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MEDIA RELEASE

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FOR IMMEDIATE RELEASE

THE FINANCIAL INTELLIGENCE CENTRE RELEASES ANNUAL REPORT FOR 2019/20

Highlights of the Report

- Demonstration of efforts made to build resilience in the financial system against criminal abuse;
- Understanding, detecting and disrupting criminal exploitation of the national financial system in collaboration with Competent Authorities
- Usage of financial intelligence and regulatory efforts to disrupt ML/TF/PF and other serious crime;
- Timeous discovery of new and emerging ML/TF/PF risks, trends and methods through operational and strategic analytical outputs;
- Mitigation of ML/TF/PF risks within the financial system through effective controls deployed by regulatory, monitoring and supervisory outputs;

1. **The Financial Intelligence Centre (FIC) has the statutory mandate to assist in effective identification, assessment & mitigation of national Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF) risks, to ensure Namibia has a reliable, safe and responsive financial system. The FIC, hereby, releases its Annual Report and audited Financial Statements for the financial year ended 31 March 2020.** The Annual Report is the FIC's premier publication which outlines its governance and the FIC's operational achievements for the year under review. The publication also contains information regarding upcoming national events such as Namibia's 2020/2021 Financial Action Task Force and Eastern Southern African Anti-Money Laundering Group Evaluation, and the Annual Audited Financial Statements.

OPERATIONS AND AFFAIRS OF THE FIC

2. **The FIC is Namibia's national agency established in terms of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended (FIA).** The FIC's mandate is to assist Namibia in the prevention and combatting of ML, TF and PF activities in collaboration with Government, Law Enforcement Agencies, Supervisory and Regulatory Bodies and identified private sector stakeholders.
3. **The FIC operationally reports on delivery of its statutory mandate to the Minister of Finance and the Anti Money Laundering and Combating the Financing of Terrorist and Proliferation (AML/CFT/CPF) Council.** The Council is the Government of Republic of Namibia's main AML/CFT/CPF policy advisory body established in terms of section 17 of the FIA. Administratively, the FIC is housed by the Bank of Namibia but operates independently from the central bank.
4. **The FIC is an administrative type Financial Intelligence Unit (FIU) that:**
 - receives information via various reporting types inclusive of suspicions transaction or suspicious activity reports from various sources, analyse the information and

disseminate intelligence to Competent Authorities inclusive of law enforcement agencies, for investigation;

- monitor and supervise compliance with the FIA by all Accountable and Reporting Institutions not falling within the NAMFISA regulatory mandate; and
- administratively penalise FIA non-compliant accountable and reporting institutions.

The FIC does not have law enforcement investigative powers. Its power is limited to the receipt and/or gathering of information, analyses of such information and dissemination of intelligence products resulting from such analyses to competent authorities. The intelligence products so issued, alerts Competent Authorities (Law Enforcement and Regulatory Bodies) on potential criminal conduct and regulatory violations by natural persons, legal persons or both. Alternatively, the FIC may be called upon to enhance ongoing investigations through financial analytical work, when requested to do so by Competent Authorities.

5. **The FIC has grown in leaps and bounds since its inception in 2009.** Over the years, key milestones include attaining membership to the Egmont Group of Financial Intelligence Units (FIUs), which is crucial for sharing and receiving information swiftly to and from other FIUs around the world in an effort to timeously prevent and/or combat ML/TF/PF at a global level. The FIC has also established cooperation bilaterally and multilaterally with relevant AML/ CFT/ CPF stakeholders, both nationally and internationally.

OPERATIONAL ACHIEVEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 2020

6. **The statistics contained in the Annual Report highlights expansion in the footprint of the FIC, constant increase in FIA Reporting Types over the years,**

while a slight decline in STRs¹, SARs² reports was noted compared to 2019. The FIC's regulatory footprint significantly expanded to 2, 058 institutions during the period under review. As such, the FIC in collaboration with Competent Authorities, continued to make inroads to disrupt criminal activities reflected as high risks in Namibia's national AML/CFT/CPF Risk and Threat Assessment, based on the FIA Reporting Types received.

7. **The FIC's continuous engagement with AML/CFT/CPF stakeholders ensured a significant turn-over being recorded in the delivery of actionable intelligence products to competent authorities.** A combined total of 344 spontaneous disclosures and responses to requests for information to the Anti-Corruption Commission; Ministry of Finance, Namibian Police Force; Office of the Prosecutor General and Foreign FIUs, was made during the period under review. A total value of potential proceeds of crime amounting to **NAD 17 billion** is now subject to investigations by Law Enforcement Authorities and other identified FIA competent authorities.

8. **The FIC also contributed to 84 (eighty-four) investigations conducted by competent authorities.** These investigations were carried out by the Namibian Police Force and the Anti-Corruption Commission. The top five underlying predicate offenses investigated include fraud, corruption, poaching, dealing in drugs, illegal deposit taking/pyramid schemes and money laundering. Furthermore, investigations by these law enforcement agencies with assistance of the Office of the Prosecutor General secured fifteen (15) money laundering convictions and criminal sanctions applied. Furthermore, there are fifty (50) other cases with elements of money laundering offences currently pending before various courts.

¹ Suspicious Transaction Reports (STRs)

² Suspicious Activity Reports (SARs)

9. Additionally, the FIC contributed through Spontaneous Disclosures and responses to Request for Information amounting to millions of dollars in tax assessments issued by the Receiver of Revenue against individuals and businesses.
10. **It should be noted that the FIC's efforts remain hampered by a limited understanding of its statutory mandate by some stakeholders and the public.** In this regard, an insufficient understanding of Namibia's global AML/CFT/CPF prevention and combatting obligations (as mandated under applicable UN Conventions, mandatory UN Security Council resolutions embodied in the FATF recommendations) may amongst others, negatively impede Government's efforts in ensuring that that the integrity and stability of Namibia's financial system and broader economy is protected from the risks and threats of ML/TF/PF.
11. **Further challenges experienced are, amongst others, a tough economic climate, the impacts of Covid-19 and a continuous imbalance between the FIC's extensive mandate and the available human, technological and financial resources.** This imbalance contributes to delays in timeous removal of proceeds of crime from the financial system and/or disrupting the flow of financial resources to those involved in the criminal activities. To overcome identified challenges, a Public Private Partnership and Integrated Investigative Task Force platforms was established. The platforms enable the pooling together of critical and needed resources to fast-track investigations, evidence collection, asset identification seizing, freezing, etc., in priority cases involving national interest. Going forward, the FIC will continue to leverage opportunities to innovate in detecting vulnerabilities, using emerging technologies, and by educating stakeholders about actual and potential ML/TF/PF risks to the economy and national security.

NAMIBIA'S 2020/2021 FATF-ESAAMLG MUTUAL EVALUATION

12. **The Annual Report reflects all national planning efforts undertaken in preparation for the FATF-ESAAMLG mutual evaluation, which commenced on**

01 July 2020. In an effort to ensure that a positive evaluation outcome is secured, all affected national stakeholders (both public and private sector) partook in preparatory activities to demonstrate compliance of the national AML/CFT/CPF regime with applicable UN Conventions, mandatory UN Security Council resolutions as embodied in the FATF International Standards on AML/CFT/CPF.

13. **The mutual evaluations were born out of a realisation that ML/TF/PF continuously pose risks and threats to the stability and integrity of national and international financial systems, peace, stability, democracy and global security.** As such, the UN mandated a global response from all UN Member States through various UN Conventions and Chapter VII UN Security Council Resolutions, to ensure necessary and timeous action is taken by countries to address identified ML/TF/PF risks and threats. A system of peer mutual evaluations was developed by the UN, deployed via the FATF, to assess countries overall compliance with their international AML/CFT/CPF treaty obligations.

CONCLUSION

14. The achievements noted in the Annual Report have been made possible through the most valuable contributions and support of the FIC staff, the Council, the Bank of Namibia, Ministry of Finance as well as other public and private sector AML/CFT/CPF stakeholders. The results achieved by the FIC and her staff would not have been possible without their significant involvement.
15. In the year ahead, the FIC will work closely with these stakeholders to identify and address vulnerabilities across the financial system by sharing knowledge, raising awareness of criminal methodologies, and influencing compliance behaviours. This will ultimately safeguard Namibia's financial system and ensure it contributes to economic development and the general welfare of Namibians.

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Ms. Leonie Dunn

DIRECTOR

