insider trading and market manipulation;
- (u) tax evasion;
- (v) Tax fraud and other tax crimes (including those related to direct or indirect taxes); and
- (w) Illicit trade in other goods.

§15.2.3 Terrorist Financing Offenses

- (1) Offense of Terrorist Financing: a person commits the offense of terrorist financing if he/she/it purposely, or knowingly, and directly or indirectly, provides or collects funds or assets however acquired or attempts to do so with the intention that said funds or assets should be used or in the knowledge that said funds or assets are to be used in whole or in part:
 - (a) to carry out a terrorist act, attempted terrorist act, participation in a terrorist act, or in offenses ancillary to terrorist act;
 - (b) to facilitate that person's activities related to terrorists acts or membership in a terrorist organization;

- (c) to fund a known or suspected terrorist for any purpose whatsoever; and
 - (d) to fund a terrorist group or terrorist organization.
- (2) Offense: a person or entity commits the offense of terrorist financing if he/she/it:
- (a) participates as an accomplice in a terrorist finance or offense or attempted offense;
 - (b) organize or directs others to commit a terrorist financing offense or attempted offense;
 - (c) contributes to the commission of one or more terrorist financing offense(s) or attempted offense(s), by a group of persons acting with a common purpose.
 - (d) Such contribution shall be intentional and shall either:
 - (i) be made with the aim of furthering the criminal activity or criminal purpose of the group, where such activity or purpose involves the commission of a terrorist financing offense; or
 - (ii) be made in the knowledge of the intention of the group or organization to commit a terrorist financing offense.
- (3) Offense: a person or entity commits the offense of terrorist financing if he/she/it commits the following acts ancillary to terrorist act:
- (a) aiding, abetting, counselling, or procuring the commission of a terrorist financing offense;
 - (b) inciting a person to commit a terrorist financing offense;
 - (c) attempting to conspire to commit a terrorist financing offense; or
 - (d) assisting an offender or concealing the commission of a terrorist financing offense.
- (4) An offense of terrorist financing is deemed to have been committed whether or not the person in subsections 1, 2, and 3 is located in the same State as the State in which the terrorist group or organization is located or whether where the terrorist act is intended to occur or occurs.
- (5) Defense precluded shall be no defense under this Act that the purported terrorist act was never commenced or consummated or that the funds were never collected or that the funds were never utilized for the stated purpose or that the funds cannot be aligned to a specific terrorist act. Additionally, proof of intent and knowledge shall be inferred from the objective factual circumstances.
- (6) Grading: Upon conviction, the offense of terrorist financing shall be punishable as a first-degree felony, and the convicted felon shall be sentenced to a minimum of ten (10) years and a maximum of twenty (20) years.

§15.3 PREVENTIVE MEASURES

- §15.3.1 Risk Assessment**
- §15.3.2 Customer Due Diligence Requirements**
- §15.3.3 On-going Due Diligence**
- §15.3.4 Enhanced Customer Due Diligence**
- §15.3.5 Simplified Customer Due Diligence**
- §15.3.6 Inability to Fulfill Customer Identification Obligations**
- §15.3.7 Politically-Exposed Persons (PEP)**
- §15.3.8 Identification and Account-opening for Cross-border Correspondent Relationships**
- §15.3.9 Reliance on Identification by Third Parties**
- §15.3.10 New Products, Technologies and Non face to face Business Relationships**
- §15.3.11 Obligations regarding Wire Transfers**
- §15.3.12 Internal Controls to Combat Money Laundering and Terrorist financing**
- §15.3.13 Compliance with Obligations by Foreign Subsidiaries and Branches**
- §15.3.14 Higher Risk Countries**
- §15.3.15 Obligations of Trustees**
- §15.3.16 Record-keeping**
- §15.3.17 Prohibition against Shell Banks**
- §15.3.18 Prohibition Against Anonymous and Numbered accounts**
- §15.3.19 Overriding of Secrecy**
- §15.3.20 Obligation to Report Suspicious Transactions**
- §15.3.21 Obligation to Report Currency Transactions and other Reports**
- §15.3.22 Prohibition against Tipping-off**
- §15.3.23 Exemption from Liability for Good Faith Reporting of Suspicious Transactions and Exemptions for Legal and Other Privilege**
- §15.3.24 Inapplicability of Confidentiality Provisions and Protection of Identity of Persons and Information relating to STRs**
- §15.3.25 Structuring offense**
- §15.3.26 Responsibilities in relation to TFS Act and Regulations**
- §15.3.27 Authorities Responsible for Supervision**
- §15.3.28 Powers, Duties and Responsibilities of Supervisors (including supervision of VASPs)**
- §15.3.29 Administrative Sanctions**
- §15.3.30 Transitional Measures for Proceeds of Crime and the prohibition of Financing the Proliferation of Weapon of Mass destruction**

§15.3 PREVENTIVE MEASURES

§15.3.1M Risk Assessment

- (1) Reporting entities shall identify, assess and monitor their money laundering and terrorism financing risks, including those for pre-existing customer, products, services, geographic location and delivery channel mechanisms.
- (2) Such assessments shall take into account customer, geographic area, product, service, transaction and means of delivery risk factors and shall be proportionate to the nature and size of the reporting entity's business and take into account the outcome of any risk assessment carried out at a national or sectoral level, and any regulatory guidance issued.

- (3) Reporting entities shall employ a risk-based approach to the management and mitigation of their money laundering and terrorism financing risks. For the purpose of implementing such an approach they shall develop internal policies and procedures that are designed to manage and mitigate the money laundering and terrorism financing risks identified pursuant to subsection (1), and that comply with the requirements of this Act and the regulations;
- (4) Reporting entities shall apply enhanced CDD measures where the money laundering and terrorism financing risks are found to be high and may, subject to the Act and the regulations, apply simplified CDD measures to be applied where such risks are found to be low.
- (5) Reporting entities shall document the risk assessment in writing, keep it up to date and make it available to relevant supervisory authorities and self-regulatory bodies upon appropriate request.
- (6) Prior to the launch of a new product or business practice or the use of a new or developing technology, reporting entities shall identify and assess the money laundering or terrorism financing risks that may arise in relation to such new products, delivery channel or mechanisms or business practices, or new or developing technologies for new products, and take appropriate measures to manage and mitigate these risks.

§15.3.2 Customer Due Diligence Requirements

- (1) Reporting entities shall not establish or maintain anonymous account or account in fictitious name.
- (2) Reporting entities shall undertake customer due diligence measures by means of reliable and independent source documents or information, and in the following circumstances:
 - (a) When opening an account for or otherwise establishing a business relationship with a customer.
 - (b) Where a customer who is neither an account holder nor in an established business relationship with the reporting entity wishes to carry out:
 - (i) a transaction in an amount equal to or above the prescribed amount:
 - (A) whether conducted as a single transaction or several transactions that appear to be linked; or
 - (B) a wire transfer in the amount equal to or above the designated amount.
 - (ii) Whenever doubts exist about the veracity or adequacy of previously obtained customer identification information.
 - (iii) Whenever there is a suspicion of money laundering or terrorism financing involving the customer or the customer's account.
- (3) Reporting entities shall apply the following customer due diligence measures:

- (a) Identify the customer and verify the customer's identity as follows, using reliable, independent source documents, data or information:
- (i) For a customer that is a natural person, obtain and verify the full legal and any other names, telephone number and email address, permanent address, date and place of birth, nationality, occupation, public position held and/or name of the employer, official personal identification number or other unique identifier contained in an unexpired official document that bears a photograph of the customer, and signature.
 - (ii) For a legal arrangement or customer that is a legal person, obtain and verify the name, legal form, status and proof of existence, provisions governing the authority to regulate and bind the legal person or legal arrangement; the names of any director, or other person holding a senior management position in the legal entity or legal arrangement; and the address of the registered office or principal place of business and for a trust, the trustee, protectors and beneficiaries of a trust.
 - (iii) Identify and verify the identity of any person purporting to act on behalf of the customer, and verify that such person is properly authorized to act in that capacity and should identify and verify the identity of that person.
 - (iv) Understand and, obtain information on the purpose and intended nature of the business relationship.
 - (v) Identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner so that the reporting entity is satisfied it knows who the beneficial owner is.
 - (vi) To determine the beneficial owner of a customer, reporting entities shall:
 - (A) for customers that are legal persons, obtain and take reasonable measures to verify:
 - (i) the identity of any natural person(s) who ultimately owns or controls a legal entity by directly or indirectly owning more than applicable percentage threshold of the shares or voting rights or ownership interests in the legal person, including through bearer share holdings, trust arrangements or other means; or
 - (ii) if there is doubt under (A)(i) as to whether the person(s) with controlling ownership interests are the beneficial owner(s), or where no natural person under (A)(i) is identified, the identity of the natural person(s) exercising ultimate effective control over the legal person through other means; or
 - (iii) where no natural persons are identified under (A)(i) or (A)(ii), the identity of the natural person(s) who hold the position of senior managing official.

- (B) for legal arrangements, obtain and take reasonable measures to verify:
 - (i) For trusts, the identity of the settlor, the trustee(s), the protector if any, the beneficiaries or where the individuals that benefit from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates, and any other natural person directly or indirectly exercising ultimate effective control over the trust, including through a chain of control or ownership; and
 - (ii) For other types of legal arrangements similar to trusts, the identity of the natural persons holding equivalent or similar positions as those indicated above.
- (C) For life and other investment related insurance business, in addition to applying regular identification and verification measures to customers and beneficial owners, undertake the following measures as soon as beneficiaries of life or investment related insurance policies are identified or designated:
 - (i) For beneficiaries that are identified as specifically named natural or legal persons or legal arrangements, take the name of that person;
 - (ii) For beneficiaries that are designated by characteristics or class, or by other means, obtain sufficient information concerning the beneficiaries to satisfy the life or investment related insurance business that it will be able to establish the identity of the beneficiary at the time of the pay-out; and
 - (iii) In all cases, verify the identity of the beneficiaries at the time of the pay-out
- (D) An insurance company or other reporting entity shall take reasonable measures to determine, prior to the time of pay-out, whether the beneficiary of a life or other investment related insurance policy or the beneficial owner of the beneficiary of such a policy is a politically exposed person and, in case of a higher risk, shall:
 - (i) Inform senior management before the pay-out of the policy proceeds; and
 - (ii) Conduct enhanced scrutiny on the whole business relationship with the policyholder and consider filing a report to FIA where there is suspicion of money laundering or terrorist financing.
- (4) With respect to each customer and business relationship, when applying customer due diligence measures reporting entities shall take into account the outcome of the risk assessment required to be carried out.
- (5) This law applies to all existing customers when financial institutions are carried out due diligence measures.

§15.3.3 On-going Due Diligence

A reporting entity shall:

- (1) conduct ongoing due diligence employing a risk-based approach on the business relationship and transactions with its customers;
- (2) conduct ongoing scrutiny of any transaction undertaken throughout the course of the business relationship with a customer to ensure that any transaction that is being conducted is consistent with the reporting entity's knowledge of the customer, the customer's business and risk profile, including, where necessary, the source of funds.
- (3) pay special attention and examine as far as possible the background and purpose of all complex, unusually large transactions and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose or from a customer in a country or area that lacks satisfactory measures to combat acts of money laundering or terrorist financing.

§15.3.4 Enhanced Customer Due Diligence

- (1) Reporting entities shall examine, as far as reasonably possible, the background and purpose of all complex, unusual large transactions, and all unusual patterns of transactions, which have no apparent economic or lawful purpose. The findings shall be maintained in writing in client files and shall be made available promptly if requested by the FIA or competent supervisory authority that should have access.
- (2) Where the risks identified are higher, the reporting entity shall apply enhanced customer due diligence measures consistent with the risks identified.
- (3) Enhanced due diligence measures that reporting entities shall apply include but are not limited to:
 - (a) increase the degree and nature of monitoring of the business relationship to determine whether those transactions or activities appear unusual or suspicious;
 - (b) Obtaining additional information on the customer (e.g. occupation, volume of assets, information available through public databases, internet, etc.), and updating more regularly the identification data of customer and beneficial owner;
 - (c) Obtaining additional information on the intended nature of the business relationship;
 - (d) Obtaining information on the source of funds or source of wealth of the customer;
 - (e) Obtaining information on the reasons for intended or performed transactions;
 - (f) Obtaining the approval of senior management to commence or continue the business relationship;
 - (g) Conducting enhanced monitoring of the business relationship, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination;

- (h) Requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar CDD standard.
- (4) Supervisory authorities shall issue regulations with respect to additional enhanced due diligence measures or variations to be undertaken by reporting entities.

§15.3.5 Simplified Customer Due Diligence

- (1) Reporting entities may apply simplified customer due diligence procedures to customers that have been identified as low risk through a documented risk assessment conducted pursuant to §15.3.1 of this Act. This risk assessment should be kept up to date.
- (2) The simplified customer due diligence measures should commensurate with the risk factors and should include, but are not limited to the following:
 - (a) Reducing the frequency of customer identification updates;
 - (b) Reducing the degree of on-going monitoring and scrutinizing transactions;
 - (c) Not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship.
- (3) Reporting organizations shall not apply simplified customer due diligence measures whenever there is a suspicion of money laundering or terrorism financing or when the customer has a business relationship with or in countries not applying sufficient measures to prevent money laundering and terrorist financing or those who have been listed by the FATF or identified by the FIA as being high risk under §15.3.14 of this Act.

§15.3.6 Inability to Fulfill Customer Identification Obligations

- (1) Where a reporting entity is unable to verify the identity of the customer and beneficial owner(s) or comply with other CDD measures set out in this Act, it shall refrain from opening the account or commencing the business relationship or carrying out the transaction, or it shall terminate the business relationship.
- (2) In such cases, the reporting entity shall consider filing a suspicious transaction report to the FIA. A reporting entity should also consider submitting a suspicious transaction report to the Financial Intelligence Agency (FIA) when the customer refuses to provide information required by Law.

§15.3.7 Politically-Exposed Persons (PEP)

- (1) A reporting entity shall have in place appropriate risk management systems to determine whether a customer or beneficial owner is a politically exposed person (PEP) and:
 - (a) For a foreign PEP, the reporting entity shall:
 - (i) Obtain approval from a designated senior manager before establishing or continuing a business relationship with such customer or beneficial owner;

- (ii) take reasonable measures to identify the source of wealth and source of funds; and
 - (iii) conduct enhanced on-going monitoring of the business relationship to permit the reporting entity to fulfill their obligations under this Act, including all of the customer due diligence and reporting requirements thereof.
- (b) For a domestic PEP or international PEP who has been entrusted with a prominent function by an international organization, apply the measures under subsection (1)(a) in case of a higher risk.
- (2) A reporting entity shall take reasonable measures to determine, prior to the time of pay-out, whether the beneficiary of a life or other investment related insurance policy or the beneficial owner of such a policy is a politically exposed person and, in case of a higher risk, shall:
- (a) Inform senior management before the pay-out of the policy proceeds; and
 - (b) Conduct enhanced scrutiny on the whole business relationship with the policyholder and consider filing a report to the Financial Intelligence Agency in accordance with this Act.

§15.3.8 Identification and Account-opening for Cross-border Correspondent Relationships

- (1) The reporting entity shall carry out the following in addition to performing normal customer due diligence measures contained in §15.3.2. of this Act before entering into, or continuing with, cross border correspondent banking and other similar relationships:
- (a) Collecting sufficient information about the respondent institution to understand the nature of its business, and determine its reputation and the quality of supervision it is subject to and whether it has been investigated, subject to regulatory action or has had other action taken against it relating to money laundering or financing of terrorism;
 - (b) conducting an assessment of the quality of anti-money laundering and countering the financing of terrorism controls of the respondent institution;
 - (c) obtaining approval from senior management;
 - (d) clearly understand the respective responsibilities of each institution;
 - (e) with respect to payable through accounts the reporting entity should be satisfied that where customers of the respondent bank that have direct access to its accounts, the respondent bank is able to provide relevant customer due diligence information to the reporting entity upon request.
- (2) The above requirements should also be applied to cross border correspondent banking and similar relationships established prior to the enactment of this Act.

§15.3.9 Reliance on Identification by Third Parties

- (1) Reporting entities may rely on third party reporting entities to undertake customer due diligence procedures related to identification of the customer, beneficial ownership and understanding the nature of the business. The ultimate responsibility for customer identification and verification shall remain with the reporting entity relying on the third party.
- (2) Where a reporting entity uses a third-party reporting entity to undertake customer due diligence procedures on its behalf it should ensure that all information that has been obtained by the third party is sent to it as soon as practicable and that copies of documents obtained as part of the customer due diligence process are either provided or can be obtained immediately upon request.
- (3) Arrangements with third party reporting entities should be documented and available for review by the supervisory authority, upon request.
- (4) Prior to entering into a relationship with a third party, reporting entities should have regard to the money laundering and terrorist financing risk associated with the country in which the third party is based.
- (5) Reporting entities should ensure that any third-party reporting entity used by it for customer due diligence procedures is:
 - (a) Subject to adequate AML/CFT regulation, supervision or monitoring;
 - (b) Has customer due diligence procedures in place that are consistent with the requirements of this Act and regulations issued pursuant to this Act; and
 - (c) Subject to record keeping requirements that are consistent with those of this Act and regulations issued pursuant to this Act.
- (6) For financial institutions that rely on a third party that is part of the same financial group, supervisors may also consider that the requirements of the criteria above are met in the following circumstances:
 - (a) the group applies CDD and record-keeping requirements and programmes against money laundering and terrorist financing, in accordance with this Act and Regulations;
 - (b) the implementation of those CDD and record-keeping requirements and AML/CFT programmes is supervised at a group level by a competent supervisory authority; and
 - (c) any higher country risk is adequately mitigated by the group's AML/CFT policies.

§15.3.10 New Products, Technologies and non- face to face business relationships

- (1) Reporting entities should identify, assess and, take appropriate measures to manage and mitigate the money laundering or terrorism financing risks that may arise in relation to:

- (a) the development of new products and new business practices including new delivery mechanisms for products and services; and
- (b) the use of new or developing technologies for both new and pre-existing products;
- (c) Any non-face to face transactions or relationships.

§15.3.11 Obligations regarding Wire Transfers

- (1) A financial institution, when undertaking wire transfers equal to or above the designated amount, shall include accurate originator and beneficiary information as follows, and ensure that such information remains with the wire transfer or related message throughout the payment chain:
 - (a) The full name of the originator;
 - (b) The account number of the originator or in the absence of an account number a unique reference number;
 - (c) The originator's address or national identity number or customer identification number or date and place of birth;
 - (d) The name of the beneficiary; and
 - (e) The beneficiary account number where such an account is used to process the transaction;
 - (f) The CBL shall issue regulations with respect to requirements relating to wire transfers including requirements in subsection (1) for transactions under a specified threshold, and with respect to:
 - (i) domestic wire transfers, as long as the regulations provide for full originator information to be made available to the beneficiary financial institution and appropriate authorities by other means; and
 - (ii) cross-border transfers, where individual transfers from a single originator are bundled in a batch file, as long as the regulations provide for the originator's account number or unique reference number to be included, and that the batch file contains full originator information that is fully traceable in the recipient jurisdiction.
 - (iii) Subsections (i) and (ii) shall not apply to transfers executed as a result of credit card or debit card transactions, provided that the credit card or debit card number accompanies the transfer resulting from the transaction, nor shall they apply to transfers between financial institutions acting for their own account.

- (2) A financial institution generating a wire transfer shall ensure that:
 - (a) the transfer contains required an accurate originator and beneficiary information as set out under subsection (1) or (2);
 - (b) all originator and beneficiary information is kept in accordance with subsection (1) or (2)(b); and
 - (c) no wire transfer is executed that does not comply with the requirements under this Section.
- (3) A financial institution processing an intermediary element of a wire transfer shall:
 - (a) ensure that all originator and beneficiary information that accompanies a wire transfer is retained with it;
 - (b) where technical limitations prevent the required originator or beneficiary information accompanying a cross-border wire transfer from remaining with it a related domestic wire transfer, keep a record for at least seven years from the day of the transaction of all the information received from the ordering or other intermediary financial institution;
 - (c) take reasonable measures to identify cross-border wire transfers that lack full and accurate originator and beneficiary information as required under subsection (1) or (2)(b); and apply risk-based policies and procedures to determine whether to execute, reject or suspend such a cross-border wire transfer and appropriate follow up action.
- (4) A financial institution receiving a wire transfers shall:
 - (a) verify the identity of the beneficiary of a wire transfer and keep this information in line with the requirements regarding same; and
 - (b) take reasonable measures to identify cross-border wire transfers that lack originator and beneficiary information as required under subsection (1) or (2)(b); and apply risk based policies and procedures to determine whether to execute, reject or suspend such a cross-border wire transfer and appropriate follow up action.

§15.3.12 Internal Controls to Combat Money Laundering and Terrorist financing

- (1) *Compliance Officers.* Reporting entities shall appoint AML/CFT Compliance Officers at a management level, which shall be responsible to implement and promote compliance with all AML/CFT obligations within Reporting Entities. The compliance officer shall have unrestricted access on demand to all books, records and employees of the reporting entity as is necessary to fulfill her/his responsibilities

(2) *Policies and Procedures.*

- (a) Reporting entities shall develop and implement internal programs for the prevention of money laundering and terrorism financing and for the management and mitigation of money laundering and terrorist financing risks and such programs shall be regularly updated.
- (b) Such programs shall be approved by senior management and be monitored and enhanced, if and as necessary.
- (c) The programs shall be appropriate to all the risks faced by the reporting entities including those identified under the national risk assessment process on AML/CFT and be proportionate to the nature and size of the reporting entities' business, and should at a minimum include internal policies, procedures and controls to fulfill the obligations pursuant to this Act and regulations issued hereunder including but not limited policies, procedures and controls for:
 - (i) risk assessments;
 - (ii) customer due diligence;
 - (iii) enhanced due diligence and simplified due diligence measures;
 - (iv) reporting obligations;
 - (v) requirements relating to PEPs;
 - (vi) third party intermediaries;
 - (vii) wire transfers;
 - (viii) correspondent bank relations;
 - (ix) monitoring requirements;
 - (x) compliance management arrangements;
 - (xi) adequate screening and hiring procedures to ensure appropriate and high standards when hiring employees;
 - (xii) on-going training for all statutory directors, officers, employees and agents relating to money laundering, terrorism financing, and on AML/CFT laws, regulations, measures, policies and procedures of the reporting entity and as required by this Act and Regulation. Records of the training materials used and documentation of attendance, dates and times that training programs shall be retained in files for the purpose of AML/CFT supervisory inspections;

- (xiii) independent audit arrangements to review, test and verify compliance with the effectiveness of the measures taken in accordance with this Act and regulations issued hereunder.

§15.3.13 Compliance with Obligations by Foreign Subsidiaries and Branches

- (1) Financial groups shall implement group wide programs against money laundering and terrorism financing and apply such programs to their foreign branches and majority-owned subsidiaries, addressing all aspects under subsections (3) and (4) in this Section.
- (2) Group-level compliance, audit and anti-money laundering and counter terrorism financing functions shall have the power to request and be provided customer's account and transaction information from parent companies, branches, and subsidiaries as necessary to fulfill their functions and secrecy and confidential provisions shall be overridden for purposes of the sharing of information.
- (3) Financial groups shall develop and implement policies and procedures for sharing of information within the group for anti-money laundering and counter terrorism financing purposes and for safeguarding the confidentiality and use of the shared information in line with this section and this Law and Regulations.
- (4) Reporting entities shall require foreign branches and any subsidiaries over which it has control to apply appropriate measures to manage their money laundering and terrorist financing risks and to implement the requirements of this Act and regulations issued hereunder to the extent that the applicable laws and regulations in the jurisdiction where the foreign branch or subsidiary is domiciled so permit. If such laws prevent compliance with these obligations for any reason, the reporting entity shall advise its competent supervisory authority and apply additional measures to manage the money laundering and terrorist financing risks.

§15.3.14 Higher Risk Countries

- (1) Reporting entities shall apply enhanced due diligence to business relationship and transactions with customers, beneficial owners, or reporting entities from countries for which this is called for by the FATF.
- (2) Reporting entities shall apply enhanced customer due diligence to business relationships and transactions with customers, beneficial owners, or reporting entities from higher risk jurisdictions identified by the FIA or a supervisory authority. Such enhanced measures shall be effective and proportionate to the risks identified.
- (3) The FIA or the supervisory authorities may require reporting entities to impose counter measures on transactions associated with countries or geographic regions that are identified as being a high-risk Money Laundering or Terrorist Financing jurisdictions by the FIA or the supervisory authority or international organizations including the Financial Action Task Force.
- (4) Reporting entities shall take such measures as required by subsection (3) or as may be prescribed from time to time by the FIA or a supervisory authority to counter the risks identified with respect to customers, beneficial owners or reporting entities from high-risk jurisdictions.

§15.3.15 Obligations of Trustees

- (1) A trustee must disclose its status to a reporting entity, when as a trustee, before it establishes a business relationship or carries out an occasional transaction above the threshold set out in §15.3.2 of this Act.
- (2) A Trustee must provide reporting entities with information on the beneficial ownership and the assets of the trust to be held or managed under the terms of the business relationship.

§15.3.16 Record-keeping

- (1) Reporting entities shall obtain and maintain documents and records in accordance with this section and applicable regulations for the respective sector or profession.
- (2) Reporting entities shall obtain and maintain the following documents and records accurately and securely for minimum seven years after the termination of business relationship or from the date of transaction in the case of an attempt or execution of a transaction or of an occasional transaction:
 - (a) All documents and other information related to the identification and verification of customer and beneficial owner;
 - (b) All documents, records and conclusion of the analysis of customer or beneficial owner and transaction;
 - (c) Documents, correspondence and details of account and business relation of reporting entity;
 - (d) All documents and records relating to domestic and foreign transactions;
 - (e) Record and documents on attempted transactions;
 - (f) Records of all risk assessments undertaken; and
 - (g) Other documents and records as prescribed by regulations.
- (3) Notwithstanding subsection (2), reporting entities shall keep some prescribed documents and records for more than seven years securely as prescribed by regulations.
- (4) Reporting entity shall keep and maintain documents and records pursuant to subsections (1) and (2) in such a way that it shall be sufficient to reconstruct such information for use as evidence.
- (5) Documents and records to be maintained pursuant to this section should be kept in such way that it could be made readily available to competent authorities upon demand.

- (6) Reporting entities shall keep reports of suspicious transactions, cash transactions and attempted suspicious transactions for seven years.

§15.3.17 Prohibition against Shell Banks

- (1) Prohibition on establishing or continuing business relationship involving shell bank.
 - (a) No person or entity shall establish, operate or deal with a shell bank, and any person who establishes, operates or intentionally deals with a shell bank shall be guilty of an offence.
 - (b) No person or entity shall deal with a shell bank in another jurisdiction and any reporting entity that intentionally deals with such a shell bank shall be guilty of an offence.
- (2) Grading. The offense of establishing a prohibited shell bank shall be punishable as a first-degree felony and same shall apply to all legal persons.

§15.3.18 Prohibition Against Anonymous and Numbered accounts

- (1) Prohibition on customer anonymity and anonymous accounts. A reporting entity shall commit an offense if it establishes, opens, operates or maintains an account, where the holder of such account cannot be identified, including any anonymous account or any account identified by number only, or any account which to the knowledge of the Institution is being operated in a fictitious or false name.
- (2) Grading. The offense of establishing customer anonymity and anonymous accounts shall be punishable as a first degree felony.

§15.3.19 Overriding of Secrecy

Any secrecy or confidential provisions or restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provisions applicable to a financial institution or designated non-financial business and profession, or any director, partner, officer, principal or employee is overridden for purposes of complying with the reporting and other obligations under this Act.

§15.3.20 Obligation to Report Suspicious Transactions

- (1) *Suspicious Transaction Reporting*
 - (a) All financial institutions, designated non-financial businesses and professions, must submit a Suspicious Transaction Report (STR) as soon as possible but no later than three (3) days to the FIA if they suspect or have reasonable grounds to suspect that any funds, property or transaction is related to, intended for use in, or linked in any other way to money laundering or its predicate offences, proceeds of crime, or terrorism, terrorist acts or terrorist organizations, or is to be used for terrorism, terrorist acts or terrorist organizations or those who finance terrorism;

- (b) The said reports must be submitted either by email or through a designated method prescribed by the FIA or in hard copies and addressed to the Director of the FIA. Reports must be accompanied by any and all documentation that led to such suspicions being raised.
 - (c) The STR reporting obligation must also apply in cases where there are suspicions of money laundering, or its predicate offences, terrorist financing, terrorism, terrorist acts or terrorist organizations, or is to be used for terrorism, terrorist acts or terrorist organizations or those who finance terrorism or that the property or assets involved might be proceeds of crime with respect to:
 - (i) attempted transactions, including attempted transactions which are cancelled or retracted for reasons suspected to include avoiding or evading reporting obligations or other laws;
 - (ii) when an application to open an account for the use of any financial products or services is rejected by the reporting entity due to the suspicion that the property or assets may be proceeds of crime or linked to criminal activity;
 - (d) Lawyers, accountants, and other professionals should however submit suspicious transaction reports only when:
 - (i) they engage, on behalf of or for a client, in a financial transaction associated with an activity specified by the FIA.
 - (ii) the relevant information upon which the suspicion is based was not received from or obtained on a client;
 - (A) in the course of ascertaining the legal position of their client; or
 - (B) in performing their task of defending or representing that client in, or concerning judicial, administrative, arbitration or mediation proceedings, including advice on instituting or avoiding proceedings, whether such information is received or obtained before, during or after such proceedings;
 - (e) Lawyers, accountants, and other professionals are however excluded from STR reporting if the relevant information sought by the FIA is covered by professional secrecy or the attorney-client privilege when such information is obtained through the process of obtaining a client's legal position or when a client is being defended in an arbitral, administrative, or judicial forum.
 - (f) Dealers in precious metals and stones must submit a suspicious transaction report when there is a suspicious transaction greater than or equal to the amount prescribed in regulations;
- (2) Supervisory authorities and auditors of reporting entities must report suspicious transactions if, in the course of their responsibilities, they obtain information on a transaction and business relationships that is reasonably construed to be related to money laundering or terrorist financing or any other crime.

§15.3.21 Obligation to Report Currency Transactions and other reports

- (1) Currency transaction reports (“CTR”). Reporting entities must submit within 3 working days, a report to the FIA of any currency transaction in an amount equal or above amounts prescribed in regulations.
- (2) Other Reports. All financial institutions, designated non-financial businesses and professions, must also promptly respond to requests from the FIA for additional information in accordance with the procedures established by the FIA.

§15.3.22 Prohibition against Tipping-off

- (1) Tipping off by financial institution or designated non-financial business. Reporting entities, or any director, partner, officer, principal or employee thereof shall be protected from, and not be subject to any criminal, civil, administrative or other liability or sanctions for breach of any banking, professional, customer, business entity or organization, business or other secrecy, confidential provisions or restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, if they report their suspicions in good faith to the FIA, even if they did not know precisely what the underlying criminal activity was, and regardless of whether the illegal activity actually occurred;
- (2) Offense of Tipping off during Inquiry. A person or body corporate or other legal entity is guilty of the offense of tipping off if:
 - (a) the person knows or suspects that a law enforcement officer or customs officer is acting or proposing to act in connection with an investigation which is being, or is about to be, conducted into money laundering or terrorist financing; and
 - (b) the person discloses to any other person information or any other matter, which is likely to prejudice that investigation or proposed investigation.
- (3) Grading. The offense of tipping off shall be punishable as a first degree felony and same shall apply to all natural, body corporate and legal persons or arrangements.

§15.3.23 Exemption from Liability for Good Faith Reporting of Suspicious Transactions and Exemptions for Legal and Other Privilege

- (1) No civil, criminal, administrative or disciplinary proceedings or sanctions shall lie against
 - (a) a reporting entity, an auditor or supervisory authority of an Institution; or
 - (b) a director, partner, an officer, employee or agent acting in the course of that person’s employment or agency with the reporting entity, firm of auditors or of a supervisory authority, in relation to any action by the reporting entity, the firm of auditors or the supervisory authority or a director, partner, officer, employee or agent of such reporting entity, firm or authority, carried out in terms of this Act in good faith or in compliance with regulations made under this Act or rules or directions issued by the Director of the FIA in terms of this Act.

- (2) Exemptions for Legal and Other Privilege. Notwithstanding the requirement to file suspicious transaction reports, lawyers, notaries, other independent legal professionals and accountants are only required to submit reports or provide information when:
 - (a) they engage, on behalf of or for a client, in a financial transaction associated with an activity specified in relation to such professionals under this Act; and
 - (b) the relevant information upon which the suspicion is based or that is requested by the FIA was not received from or obtained on a client:
 - (i) in the course of ascertaining the legal rights or obligations of their client; or
 - (ii) in performing their task of defending or representing that client in, or concerning judicial, administrative, arbitration or mediation proceedings, including advice on instituting or avoiding proceedings, whether such information is received or obtained before, during or after such proceedings.

§15.3.24 Inapplicability of Confidentiality Provisions and Protection of Identity of Persons and Information relating to STRs

- (1) A person shall not disclose any information that will identify or is likely to identify
 - (a) the person who has handled a transaction in respect of which a suspicious transaction report under this Act has been made;
 - (b) the person who has prepared such a suspicious transaction report;
 - (c) the person who has reported such a suspicious transaction; or
 - (d) the information contained in a suspicious transaction report or information provided to the FIA,

other than for the purpose of the investigation or prosecution of a person or persons for money laundering, the associated predicate offense, terrorist financing, proceeds of crime proceedings.

- (2) Nothing in this section shall be deemed to prohibit the disclosure of any information for the purposes of the prosecution of any person for the violation of the provisions of the Regulations on Suspicious Transactions Reporting (STR).

§15.3.25 Structuring Offense

- (1) No person shall, for the purpose of evading the reporting requirements of this Act or any regulation issued hereunder structure or assist in structuring, or attempt to structure, any transaction with one or more reporting entity.

- (2) For purposes of this section, structuring is the breaking up of transactions for the purpose of evading the reporting and recordkeeping requirements of this Act and regulations issued hereunder and, if appropriate thresholds are met, should be reported as a suspicious transaction or a cash transaction.
- (3) Grading. The offense of Structuring shall be punishable as a first-degree felony and same shall apply to all natural persons.

§15.3.26 Responsibilities in relation to TFS Act and Regulations

Reporting entities shall comply with the requirements in the Targeted Financial Sanctions Act and Regulations.

§15.3.27 Authorities Responsible for Supervision

- (1) Supervisory bodies in addition to their prudential responsibilities shall also ensure reporting entities are supervised for AML/CFT/PF purposes in meeting their mandatory obligation in keeping with this act, regulations, circulars, procedures, policies and guidance issued pursuant to the law or with any other AML/CFT laws or regulations, including Financial Intelligence Agency Act and Targeted Financial Sanctions Act and Regulations.
- (2) Supervisors and competent authorities shall adopt a risk-based approach to the AML/CFT supervision of the reporting entities subject to their supervision and control and for this purpose shall:
 - (a) Ensure that they understand the risks of the sector they supervise;
 - (b) Undertake frequency and intensity of supervisory activities in accordance with the risks identified;
 - (c) Apply supervisory resources using a risk-based approach.
- (3) The Provision of this Section 15.3.27(1) shall not affect or otherwise diminish the supervisory and regulatory powers and authorities of the Central Bank of Liberia for financial institutions as those supervisory and regulatory powers and authorities as provided for in the Central Bank Act, the Financial Institutions Act or any other laws of special applications. Similarly, the Provision of this Section 15.3.27(1) shall not affect or otherwise diminish the supervisory and regulatory powers and authorities of any other regulatory agency insofar as those powers and authority are provided in their respective constitutional documents or other law of special applications.

§15.3.28 Powers, Duties and Responsibilities of Supervisors (including supervision of VASPs)

- (1) The supervisory agencies referred to in §15.3.27 and other supervisory bodies shall have the following powers and responsibilities:

- (a) to undertake risk assessment to identify, evaluate, monitor risk in the reporting entity, its sector, periodically or as per necessity and adopt adequate measures to effectively manage risks;
- (b) to require reporting entities to undertake risk assessment to identify, evaluate, monitor risk faced by the entity periodically or as per necessity and adopt adequate measures to effectively manage risks;
- (c) to collect information and other data from reporting entities relevant to regulating and supervising reporting entities and monitoring compliance with this law, circulars, procedures, policies and guidance issued pursuant to this law and related AML/CFT

laws and regulations by reporting entities and requiring that such information and data be submitted within a reasonable period of time;

- (d) to conduct on-site examinations and offsite surveillance of reporting entities to ascertain the compliance with the provisions of Law regulations, guidelines issued pursuant to this law and related AML/CFT laws and regulations and to ensure that reporting entities are effectively managing their money laundering and terrorist financing risks, including on a group-wide basis;
- (e) to compel reporting entities to provide any necessary information documents, books, records and take copies of documents and files, even if they are stored outside their buildings;
- (f) to issue circulars, procedures, policies and guidance to assist reporting entities in complying with their obligations and to ensure that reporting entities are effectively managing their money laundering and terrorist financing risks;
- (g) to cooperate and share information with other supervisory authorities, competent authorities or any foreign supervisory or competent authority concerned with combating money laundering or terrorism financing or predicate offences;
- (h) to verify that foreign branches and majority owned subsidiaries of financial institutions and designated non-financial businesses and professions adopt and enforce measures consistent with this Law, regulations circulars, procedures, policies and guidance and to ensure that reporting entities are effectively managing their money laundering and terrorist financing risks, to the extent permitted by the laws of the host country;
- (i) to promptly notify the Financial Intelligence Agency of transactions or facts that could be related to money laundering, terrorism financing or predicate offenses;
- (j) to develop and implement appropriate financial and other fit and proper test requirements while registering, licensing or issuing permissions to reporting entities not otherwise licensed and regulated and while approving those owning, controlling, or participating, directly or indirectly, in the establishment, management or operation or business of such reporting entity, including applying the fit and proper tests to the beneficial owner or beneficiary of shares of the reporting entity or cause to do so;

- (k) to maintain statistics concerning measures adopted and sanctions imposed as prescribed by supervisory authorities;
- (l) to provide prompt and effective cooperation to agencies performing similar functions and other competent authorities in other countries, including to exchange of information;
- (m) enforce compliance where a reporting entity fails to comply in whole or in part with this Law and circulars, procedures, policies and guidance issued pursuant to this law and related AML/CFT laws and regulations through administrative sanctions as established pursuant to this Law or any other law or refer the matter to the Ministry of Justice for prosecution where an offense has been committed and report to the FIA.

§15.3.29 Administrative Sanctions

- (1) A supervisory authority under Section §15.3.27 that discovers a failure by a reporting entity it supervises to comply with the provisions of this Act, regulations, instructions or guidelines issued thereunder may impose one or more of the following sanctions:
 - (a) issue written warnings;
 - (b) require prompt corrective actions within specified timelines;
 - (c) impose fines;
 - (d) impose full or partial restriction on the business, profession or transaction;
 - (e) suspend the registration or permission or license;
 - (f) revoke the permission or license or cancel the registration;
 - (g) Order the reporting entity to do all or any of the following:
 - (i) remove an administrator, officer or employee of the reporting entity from office;
 - (ii) ensure that an administrator, officer or employee of the reporting entity does not take part in the management or conduct of the business of the reporting entity, or any other reporting entity, except as permitted by the appropriate supervisory authority;
 - (iii) appoint a person or persons acceptable to the appropriate supervisory authority as administrator of the reporting entity for such term as the order specifies;
 - (iv) take corrective action to remedy any deficiencies under this law or relevant procedures issued under this law; or
 - (v) cease engaging in certain actions or practices.

- (2) The supervisory authority may impose other appropriate sanctions under prevailing laws if the sanctions provided in subsection (1) are not sufficient for the violation of the provisions of this Act or regulations, instructions or guidelines
- (3) The sanctions imposed as per subsection (1) shall be effective, proportionate and dissuasive.

15.3.30 Transitional Provisions for Proceeds of Crime

15.3.30.1 Assisting another to retain the benefit of criminal conduct

- (1) *Offense of assisting another to retain the benefit of criminal conduct.* A person or body corporate, or other legal entity, is guilty of the offense of assisting another to retain the benefit of criminal conduct, if that person or body corporate or other legal entity, enters into or is involved in an arrangement whereby the retention or control by or on behalf of another's proceeds of criminal conduct is facilitated by concealment, removal from the jurisdiction, transfer to nominees or otherwise, or made available for disposal or to acquire property by way of investment.
- (2) *Grading.* The offense of assisting another to retain the benefit of shall be punishable as a first-degree felony.
- (3) *Defenses:* In proceedings against a person or body corporate, or other legal entity, for an offense under this section, it is a defense to prove:
 - (a) that the person did not know or suspect that the arrangement related to any person's proceeds of criminal conduct; or
 - (b) that the person did not know or suspect that the arrangement, the retention or control by or on behalf of another's property was facilitating disposal, or acquisition of property or investment.

§15.3.30.2 Acquisition, possession or use of property representing proceeds of crime

- (1) *Offense of acquiring tainted property.* A person or body corporate or other legal entity is guilty of the offense of acquiring tainted property if, he or she acquires or uses property or has possession of it, which he or she knows or should have known is, in whole or in part directly or indirectly another people proceed of criminal conduct.
- (2) *Grading.* The offense of acquiring tainted property shall be punishable as a first-degree felony.

§15.3.30.3 Concealing or transferring proceeds of crime

- (1) A person or body corporate or other legal entity is guilty of an offense if he or she, for the purpose of avoiding prosecution for an offense to which this Subchapter applies or the making or enforcement in case of a confiscation or other order by a court:
 - (a) conceals or disguises any property, in whole or in part, directly or indirectly, which represents, proceeds of criminal conduct; or

(b) converts or transfers that property or removes it from the jurisdiction.

- (2) *Grading.* The offense of concealing or transferring proceeds of criminal conduct shall be punishable as a first-degree felony.

§15.3.30.4 Financing the Proliferation of weapon of mass Destruction

- (1) The financing of the proliferation of weapons of mass destruction in Liberia in any form, manner or shape is prohibited at all level and violation of such shall be a felony.
- (2) A person or body corporate or other legal entity is guilty of an offense if he or she, knowingly, directly, indirectly, intentionally finance, participate or aid in the transaction for the purpose of financing the proliferation of weapon of mass destruction in or out of Liberia.

Such offense shall be punishable as a first degreed felony.

§15.4 PROVISIONAL MEASURES RELATING TO PROCEEDS OF CRIME

§15.4.1 Freezing Order

§15.4.2 Seizing Order

§15.4.3 Investigative Measures

§15.4.4 Monitoring Orders

§15.4.5 Power to Search for and Seize Property

§15.4.6 Confiscation Measures

§15.4.7 Exclusion of Property from a Confiscation Order

§15.4.8 Asset Management

§15.4 PROVISIONAL MEASURES RELATING TO PROCEEDS OF CRIME

The following measures are meant to prevent dealing, usage, transfer, or disposal of property that is either proceeds of crime or instrumentalities used in the commission of crimes by entities or individuals.

15.4.1 Freezing Order

When specified property is believed to be proceeds or instrumentalities of a crime or terrorist property, an application shall be made by the Ministry of Justice, the Financial Intelligence Agency, or the Liberia Anti-Corruption Commission to the Magisterial or Circuit Court for a freezing order with respect to said property or instrumentalities. Said order is meant to preserve the property, stating grounds for which it is believed said property is proceeds or instrumentalities of crime or terrorist property. Said application shall give the Ministry of Justice, the Financial Intelligence Agency, or the Liberia Anti-Corruption Commission the power to mandate a financial institution to impose restrictions on withdrawal of funds from an account for fifteen (15) days while awaiting an order from the Court.

15.4.2 Seizing Order

After conviction, property may be forfeited to the Republic of Liberia through an application for a seizing order, with said order meant to seize property that is proceeds or instrumentalities of a criminal offense, including money laundering and terrorist financing. The Ministry of Justice or LACC may apply, prior to sentencing for a Seizure order against property that is proceeds or instrumentalities of an offense within thirty (30) days from the date of conviction. When successful, title to said property automatically vests in the Republic of Liberia.

15.4.3 Investigative Measures

For the purpose of investigations, said measures are in place to aid competent authorities and law enforcement and reporting entities are under obligations to comply with same:

- (1) Customer Information Records. Where authorities responsible for prosecution apply to the court for an Order in accordance with this Section, showing that said information is pertinent to an ongoing investigation, and the court is satisfied having regard to the facts and beliefs set out in support of the application, and any other relevant matter that it may make an Order that a financial institution provide to the said authority any customer

information, as specified in the application, that it holds relating to the person or account specified in the application. An application pursuant to this section may be made *ex parte*.

- (2) A financial institution shall provide the information to the authorized officer in such manner, and at or by such time, as is specified in the order.
- (3) No obligation to maintain the confidentiality of information held by a financial institution, whether imposed by a law or contract, can excuse compliance with an order made under this section.
- (4) Any person employed by a financial institution that has been served with an order under this section, or the financial institution itself, commits an offence under this section if he or it knowingly:
 - (a) fails to comply with the order; or
 - (b) provides false or misleading information in purported compliance with the order
- (5) Any person employed by a financial institution that has been served with an order under this section, or the financial institution itself, commits an offence under this section if he or it discloses the existence or operation of the notice to any person except:
 - (a) an officer or agent of the institution for the purpose of complying with the order;
 - (b) a legal adviser for the purpose of obtaining legal advice or representation in respect of the order; or
 - (c) the Ministry of Justice or LACC as referred to in the order
- (6) In the event of a conviction under this section, in the case of a natural person who is a director, employee or agent of a financial institution the penalty shall be imprisonment for a term not exceeding five years or a fine of up to US\$5000.00 (Five Thousand United States Dollars) or both, and in the case of a legal entity a fine of up to US\$10,000.00 (Ten Thousand United States Dollars).

15.4.4 Monitoring Orders

- (1) Wherein authorities responsible for prosecution apply to the court for an Order in accordance with this Section, and the court is satisfied having regard to the facts and beliefs set out in support of the application, and any other relevant matter, that there are reasonable grounds to believe that the conditions in said application are met, it may direct a financial institution to give information to said authorities. An application under this subsection may be made *ex parte*.
- (2) A monitoring order shall:
 - (a) direct a financial institution to disclose information obtained by the institution about transactions conducted through an account held by a particular person with the financial institution;
 - (b) not have retrospective effect; and

- (c) only apply for a period of a maximum of three (3) months from the date it is made, unless renewed by the court following a further application and then for no more than another three (3) months. A monitoring order shall in any event not be in place for more than 6 months in total.
- (3) A court shall issue a monitoring order only if it is satisfied that there are reasonable grounds to believe that:
- (a) the person in respect of whose account the order is sought:
 - (i) has committed, was involved in the commission, or is about to commit or be involved in the commission of an offence; and
 - (ii) has benefited directly or indirectly, or is about to benefit directly or indirectly, from the commission of an offence; or
 - (b) the account is relevant to identifying, locating or quantifying terrorist property.
- (4) A monitoring order shall specify:
- (a) the name or names in which the account is believed to be held; and
 - (b) the class of information that the financial institution is required to give.
- (5) Any person who is employed by a financial institution which has been served with an order under this section, or the financial institution itself, commits an offence under this section if he or it knowingly:
- (a) fails to comply with the order; or
 - (b) provides false or misleading information in purported compliance with the order,
- (6) Any person who is employed by a financial institution that is or has been subject to an order under this section, or the financial institution itself, commits an offence under this section if he or it discloses the existence or operation of the order to any person except where the disclosure is made to:
- (a) an officer or agent of the institution for the purpose of ensuring compliance with the order;
 - (b) a legal adviser for the purpose of obtaining legal advice or representation in respect of the order; or
 - (c) the Ministry of Justice or LACC as referred to in the order.
- (7) In the event of a conviction for an offence under either subsection (5) or (6), in the case of a natural person who is a director, employee or agent of a financial institution the penalty shall be imprisonment for a term not exceeding five years or a fine of up to US\$5,000.00 (Five Thousand United States Dollars) or both, and in the case of a body corporate a fine of up to US\$10,000.00 (Ten Thousand United States Dollars).

- (8) Nothing in this section prevents the disclosure of information relating to a monitoring order for the purposes of or in connection with legal proceedings provided that nothing in this sub-section shall be construed as requiring disclosure to any court the existence or operation of a monitoring order.

15.4.5 Power to Search for and Seize Property

- (1) Where the prosecuting authority applies to the court for a search warrant in accordance with this Section, and the court is satisfied that there are reasonable grounds to believe in support of the application that the requirements in this Section have been met, the court may grant a search warrant for such property. An application may be made *ex parte*.
- (2) A search warrant in relation to a civil forfeiture investigation is an order authorizing a person named in the warrant to enter (using such force as is necessary) and search premises specified in the application, and further authorizing that person to seize and retain any property or document or documents specified in the warrant which is or are found there and which is or are likely to be of substantial value to a civil forfeiture investigation.
- (3) Before granting an application for a search warrant under this section, the court must be satisfied that there are reasonable grounds for believing that the property said to be the subject of a civil forfeiture investigation are proceeds or instrumentalities. The court must also be satisfied that there are reasonable grounds for believing that the property or document or documents specified in the warrant is or are within the premises.
- (4) If during the course of executing an order granted under this Section, law enforcement finds anything that it believes on reasonable grounds:
 - (a) will afford evidence relevant to the civil forfeiture investigation; and
 - (b) is of a kind which could have been included in the order had its existence been known of at the time of application for the order, it may seize that property or thing and the seizure order shall be deemed to authorize such seizure.
- (5) A search warrant granted under this section does not confer the right to seize any items subject to legal privilege.
- (6) If any of the material specified in an application for a search warrant consists of information contained in a computer, the search warrant has effect as an order to produce the material in a form in which it can be taken away, and in which it is visible and legible.
- (7) Any person who intentionally obstructs a person authorized by the court under this section to carry out a search of premises commits an offence describing such actions in the Penal Code and shall be subject to prosecution, and if convicted, be fined or imprisoned.

15.4.6 Confiscation Measures

- (1) Where a person is convicted, the prosecuting authority may apply to the court for one or both of the following orders:

- (a) confiscation order against property that is proceeds or an instrumentality of that offence or terrorist property;
- (b) Except with the leave of the court, the prosecuting authority must make an application within 1 month after which a person was convicted of the offence.
- (c) A Court shall grant same only if it is satisfied that it is in the interests of justice to do so.
- (d) The prosecuting authority may amend an application for a confiscation order at any time prior to the final determination of the application by the court, providing that reasonable notice of the amendment is given to affected persons.

(2) *Procedures for Application*

- (a) Where an application is made for a confiscation order, the court may, in determining the application, have regard to any evidence received in the course of the proceedings against the person convicted.
- (b) Where an application for a confiscation order is before the court in which the defendant was convicted, the court, if satisfied it is reasonable to do so, may defer imposing sentence until it has determined the application.
- (c) Where the court determines not to defer imposing sentence, it shall leave out of account in deciding the appropriate sentence any financial orders which it may otherwise consider appropriate. Where the court does defer imposing sentence it shall determine the extent of any order before considering any other financial order.

(3) *Confiscation Orders upon Conviction*

- (a) A confiscation order is an order in rem, following conviction for an offence, to forfeit to the State property that is the proceeds or instrumentalities of that offence or terrorist property.
- (b) The court may make an order under this section if authorities responsible for prosecution have applied to the court for an order under section 9.3(a), or if the court believes it is appropriate to make such an order.
- (c) Where the court is satisfied that property is the proceeds of crime or terrorist property the court shall order that it be confiscated.
- (d) Where the court is satisfied that a property is an instrumentality of crime, the court shall order that it be confiscated in line with Section 7.120 of the Provisional Remedies for Proceeds of Crime Act.
- (e) In considering whether to make a confiscation order relating to an instrumentality, the court may have regard to the rights and interests of third parties taking into account the interests of justice, and in particular, having regard to the public interest in the confiscation of the instrumentalities of crime.

- (f) In determining whether property is an instrumentality, the court may infer that the property is an instrumentality if it was in the defendant's possession at the time of or immediately after the commission of the offence unless the defendant satisfies the court that such inference is inappropriate.
 - (g) In determining whether property is proceeds, the court may infer that the property was derived, obtained or realized as a result of or in connection with the commission of the offence, if it was acquired or possessed by the defendant, during or after the commission of the offence, unless the defendant satisfies the court that such inference is inappropriate.
 - (h) In determining whether property is terrorist property, the court may infer that the property was derived, obtained or realized as a result of or in connection with terrorist acts if it was acquired or possessed by the defendant, unless the defendant satisfies the court that such inference is inappropriate.
 - (i) Where the court makes an order under this section, it may give such directions as are necessary or convenient for giving effect to the order.
- (4) *Enforcement of Confiscation Order Abroad*
- (a) Where a confiscation order has been made in respect of property which is situated in a State or territory outside Liberia, the Attorney General may request assistance from the appropriate authorities in the other State or territory in line with provisions of Liberia's Mutual Legal Assistance Act to enforce the said order.
 - (b) If a request under subsection (a) has resulted in the realization of property in the foreign State or territory, the property realized shall be applied in accordance with the terms of any agreement between the States and any such realization shall be treated as compliance by the defendant with the terms of the order.

15.4.7 Exclusion of Property from a Confiscation Order

- (1) A person who is not the defendant and who has an interest in property that is subject to a confiscation order may apply to the court to exclude his interest from the order. The court shall grant the application if satisfied:
 - (a) that the property is not proceeds or an instrumentality; or
 - (b) that the applicant was not in any way involved in the commission of the offence(s) in relation to which the order was made; and
 - (c) where the applicant acquired the interest before the commission of the offence, he did not know that the defendant would use, or intended to use, the property in or in connection with the commission of the offence; or
 - (d) where the applicant acquired the interest at the time of or after the commission of the offence, the interest was acquired in circumstances which did not arouse a reasonable suspicion that the property was proceeds or an instrumentality.

- (e) An application under this section shall not be made more than one (1) month after the day on which the confiscation order is made.

15.4.8 Asset Management

1. Application for Property Manager

- (a) The Attorney General shall appoint a Property Manager to have responsibility for taking possession of, preserving, managing, disposing of or otherwise dealing with any property the subject of any proceedings under this Act. A Property Manager appointed under this section may act notwithstanding the prior appointment of a trustee or receiver in respect of any property.
- (b) The Property Manager may himself employ officials to assist him in the execution of his functions under this part of this Act.

2. Powers of a Property Manager

Subject to any limits contained in any order of the Court in relation to the property, the Property Manager may preserve, manage, modify, store, sell or otherwise dispose of or deal with any property in any manner that he thinks appropriate and proper and his powers shall include the powers of a Receiver.

3. Property Manager Costs and Expenditure

In the event that the Property Manager incurs any cost or other expenditure in the execution of his powers under this Part, he shall be entitled to seek payment from the assets under his control which become available for realization following a final order made under this Act, and in respect of which he incurred such costs or other expenditure.

4. Duties of a Property Manager

Where the Property Manager takes control of property pursuant to a court order, he shall, as soon as practicable after the order is issued, prepare and file with the court a report in the prescribed form identifying the location of the property. The Property Manager will initiate and maintain detailed records of all property restrained, seized and forfeited under any Part of this Act.

5. Property Manager Liability

No action or other proceeding may be commenced against any party in respect of the actions of the Property Manager, for any act done in good faith in the performance or intended performance of any duty under this part of this Act, or in the exercise or intended exercise of any power under this Act, or for any neglect or default in the performance or exercise in good faith of any such duty or power.

6. Establishment of Recovered Assets Fund

- (a) It is hereby established an account to be known as the Republic of Liberia's Recovered Assets Fund.

- (b) The Attorney General of the Republic of Liberia shall issue regulations for implementation of the provisions of this Part including the distribution of any funds deposited into the Recovered Assets Fund.
7. There shall be credited to the Republic of Liberia's Recovered Assets Fund:
- (a) all moneys derived from the fulfillment of confiscation and civil forfeiture orders, and from settlements of confiscation, recovery and unexplained wealth claims;
 - (b) any cash sums made subject to a confiscation or forfeiture order pursuant to an application
 - c. any sums of money allocated to the Republic of Liberia's Recovered Assets Fund from time to time by legislative appropriation;
 - (d) any voluntary payment, grant or gift made by any person for the purposes of the Republic of Liberia's Recovered Assets Fund;
 - (e) any income derived from the investment of any amounts that are credited to the Republic of Liberia's Recovered Assets Fund]; and
 - (f) any sharing of confiscated or forfeited property and funds received from other States.
8. The Attorney General may authorize payments out of the Republic of Liberia's Recovered Assets Fund to:
- (a) compensate victims who suffer losses as a result of offences, criminal conduct or terrorism;
 - (b) pay expenses relating to the recovery, management and disposition of property under the provisions of this Act, including mortgages and liens against relevant property, and the fees of receivers, trustees, managers or other professionals providing assistance;
 - (c) share recovered property with foreign States;
 - (d) pay third parties for interests in property as appropriate;
 - (e) pay compensation ordered by a Court;
 - (f) enable the appropriate law enforcement agencies to continue to address [serious offences or specified offences] and terrorism;
 - (g) assist in the rehabilitation of drug users; public education regarding the dangers of drug abuse; and
 - (h) pay the costs associated with the administration of the Republic of Liberia's Recovered Assets Fund, including the costs of external audits.
9. The Attorney General shall send a report that shall be made available to the National Legislature, not later than the end of the fiscal year detailing:

- (a) the amounts credited to the Republic of Liberia's Recovered Assets Fund;
- (b) the investments made with the amounts credited to the Republic of Liberia's Recovered Assets Fund; and
- (c) the payments made from the Republic of Liberia's Recovered Assets Fund, including the specific purpose for which payments were made and to whom.
- (d) The Attorney General shall have an annual audit conducted by external auditors of disbursements into and out of The Republic of Liberia's Recovered Assets Fund.

15.5 MISCELLANEOUS

§15.5.1 Regulations, Directives, Guidelines and Cooperation

- (1) *Regulations.* The FIA shall as relates to STR and CTR reports issue regulations on the procedures and methods for submission and secured transmissions, as well as the form and content of STR, CTR and other reports to the FIA.
- (2) Cooperation with competent authorities. Reporting entities and supervisors shall cooperate with competent authorities in promptly sharing and providing access to CDD, including beneficial ownership information in conformity with this Act and other Liberian laws to facilitate investigations and prosecutions into money laundering and the associated predicate offenses, terrorist financing as well as proceeds of crime actions
- (3) The supervisory authority in relation to the reporting entity it supervises, in collaboration with other regulators and supervisors in the AML/CFT regime in Liberia, shall, from time to time issue regulations, guidance, procedures, and mechanisms for the implementation of the provisions of this Act. The Regulation may include, but is not limited to, the following:
 - (a) Requirements, Procedures and mechanisms to effectively carry out customer due diligence, enhanced due diligence, simplified due diligences and to collect information and evidence related to the identification of persons or entities carrying out business activities with reporting entities;
 - (b) Obligations, procedures and mechanisms for carrying out risk assessment
 - (c) Procedures for carrying our risk assessments for various products and technologies that are being launched by reporting entities:
 - (d) Measures to identify beneficial owners;
 - (e) Requirements when relying upon a third-party intermediary;
 - (f) Requirements relating to wire transfers;
 - (g) Requirements relating to PEPs;

- (h) Requirements relating to record keeping;
- (i) Requirement relating to internal policies and procedures;
- (j) Counter measures to be imposed by reporting entities for high risk jurisdictions;
- (k) Obligations to ensure that reporting entities are not used for money laundering and terrorist financing purposes;
- (l) Obligations, duties and responsibilities of reporting entities in regards to compliance with this Act;
- (m) Powers, duties and responsibilities of supervisors to monitor compliance of reporting entities with the requirements of this Act;
- (n) Details of dissuasive sanctions for breach of obligations under this Act;
- (o) Measures to undertake in relation to sanctions list;
- (p) Other requirements, procedures and mechanisms to implement provisions set out in this Act;

This Act shall take effect immediately upon publication in Handbills by the Ministry of Foreign Affairs.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

-2021-

FIFTH SESSION OF THE FIFTY-FOURTH LEGISLATURE
OF THE REPUBLIC OF LIBERIA

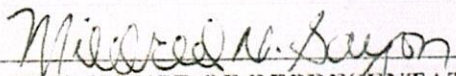
HOUSE'S ENGROSSED BILL NO. 38 ENTITLED:

"ANTI MONEY LAUDERING, TERRORIST FINANCING,
PREVENTIVE MEASURES, AND PROCEEDS OF CRIMES
ACT, 2021"

On Motion, the Bill was read. On motion, the Bill was adopted on its first reading and sent to committee Room on Tuesday, November 2, 2021 @ 13:48 G.M.T.

On motion, Bill Read. On motion, the Bill was adopted on its Second Reading and sent to Committee Room on, Tuesday, May 24, 2022 at the hour of 14:15 G.M.T.

On motion, Bill read. On motion, the Bill was adopted on its third and final reading and the Bill was adopted, passed into the full force of the law and ordered engrossed today, Tuesday, July 19, 2022 @ 14:15 G.M.T.



HIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

-2022-


FIFTH SESSION OF THE FIFTY-FOURTH LEGISLATURE
OF THE REPUBLIC OF LIBERIA

SENATE ENDORSEMENT TO HOUSE'S ENGROSSED BILL
NO. 38 ENTITLED:

"ANTI MONEY LAUDERING, TERRORIST FINANCING,
PREVENTIVE MEASURES, AND PROCEEDS OF CRIMES
ACT, 2021"

On motion, Bill read on its 1st reading, Thursday, May 26, 2022 at the hour of 11:40 GMT. On motion, Bill read on its second reading and adopted and sent to Committee Room on Tuesday, May 31, 2022 at the hour of 12:34 GMT.

On motion, Bill taken from the Committee Room. On motion the Bill was adopted on its second reading. On motion under the suspension of the rule, the second reading of the Bill constituted its third and final reading and the Bill was adopted, passed into the full force of the law and order engrossed today, Thursday, July 21, 2022 at the hour of 13:10 GMT.



SECRETARY OF THE SENATE, R.L.

-2022-

ATTESTATION TO:

“ANTI MONEY LAUDERING TERRORIST FINANCING,
PREVENTIVE MEASURES, AND PROCEEDS OF CRIMES ACT,
2021”

Albert Chui

for VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/
PRESIDENT OF THE SENATE

[Signature]

SECRETARY, LIBERIAN SENATE

[Signature]

SPEAKER, HOUSE OF REPRESENTATIVES, R. L.

Mildred N. Sawyer

CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



THE HONORABLE HOUSE OF REPRESENTATIVES

Capitol Building
P.O. Box 9005
Monrovia, Liberia
Website: www.legislature.gov.lr



-2022-

**FIFTH SESSION OF THE FIFTY-FOURTH LEGISLATURE OF THE REPUBLIC
OF LIBERIA**

SCHEDULE OF HOUSE'S ENROLLED BILL NO. 16 ENTITLED:

**“ANTI MONEY LAUDERING, TERRORIST FINANCING,
PREVENTIVE MEASURES, AND PROCEEDS OF CRIMES ACT,
2021”**

**PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR EXECUTIVE
APPROVAL**

APPROVED THIS: 29th DAY OF JULY A.D. 2022

AT THE HOUR OF 12: NOON

THE PRESIDENT OF THE REPUBLIC OF LIBERIA