

The Financial Intelligence Centre (FIC) Annual Report 2019/2020

This is the FIC's Annual Report and Financial Statements for the financial year ended 31 March 2020, prepared pursuant to section 15 of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) (FIA) as amended.

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ABBREVIATIONS & ACRONYMS

ACC Anti-Corruption Commission

AML/CFT/CPF Anti-Money Laundering and Combatting the Financing of Terrorism and

Proliferation

AML/CFT/CPF Council Anti-Money Laundering and Combating the Financing of Terrorism and

Proliferation Council

BoN Bank of Namibia

ESAAMLG Eastern and Southern African Anti Money Laundering Group.

FATF Financial Action Task Force

FIA Financial Intelligence Act, 2012 (Act No 13 of 2012) as amended

FIC Financial Intelligence Centre
FIU Financial Intelligence Unit
LEAS Law Enforcement Agencies

ML Money Laundering

NAMPOL Namibian Police Force

PACOTPAAThe Prevention and Combating of Terrorist and Proliferation Activities Act,

2014 (Act No 4 of 2014)

PF Proliferation Financing

POCA The Prevention of Organised Crime Act, 2004 (Act No. 29 of 2004) as amended

TF Terrorist Financing
UN United Nations

UNODCUnited Nations Office against Drugs and Crime

UNSC United Nations Security Council

UNSCR United Nations Security Council Resolution

INTRODUCTION

About the FIC

The Financial Intelligence Centre (FIC) is a Namibian national agency established in terms of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended (FIA).

- prevention (as Anti-Money Laundering and Combatting the Financing of Terrorist and Proliferation activities regulator); and
- combatting (as Financial Intelligence Unit).

of Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF) activities in collaboration with identified Law Enforcement Agencies, Supervisory and Regulatory Bodies, government and private sector stakeholders.

In its capacity as Namibia's Financial Intelligence Unit, the Centre produces actionable financial intelligence in support of Money Laundering, Terrorist Financing and Proliferation Financing investigations directed by Namibian Law Enforcement and National Security Agencies.

The FIC also generates valuable strategic financial intelligence, including specialized research reports and trends analysis, for Anti-Money Laundering and Combatting the Financing of Terrorist and Proliferation (AML/CFT/CPF) stakeholders and policy decision-makers, businesses and international counterparts that highlights the nature, scope and threat posed by ML/TF/PF. The FIC is able to fulfill its financial intelligence mandate by closely working with the FIA Regulated Populace in ensuring effective compliance with the FIA. Effective compliance with the FIA by the Regulated Populace:

- helps to prevent and deter criminals from using Namibia's financial system to launder the proceeds of their crimes or to finance terrorist or proliferation activities; and
- ensures that the FIC receives needed information to produce financial intelligence for National Law Enforcement and Security Agencies.





FIC's financial intelligence, supervisory knowledge and AML/CFT/CPF expertise remains in continuous high demand. In this regard, the FIC continuously partakes in international AML/CFT/CPF conferences and workshops as well as global AML/CFT/CPF research projects and capacity-building initiatives.

FIC remains committed to:

- safeguard access to all information in its domain;
- enable access only as permitted by the FIA;
- prevent, within the ambit of law, undue access by all means necessary; and
- protect privacy of persons and institutions at all times.

Governance

The FIC's governance, risk and compliance is co-ensured by two governing Boards. The FIC reports on outcomes of its statutory mandate to the Minister of Finance and the Anti Money Laundering and Combating the Financing of Terrorist and Proliferation Council (the 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. The FIC as an administrative organ of the Bank of Namibia, further reports on all administrative governance outcomes to the Bank of Namibia Board.

The FIC's corporate governance model is underpinned by the values of ethics, integrity, transparency and accountability. This approach is in keeping with the provisions of the NamCode and King IV codes of good corporate governance. It requires that human behavioural traits be aligned with the effective implementation of the corporate governance model. The FIC's governance have further been deliberately aligned with the FIC's strategic objectives to enhance long-term organisational sustainability and performance in line with the outcomes-based approaches, advocated in above two governance models.

During the year under review, the FIC undertook to improve its governance, risk and compliance functions through the identification of a risk and assurance position as part of FIC's organizational structure and to in future, acquire an automated system for governance reporting.

The FIC follows best practice in corporate governance through its oversight structures. The following governance committees are set up in helping to ensure that the FIC meets its strategic objectives and operates in line with its mandate:

- Executive Committee
- Management Forum
- Audit and Risk Committee
- HR and Remuneration Committee
- Information and Communications Committee
- Financial Accounting and Budget Management Committee

The Director of the FIC is the accounting authority and reports directly to the Council, the Governor and Minister of Finance.

The FIC subscribes to Bank of Namibia Risk and Assurance Policies and international best practices to identify, analyse, treat, monitor and communicate risks internally. This approach ensures that risks are continuously identified, assessed and effectively treated.

The overall objectives of FIC's risk management function are to:

- integrate risk concerns into the FIC's daily decision making and implementation processes;
- identify and manage risks in line with the FIC's risk appetite and risk tolerance parameter;
- improve the FIC's ability to prevent, detect, correct, escalate and respond to critical issues

GOVERNANCE

by executing risk management action plans and recommendations, and to monitor same effectively;

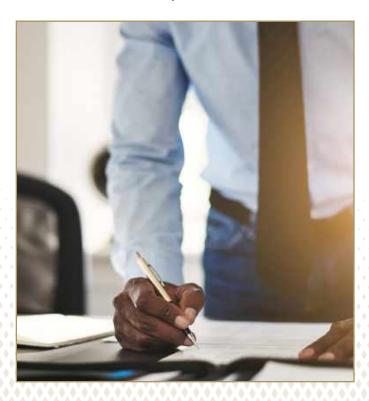
- comply with appropriate risk management practices in terms of corporate governance guidelines and above governance codes;
- create a risk-aware culture and embed risk-based approaches to decision-making at operational, tactical and strategic levels of the FIC.

The FIC has adopted an enterprise-wide approach to managing risk, which is defined in the Bank of Namibia's enterprise risk management framework. The framework defines the approach to identifying, measuring, managing, reporting and monitoring enterprise-wide risks. In fulfilling its enterprise-wide risk management responsibilities, the FIC uses top-down and bottom-up approaches. The top-down approach entails risk workshops with Management and the Audit and Risk Committee. The bottom-up process entails implementing risk management processes, developing operational risk registers and taking action at an operational level to mitigate risks. The focus of these approaches is to identify risks that may prevent the organisation from achieving its strategic objectives, and implement control measures to mitigate these risks.

Functions of the AML/CFTP Council

- a) advises the Minister responsible for Finance at its own initiative or upon request, on:
 - policies and measures to combat money laundering, financing of terrorism and proliferation activities; and
 - the exercise by the Minister of the powers entrusted to the Minister under the Act;
- b) consult, when necessary, with the FIC, associations representing categories of Accountable or Reporting institutions, Offices, Ministries, Agencies, supervisory bodies, regulators and any other person:

- c) advise the FIC concerning the performance of its functions:
- d) consider and recommend the proposed budget of the FIC to the Minister for approval;
- e) consider and recommend to the Minister; human resources and other resources required by the FIC to effectively carry out its functions in terms of the FIA to the Minister for approval;
- f) recommend to the Minister the appointment or removal of the Director;
- g) approves the FIC Risk Assessment and Risk Management Plans on an annual basis followed by quarterly reviews of risk reports; and
- h) identifies a risk appetite and tolerance level for all identified risks and ensure tracking and mitigation of identified risks by the FIC.



THE COUNCIL MEMBERS



Mr. I Shiimi (Chairperson)



Mr. Paulus Noa (Vice Chairperson)



Ms. E Shafudah (Member)



Mr. IVK Ndjoze (Member)



Mr. J. Kandjeke (Member)



Mr. Sarel van Zyl (Member) (Member)



THE COUNCIL MEMBERS



Mr. K Matomola (Member)



Insp. Gen SH Ndeitunga (Member)



Ms. E. Angula (Member)



Mr. S Katjiuandjo (Ministry of Justice)



Mr. B K Likando (Member)



Comm. (Rtd) T. Kamati (Member)



Adv. O.M. Imalwa (Member)



In his foreword to the Harambee Prosperity Plan (HPP), His Excellency President Hage Geingob declared all-out war against poverty and urged all stakeholders to embark upon the path towards prosperity. The President equally emphasized that an inclusive Namibian house can only be attained if poverty is eradicated and all who live in this beautiful country can share in all the country has to offer. These noble ideas can only be fulfilled if all stakeholders pull together.

The Ministry of Finance, as a stakeholder in the HPP, amidst its various mandates, has a duty to advance efforts that safeguard the integrity of our national financial system. Sound financial systems, premised on security, reliability and integrity are the platform on which economies are build, jobs are created and national prosperity attained. In contributing to a sound national financial system, the FIC plays a unique and crucial role as the coordinating agency of all Anti-Money Laundering, Combatting the Financing of Terrorism and Proliferation (AML/CFT/CPF) measures nationally. Combatting these economic crimes is an essential component of the safeguarding measures which fosters investor confidence and encourages economic growth. The growth in economic activities, to advance prosperity that we all aspire for our country is thus centered on contributions from agencies such as the FIC.

Over and above local economic aspirations, Namibia is a member of the international community and our financial system exists and operates with such framework. With that comes a responsibility to ensure Namibia plays her part in combatting financial crimes that could undermine the integrity of the international financial system. It goes without saying that control weaknesses in any part of the international community could result in criminal syndicates shifting their activities to take advantage of such poor controls in such areas. Owing to the work done by the FIC, the Ministry of Finance, NAMFISA, Prosecution and Law Enforcement Authorities, amongst others, we can safely say that Namibia is contributing towards making the international financial system safer. The effectiveness of our local AML/ CFT/CPF controls are due to be tested with the upcoming Mutual Evaluation exercise due to commence in late 2020. It is my sincere belief that as a country, we will continue to render the FIC and its stakeholders the necessary support required to help Namibia demonstrate progress made since the previous Mutual Evaluation completed over a decade ago. While this annual report presents some of the FIC's efforts and activities geared towards the fulfilment of its mandate, it partially communicates Namibia's progress made in ensuring compliance to international standards that Namibia has committed to. One therefore encourages all stakeholders to duly reflect on matters raised herein and consider areas where we can enhance the integrity of our financial system by making the necessary contributions at institutional and regulatory level.



Hon. C. Schlettwein Minister of Finance



The Financial Intelligence Centre (FIC) has proved itself again to be a crucial component in the country's efforts to develop and maintain a reliable, safe and responsive financial system. Despite warding off numerous challenges and attacks during the period under review, the FIC continues diligently in its quest to serve the Namibian nation.

Developments during the year in review have proved that the Namibian system remains vulnerable to corruption and exploitation, which is something not unique to Namibia. Jurisdictions around the world are battling this plague called corruption, and had to devise new and innovative ways to combat it. The time has arrived for Namibia to renew her efforts and explore alternative ways in the detection, prevention and combating of corruption.

Jurisdictions on the African continent has noted some successes in the fight against corruption by implementing tools such as plea bargaining, asset forfeiture, probationary sentences and non-custodial sentences. Studies found that in instances where the political stakes are high and the likelihood of successful prosecutions are low, these tools are said to be faster, more straightforward and more viable than traditional criminal prosecutions. In Namibia these new age crime-fighting tools may require legislative reforms, as well as innovative and more pragmatic approaches by prosecutors and investigators.

The FIC is an effective agency, but there remains a dire need for intensified collaboration and information sharing between government agencies and non-governmental partners so as to increase Namibia's crime combating ability.

The FIC and its partners, like the NAMPOL AML/CFT investigative unit and the ACC, possess significant untapped potential that can be further developed by modest legislative reforms and sustained resourcing.

This report outlines the FIC's activities and deliverables during the financial year 01 April 2019 to 31 March 2020. The period under review is characterized by FIC's significant contributions towards the fight against corruption and

executing its legislative mandate in preparation for the upcoming mutual evaluation by the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG); set to commence with a desk review on 01 June 2020 followed by an on-site assessment in November 2020. Mutual evaluations serve to demonstrate to the world that a country either has a sound and safe financial system or not, which in turn affects international trade and foreign investment. It also highlights areas of weakness for the country to address.

At the behest of the AML/CFTP Council the FIC, during the period under review, facilitated the completion of a National AML/CFT/CFP Self-Assessment. The assessment was aimed at determining and rectifying weaknesses in the national AML/CFT/CPF framework ahead of the mutual evaluation. The results of the self-assessment, together with an action plan to rectify identified weaknesses, is awaiting Cabinet approval before it can be implemented.

As the lead agency of the National Focal Committee, established for the purpose of preparing the Nation for the mutual evaluation, the FIC also successfully facilitated an ESAAMLG Pre – Mutual Evaluation Workshop for all stakeholders which was held in Windhoek during February 2020.

In light of the above I again implore public and private sector stakeholders to dedicate the required time and resources needed to effectively prepare the country for the upcoming mutual evaluation.

I congratulate the FIC staff, under the guidance of the AML/CFTP Council, for a job well done. I also express my gratitude to our stakeholders for their continued support.

lipumbu Shiimi

Chairman: AML/CFTP Council



DIRECTOR'S REVIEW

It avails me with esteemed honor to submit to Parliament, the Namibian nation, the Minister of Finance and the Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferations Council, the 2019/20 operational and financial results for the Financial Intelligence Centre (FIC).

The FIC with other prevention and combatting strategic partners, form the epicentre of the national framework, designed to protect Namibia's financial system, economy and people from criminal, Money Laundering, Terrorist Financing and Proliferation (ML/TF/PF) abuse.

The national framework in turn, is representative of a sophisticated network of private and public entities and individuals, tirelessly and continuously adding value to national crime prevention, combatting and security priorities as well as economic priorities. Close collaboration between the FIC and partner entities ensures that information sharing and intelligence capabilities are continuously enhanced, resulting in rapid response to protect Namibia from criminal threats.

The impressive results achieved by FIC for Namibians during 2019/20, as reflected in this Annual Report, would not be possible without the dedicated efforts of all national AML/CFT/CPF stakeholders and Team FIC.

The year in review demonstrated:

- a sharp increase in the volume of reports received by the FIC. This continuously compelled the Centre to explore and enable new efficiencies and innovations to monitor compliance, identify and and act on non-compliance, and generate actionable meaningful intelligence for both our partners and us;
- better outputs in compliance operational efficiencies, in that FIC led administrative enforcement action resulting in numerous administrative actions against identified Accountable and Reporting Institutions for non-compliance identified;

- effective intelligence led case outcomes by integrated investigative task forces (representative of both domestic and international FIUs and Law Enforcement Agencies),FIC's intelligence played a key role in identifying and tracking millions of bank transactions and, criminal proceeds running into billions of Namibian Dollars thus far. As a consequence, various Law Enforcement investigations (Domestic and Foreign) were undertaken and supplemented which lead to some arrests related to charges of fraud, theft, corrupt activities, poaching, tax evasion and money laundering. Furthermore, intelligence received from foreign jurisdiction bolstered the understanding of criminal networks in Namibia and impacted on the quality of intelligence disclosures to our local law enforcement partners.
- operationalization of Namibia's public-to-public cooperation (PPC) and public-private partnership (PPP) to further enhance intelligence led crime prevention and combatting efforts. The resulting partnerships have already generated highly positive results regarding the detection and prevention of financial crime and money laundering. During the year in review, several operational highlights were delivered by the PPC and PPP, namely:
 - the arrest of prominent high-risk individuals;
 - intelligence driven crime prevention and combatting responses which resulted in rapid responses to private sector to freeze proceeds of crime, enabling fast-tracking of criminal investigations and abruptly depriving affected parties of illegally acquired assets
 - better identification of ML/TF/PF risks and know-how in preventing and combatting ML/TF/PF;

DIRECTOR'S REVIEW

"Close collaboration between the FIC and partner entities ensures that information sharing and intelligence capabilities are continuously enhanced, resulting in rapid response to protect Namibia from criminal threats"

- positively impacting on the ability of the FIC to deliver high quality domestic and international cooperation;
- reduction in duplication of effort when handling the same matters and data sets but for different outcomes;
- enhanced information sharing between public and private sector;
- co-sharing of investigative costs and resources;
- use of administrative law tools to complement criminal law tools;
- usage of technology for better data integration, big data mining and target identification;
- demonstration of tangible cost-benefit to taxpayers; and
- improving public trust in crime prevention and combatting capabilities of responsible financial crime prevention and combatting partners.

During 2020/21 FIC's focus will be:

harnessing the combined power of smarter machines and smarter humans to make headway in the fight against financial crime. FIC intends to understand how the use of effective technology powered with trusted data, can assist in improving detection and prevention of financial crime, ML, TF and PF. As criminal subject matter become increasingly more connected and innovative, institutions such as the FIC and those

exposed to financial, ML, TF and PF crime threats, must ensure that they are maximizing the use of technology, trusted data and the expertise of their people to protect the integrity and stability of the financial system as well as themselves. In particular, FIC will conduct an assessment to understand how the Centre can capitalize from rapid technological advances over the past three years (facilitated by artificial intelligence, machine learning, cloud computing, robotics and the Internet of Things) to enable:

- rapid intelligence gathering from vast and often disparate data sets; and
- usage of rapid advances in data science to uncover previously hidden patterns and networks of potential financial criminal activity.

enabling a fit-for-future workforce:

Equipping FIC employees with the necessary skill and capabilities to take full advantage of disruptive digital transformations. The objective is to ensure that FIC employees are geared towards fit-for-future work where they are enabled to:

- effectively cope with the quickening pace of technological changes, shorter operational procedure lifecycles and rising expectations of employee effectiveness;
- have the technical and behavioural competencies, agility and mindset to position the Centre for success in a constantly evolving landscape; and
- leverage information technology systems and people to enhance intelligence and regulatory outcomes



DIRECTOR'S REVIEW

- initiate a comprehensive review of FIC's analytical capability and its modernization to:
 - ensure identification of the best path forward in upgrading analytics to enable full and timely use of FIC's data and knowledge;
 - further enable innovation in analysis; and
 - develop tools to deepen FIC's analytical insights.
- extensively review FIC's suspicious transaction and activity reporting format and guidance to:
 - make it clearer and more concise;
 - ensure sector specific customization of the reporting format;
 - avail ML/TF/PF indicators specific to each reporting sector, making it easier to fulfill reporting obligations; and
- **enable enhanced FIA compliance** through collaboration, transparency and availing support to reporting industries by publishing FIC's:
 - FIA Compliance Framework;
 - on-site, off-site and behavioural assessment framework;
 - FIA Administrative Enforcement Policy; and
 - Voluntary Self-Declaration of FIA Non-Compliance Notice.
- produce strategic financial intelligence which:
 - identifies trends, opportunities and risks arising from the rapid growth of financial technology (FinTech);
 - how FinTech could be used in facilitating ML/TF/PF with particular reference to virtual

- assets, digital identity and alternative financing; and
- provides a wide analytic perspective on the evolving nature, scope and threat posed by ML/TF/PF to the Namibian economy.
- strengthen and expand FIC's partnerships by strategically reaching out to private sector, public sector, law enforcement, national & international stakeholders as well as academia to ensure regime-wide value addition where:
 - the power of financial intelligence is optimally harnessed and enables attainment of common objectives;
 - the value of FIC's contribution and efforts is optimally maximized and better ways are identified in doing business and deliver impact;

I congratulate Team FIC, a most skilled and dedicated workforce, for the successes achieved in the past 2019/20 financial year. I also look forward to:

- avail leadership to this dynamic Centre in the year ahead;
- optimally strengthen stakeholder relationship, in the best interest of Namibia and her people and;
- harness all available capabilities in strengthening the financial system against criminal abuse.

Team FIC recommit itself to serve the Namibian Nation to the best of our ability and look forward to the opportunities the new financial year will bring about.



Leonie Dunn Director: FIC





To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the FIC's external Auditors.

This Annual Report is complete, accurate and free from any material omissions.

This Annual Report has been prepared in accordance with general Annual Report Guidelines endorsed by the Government of the Republic of Namibia.

The Annual Financial Statements have been prepared in accordance with applicable standards and that the FIC, with the administrative support availed by the Bank of Namibia as per the Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended, is responsible for the preparation of the financial statements and for the judgements made in this regard.

The FIC is responsible for establishing and implementing a system of internal control to provide reasonable assurance as to the integrity and reliability of the performance information, human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In lieu of the above, I most humbly opine that this Annual Report adequately and fairly reflects the operations, performance, human resources and financial affairs of the FIC for the financial year ending 31 March 2020.



Leonie Dunn Director: FIC 30 June 2020

PART AGETTING TO KNOW THE FIC





The Financial Intelligence Centre (FIC) is an operational autonomous and independent statutory agency in the Bank of Namibia and Ministry of Finance portfolio, established under the Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended.

The portfolio location of the FIC:

- avail it with the unique opportunity to work more closely with the financial sector, private sector, public sector, law enforcement and partners to better protect Namibia against Money, Laundering, Terrorist Financing and Proliferation activities (ML/TF/PF) and serious financial crime; and
- enhances its ability to effectively perform its role as a conduit of intelligence between the financial sector, partners, law enforcement and security agencies, in undeterred fashion.

FIC's objective, as stated in the Bank of Namibia's Strategic Plan 2017-2021, is to safeguard and enhance financial stability and building ML/TF/PF resilience in the financial system. This we do through usage of financial intelligence and regulation to disrupt ML/TF/PF and other serious financial crime, in collaboration with partners.

The FIC is both Namibia's Financial Intelligence Unit (FIU) and regulator of Anti-Money Laundering and Combatting the Financing of Terrorist and Proliferation activities (AML/CFT/CPF) prevention efforts.

As Namibia's FIU, the FIC avails financial intelligence as a guiding compass aiding the investigation and prosecution of ML/TF/PF and serious financial crime. The FIC does this by receiving, collecting, collating, analyzing and disseminating information from reports on financial transactions and suspicious matters, submitted by the FIA Regulated Populace. The FIC through its analytical processes avails actionable intelligence to partners, partner agencies and foreign FIUs with the purpose of disrupting ML/TF/PF and serious financial crimes.

As Namibia's AML/CFT/CPF regulator (in collaboration with other AML/CFT/CPF supervisory and regulatory bodies), FIC oversees more than 2,900 businesses on their compliance with the FIA.

Our regulatory activities assist the FIA Regulated Populace in strengthening their AML/CFT/CPF controls and to identify, assess and mitigate ML/TF/PF risk exposure. In turn, regulatory outcomes enable resilience by the financial system against criminal exploitation and cause a close and trusted working relationship between private sector, the FIC and Law Enforcement agencies.

The FIC thus uses financial intelligence and regulatory efforts to:

- prevent criminal abuse of the economy and the financial sector
- generate and share intelligence and insights to mitigate ML/TF/PF risk in the economy and financial system
- help Government, Law Enforcement Agencies, Security Agencies and identified partners to prevent, detect and deter ML/TF/PF and other serious financial crimes; and
- enable trust and integrity in Namibia's financial system and economy.

Our key focus areas are:

- uncovering of new and emerging ML/TF/PF posed by criminal actors seeking to risks exploit the financial system and the economy;
- enabling comprehensive understanding of ML/TF/PF vulnerabilities within the global financial system at risk of criminal exploitation;
- ensuring that ML/TF/PF risks within the financial system and economy is minimized through deployment of effective AML/CFT/preventative controls deployed by an engaged, capable and collaborative gatekeepers;
- in collaboration with partners and partner agencies, identify, assess and disrupt criminal exploitation of the financial system and economy; and



 continuous improvement of efficiency, effectiveness and sustainability in a constantly evolving financial criminal landscape.

The FIC's objectives are underpinned by its statutory mandate as prescribed in the Financial Intelligence Act, 2012 (Act No. 13 of 2012), as amended.

The functions of the FIC

The FIC's primary functions in terms of the FIA are -

- receive, request, process, analyse, interpret financial data and disseminate intelligence to partners, partner agencies and AML/CFT/CPF stakeholders spontaneously and upon request;
- inform, advise, and co-operate with partner agencies domestically and internationally to identify, assess, understand and disrupt ML/TF/PF activities;
- monitor, supervise and avail compliance and risk guidance to accountable and reporting institutions, supervisory bodies and individuals in respect of the FIA;
- create public awareness, and offer training to the regulated institutions to fully understand their obligations under the FIA.
- enforce compliance with the FIA by imposing proportionate and dissuasive administrative¹ sanctions;
- implement and keep an up-to-date registration system for all Accountable and Reporting Institutions;
- continuously align Namibia's National AML/CFT/CPFT policy, legislative and implementation framework with international AML/CFT/CPF obligations, standards and best practices;
- protect the financial systems and economy against abuse for ML/TF/PF and serious financial crime purposes.

Other functions include -

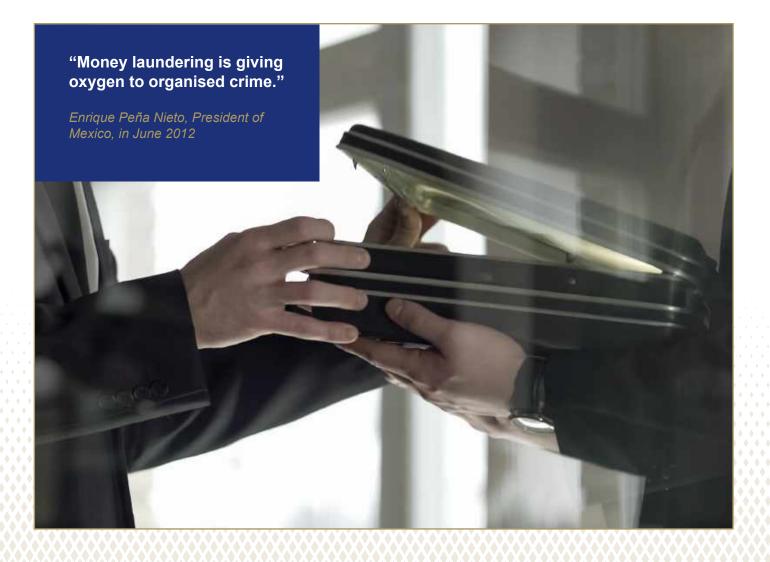
- identification, assessment and understanding of national ML/TF/PF risks, threats and vulnerabilities and ensure that preventative measures are effectively coordinated to address vulnerabilities and mitigate identified risks/threats:
- develop AML/CFT/CPF policies and strategies for consideration by the AML/CFT/CPF Council in particular and Cabinet in general;
- coordinate all National AML/CFT/CPF preventative and combatting efforts;
- preventing and combatting ML, TF, PF and related activities in collaboration with partners, partner agencies, foreign FIUs, cooperating and supporting nations and organizations;
- identifying the proceeds of unlawful activities, through the receipt and analyses of reporting types, and disclosure of financial intelligence indicative of ML/TF/ PF and related activities to law enforcement agencies and foreign FIUs;
- maintain a national AML/CFT/CPF and ML/TF/PF statistical database;
- issue Early Warning Indicators to Government, Partner Agencies and the FIA Regulated Populace on ML/TF/ PF Risks, Trends and Typologies;
- ensure the balance between AML/CFT/CPF measures and Financial Inclusion Initiatives aligned with Namibia's Financial Sector Strategy:
- ensure containment of ML/TF/PF de-risking;
- represent Namibia at national, regional and international AML/CFT/CPF forums; and
- render administrative support to the AML/CFT/CPF Council.

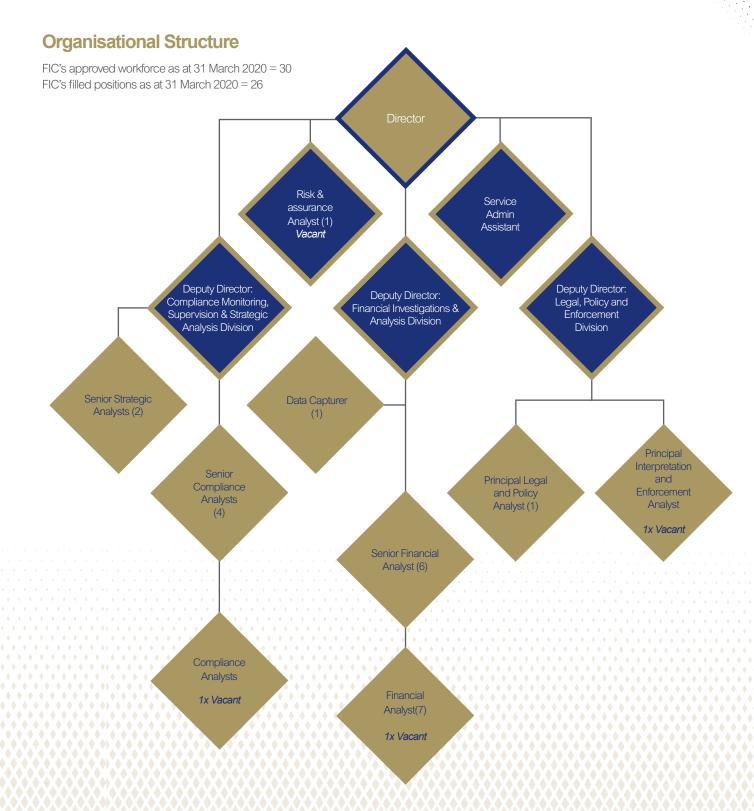
¹ All istrative Action to be undertaken by the FIC to address identified FIA Non-Compliance by Accountable and Reporting institutions as well as Supervisor Bodies are mandated by s. 56 of the FIA.

PF and related activities to law enforcement agencies and foreign FIUs;

- maintain a national AML/CFT/CPF and ML/TF/PF statistical database;
- issue Early Warning Indicators to Government, Partner Agencies FIA Regulated Populace on ML/TF/PF Risks, Trends and Typologies;
- ensure the balance between AML/CFT/CPF measures and Financial Inclusion Initiatives aligned with Namibia's Financial Sector Strategy;

- ensure containment of ML/TF/PF de-risking;
- represent Namibia at national, regional and international AML/CFT/CPF forums; and
- render administrative support to the AML/CFT/CPF Council.





Supporting role of the Bank of Namibia

The FIC is administratively part of the Bank of Namibia in terms of section 7(2) of the FIA. The Bank also avails all needed administrative support to the FIC, which include but are not limited to-

- a. Governance as per NamCode and King IV requirements
- b. Remuneration and other payments in terms the Bank's remuneration and payment policies and procedures;
- c. Performance management in terms of the policies and procedures of the Bank;
- d. The services of the Bank's Budget Committee before the FIC's proposed budget is submitted to the AML/CFT/CPF Council and the Ministry of Finance; and
- e. The Bank's Finance and Administration Department for financial accounting services. However, the FIC's books are audited separately from those of the Bank, by external auditors;

The FIC is integrated in the management of the Bank's operations and serve on management and other committees of the Bank

Domestic Stakeholder Coordination Relationship

The national AML/CFT/CPF policy, legislative and implementation stakeholder coordination is facilitated by the members of the AML/CFT/CPF Council. These members are drawn from key domestic AML/CFT/CPF prevention and combatting stakeholders to ensure effective domestic coordination of AML/CFT/CPF activities. These are —

a) Governor of the Bank of Namibia;

- b) Director-General of the Anti- Corruption Commission (ACC);
- c) Inspector-General of the Namibian Police;
- d) Prosecutor-General of the Republic of Namibia;
- e) Auditor-General of the Republic of Namibia;
- f) Director of the Namibian Central Intelligence Services (NCIS);
- g) Chief Executive Officer of the Namibia Financial Institutions Supervisory Authority;
- h) President of the Bankers Association of Namibia (BAN)
- i) Executive Director of the Ministry of Finance;
- b) Executive Director of the Ministry of Justice;
- c) Executive Director of the Ministry of Trade, Industrialization and SME Development;
- d) Executive Director of the Ministry of Safety and Security; and
- e) Member of the Council of the Law Society of Namibia.

The aforementioned stakeholders work in a coordinated fashion to ensure that Namibia's financial system and broader economy is protected from the threats of ML/TF/PF, thereby strengthening financial sector integrity, safety and security. They further ensure that relevant stakeholders play their respective key roles in Namibia's AML/CFT/CPF framework in respect of:

- a. identification, assessment and treatment of ML/TF/PF risk and threat exposure;
- b. policy, legislative and implementation efforts;

- c. prevention and combatting efforts;
- d. collection of relevant types of information supporting the AML/CFT/CPF cause and enabling Namibia to demonstrate effectiveness of the national AML/CFT/ CPF framework:
- e. ML/TF/PF information sharing;
- f. the use of financial information to profile criminals and their networks and understand emerging criminal trends and patterns;
- understanding of challenges and deployment of good practices associated with the sharing of AML/CFT/ CPF information; and
- h. preparation of the country for the 2020/21 ESAAMLG/ FATF mutual evaluation.

Relationship with the regulated populace

This refers to the FIC's relationship with Accountable and Reporting Institutions. These institutions are, in terms of the FIA, expected to conduct certain gate-keeping functions and implement certain measures to enhance compliance and reduce ML/TF/PF risk materialization. This is perhaps amongst the most important relationships in the AML/CFT/CPF preventative value chain, but one, which cannot effectively function without other identified key relationships.

On a risk exposure basis, the FIC engages these institutions to enhance their compliance with the FIA and to refer identified non-compliance for administrative enforcement considerations. The FIC also has an open-door policy, which creates a platform for institutions to initiate engagements by, amongst others:

- a. Filing reports;
- b. Seeking training from the FIC;
- c. Requesting guidance on effective compliance; and
- d. Seeking interpretation of the FIA on case-by-case basis

The FIC-Bankers Association of Namibia (BAN) partnership

As a key stakeholder, BAN has been identified by the FIC as a significant compliance partner with whom ideas are shared and consultations are made on enhancing FIA compliance behaviour. There are scheduled and ad hoc bilateral meetings that deliberate on matters regarding FIA compliance and related issues.

BAN also serves as a member on the National Focal Committee established for purposes of preparing the country for the 2020/21 FATF/ESAAMLG mutual evaluation.

The FIC Regulator/Supervisor relationships

The engaging relationship the FIC has with supervisory bodies and prudential regulators provide a mechanism for the FIC to monitor the progress made by supervisory bodies in supervising Accountable and Reporting Institutions. This also allows supervisory bodies, like the FIC and NAMFISA to share experiences relating to sectoral ML/TF/PF risk assessments, inspections and enforcement, and to harmonise approaches to supervision and enforcement. The same goes for prudential regulators which includes relationships with Namibia Stock Exchange, Bank of Namibia's Banking Supervision, Payment Systems and Exchange Control Departments, Law Society of Namibia, Public Accountants and Auditors Board, Institute of Chartered Accountants of Namibia and the Namibia Estate Agents Board.

As a supervisory body, NAMFISA's relationship with the FIC is of both operational and strategic importance. The same importance can be attached to the FIC's relationship with the prudential regulators identified above. The regular institutional consultations and meetings, geared towards enhancing compliance and. mitigating relevant risks in the relevant sectors, is paramount.



International working relationships and engagements

The FIC has signed various Memoranda of Understanding (MOU's) with foreign counterparts i.e. other FIU's worldwide as well as global AML/CFT/CPF institutions, which helps in the speedy execution of duties and resolve of matters under investigation; especially cross border information sharing purposes as well as matters involving ML/TF/PF risks, trends and patters and AML/CFT/CPF policy matters. These MoU's improve international co-operation and streamlines information sharing processes, strengthening Namibia's capability to assist and also request assistance from international partners in combating crime.

Other platforms which contribute to international information sharing and engagements are the:

- Egmont Group of FIUs;
- ESAAMLG membership;
- FATF:
- World Bank:
- IMF; and
- Alliance for Financial Inclusion.

The FIC is a member Egmont Group of Financial Intelligence Units, which enables it to rapidly exchange information with counterparts around the world. The FIC attends Egmont Working Group and Plenary meetings, drawing on the extensive expertise of involved partners. The Egmont Group, amongst others, offers a wide range of training and capacitation initiatives and hosted a number of training workshops in Namibia over the past years.

Namibia is a founding member of ESAAMLG who in turn is an associate member of the FATF. FIC's Director leads the Namibian delegation to all FATF, ESAAMLG, Egmont and other global AML/CFT/CPF meetings where the delegation actively participates in working groups, review groups and plenary meetings.

UNODC

The FIC has and continuous to have a special relationship with the UNODC. The UNODC has been part of the FIC's formative years until date. It availed various human and technical capacity building assistance and still remains actively involved in capacitating Law Enforcement Agencies (NAMPOL; Office of the Prosecutor-General, Ministry of Finance: Directorates Customs & Excise and Inland Revenue) in Namibia to ensure the effective combatting of Money Laundering, Terrorism Financing and Proliferation matters.

OECD'S Tax Inspectors without Borders Program

The FIC also established a partnership with the OECD's Tax Inspectors without Borders, in an effort to address the threat posed by increasingly complex and innovative forms of financial crimes ², observed by the FIC over the past couple of years.

The FIC with other domestic Law Enforcement Agencies also benefited from the OECD's Tax Inspectors without Borders: Criminal Investigations program. This program aims to enhance national tax crime investigation capability, in Namibia's effort to resolve complex cases of tax evasion and related financial crimes

RUSI

The FIC also established a partnership with the Royal United Services Institute. The main purpose is to further strengthen public and private sector's ability to effectively implement applicable TF/PF UNSCRs, FATF recommendations 2 and 7

² In this new era of "banking without borders", substantial sums of money can be moved covertly between multiple jurisdictions with relative ease and great speed by exploiting modern technology. Consequently, criminal activities such as tax evasion, corruption, ML/TF/PF and other illicit financial flows are becoming more sophisticated and borderless, threatening the strategic, political and economic interests of countries globally. This not only undermines the rule of law and public trust, but also creates an uneven playing field for compliant taxpayers and citizens. Additionally, the threat is compounded by illicit financial flows observed by the FIC which in turn may negatively impede on Namibia's development agenda.



obligations as domesticated in the Prevention and Combatting of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014). The partnership also focusses on strengthening national ability on TF/PF risk awareness and aligning the national TF/PF risk assessment framework methodology, with international best practice.

The World Bank

The FIC also enhanced the existing partnership with the World Bank in furthering the objectives of the 2019/20 overhaul of the 2012 national AML/CFT/CPF Risk and Threat Assessment and updates conducted thereto in 2014 and 2017/18.

The strengthened partnership enables Namibia to benefit from the Risk Assessment Advisory Package in conducting the overhaul of the 2019/20 ML/TF/PF risk assessment. Overall, the advisory package consists of a ML/TF/PF risk assessment tool, methodology and a systematic and organized process, which enables broad participation of public and private sector stakeholders, with FIC performing and lead agency and coordination role. The development of the tool and the advisory package started in 2007, and incorporates the World Bank's experience in assisting countries in performing their national ML/TF/PF risk assessments.

Namibia was amongst the first countries globally to have used the World Bank's ML/TF/PF risk assessment tool. The result was Namibia being amongst the first countries globally to have completed a national ML/TF/PF Risk and Threat Assessment in 2012.

Australian Transaction Reports and Analysis Centre (AUSTRAC):

AUSTRAC, which is considered one of the leading FIUs in the international community, remains a dependable partner of the FIC. Amongst others, this partnership has seen the former assist the FIC to:

- lay the foundation for its compliance monitoring and supervision activities;
- enhance its strategic planning, regulatory and supervisory model in the earlier years; and
- enhance activities of the FIC's financial investigation and analysis function. AML/CFT/CPF cause and enabling Namibia to demonstrate effectiveness of the national AML/CFT/CPF framework;

PART BOPERATIONS OF THE FIC





Office of the Director

The operational activities of the five divisions of the FIC are geared towards delivering on the national, regional and international AML/CFT/CPF mandate of Namibia and the FIC. The Office of the Director is primarily tasked with ensuring compliance with Namibia's international AML/CFT/CPF obligations, organizational management and providing strategic direction on FIC's fulfilment of its statutory mandate. In so doing, the office has to ensure that the FIC's operations have meaning and relevance to all national and international stakeholders. As such, this section presents a high-level summary of how the office of the Director worked with the various divisions in the FIC for the year in review.

Providing strategic direction and enhancing organizational independence

The office of the Director has a responsibility to ensure the FIC remains operationally independent and autonomous, by:

- guiding the process of crafting the FIC's strategic directions, Key Performance Areas and milestones;
- working with relevant stakeholders to ensure the FIC is properly structured and resourced to fulfil its strategic goals;
- working towards enhancing measures that provide a framework for the FIC to function as a model FIU;
- having the authority and capacity to carry out its (FIC) functions freely, including the autonomous decision to analyse, request and/or forward or disseminate specific information;
- being able to make arrangements or engage independently with local, other domestic competent authorities or foreign counterparts on the exchange of information; and

 being able to obtain and deploy the resources needed to carry out its functions, on an individual or routine basis, free from any undue political, government or industry influence or interference, which might compromise its operationa independence

By working closely with the Financial Investigations and Analyses Division, the Office of the Director ensures operations are primarily geared towards:

- ensuring the implementation of measures to enhance timeous and actionable information exchange with other FIUs, LEAs and Private Sector: The Director's office seeks to continuously strengthen and improve timeous information exchange with relevant stakeholders which includes efforts to address ML/TF/PF risk materialisation, increase consumption of intelligence, promote cooperation and domestic coordination and ensure proceeds of crime and funds destined for terrorist and proliferation activities are disrupted and removed from the financial system; and
- facilitating adherence to international AML/CFT/CPF obligations, standards and best practices; developing and sharing expertise; and deploying innovative technologies and operational models to ensure maximum end-to-end user benefit of FIC's output:

A key obligation imposed on the FIA regulated populace is the collection and reporting of suspicious transaction and activity reports to the FIC. In particular, the FIA provides that the following must be reported to FIC:

 Suspicious Transaction and Activity Reports (if, in the provision of a service to a customer, the accountable or reporting institution suspects on reasonable grounds that information provided may relate to a predicate offence or ML/TE/PE);



OPERATIONS OF THE FIC

- Domestic and International Electronic Funds Transfers above the respective thresholdamounts (accountable institutions must report the details of a payment instruction to or from a foreign country as well as nationally, to transfer money or value);
- Large Cash Transaction Threshold Reports (reporting of all cash transaction reports exceeding NAD100,000); and
- Cross Border Movement of Cash and Bearer Negotiable Instrument Threshold Reports (travellers must declare the import or export of all cash, regardless of currency, equivalent to NAD100,000 and above);

The FIC receives numerous Requests for Information from foreign counterparts and domestic law Enforcement and partner Agencies, as well as requests from public entities to conduct necessary due diligence on, amongst others, proposed foreign direct investment into Namibia.

Each year, the FIC disseminates numerous actionable intelligence reports to its stakeholders for use in investigations, prosecutions, tax collections as well as preservation and forfeiture of proceeds of crime.

As evidence of this key role, during the period 01 April 2019 until 31 March 2020, FIC received a total of 89 594 (eighty-nine thousand five hundred and ninety-four) FIA reporting types. The reports so received by FIC, shows a decline in the suspicious activity and transaction categories in comparison to the 2018/19 financial year. This is as a result of FIC's consistent and continuous AML/CFT/CPF capacity building, supervision and monitoring interventions into the quality of reporting to the FIC by the FIA regulated populace.

| | FY 2019 | | | |
|--------|---------|--|--|--|
| STRs | 1328 | | | |
| SARs | 274 | | | |
| CTRs | 7813 | | | |
| EFTs | 5787 | | | |
| IFTs | 10579 | | | |
| AIFs | 503 | | | |
| CBMCRs | 7 | | | |

| | FY 2020 | | | |
|--------|---------|--|--|--|
| STRs | 1166 | | | |
| SARs | 209 | | | |
| CTRs | 10882 | | | |
| EFTs | 33012 | | | |
| IFTs | 43615 | | | |
| AIFs | 695 | | | |
| CBMCRs | 15 | | | |

26 291

89 594

In turn, FIC using available capacity (10 x Financial Investigation Analysts ³ only), disseminated a total of **344 (three hundred and forty four)** intelligence products to domestic and international stakeholders, with a total value of potential proceeds of crime amounting to **NAD 17,000,000,000.00 (seventeen billion Namibian Dollars)**. The potential proceeds of crime so identified is under investigation by Law Enforcement Authorities and other identified FIA competent authorities.

Additionally, operationalization of Namibia's Public-Private Partnership, Public-Public Partnership and Integrated Investigative Task Forces resulted in the following notable results:

 case outcomes by integrated investigative task forces (representative of both domestic and international FIUs and Law Enforcement Agencies), in which FIC's intelligence played a key role in identifying and tracking millions of bank transactions estimated to be worth NAD 15 billion.

³ It takes a Financial Investigation Analyst approximately 90 working days to conduct effective analyses on one STR/SAR received. For uncomplicated matters shorter time periods are prescribed.



This resulted in:

- various arrests on fraud, theft, corrupt activities, tax offenses (tax evasion, revenue un-declaration, illicit capital flight, identify theft and ML charges);
- tax assessments and collection of taxes due to Government running into the millions of Namibian dollars;
- identification of criminals and criminal enterprises and sharing of operational analysis with Law Enforcement for disruption of these criminal networks please add any other crimes identified from FIC's priority cases finalized and ongoing that are part of task forces). Three criminal syndicates (2 from project Namib and 1 from Aqua)

Engagements with the Compliance Monitoring and Supervision Division

Efforts of the Director's office in engaging the Compliance Monitoring and Supervision Division are geared towards ensuring that the Division fulfils its mandate of:

- enhancing ML/TF/PF risk mitigation;
- enhance overall FIA compliance behaviour;
- availing supervisory support to other FIC divisions; and
- continuously updating the national AML/CFT/
 CPF Risk and Threat Assessment.

Strategic Focus of this Division ensures that:

 compliance monitoring and supervision activities impact compliance and reporting behaviour of the FIA regulated populace with focus on effective ML/TF/ PF risk mitigation, the quality and quantity of reports reaching FIC; and • the necessary referrals and engagements for administrative enforcement action are effective and commensurate to national ML/TF/PF exposure.

Overall, for the period 01 April 2019 until 31 March 2020 a total of **2 058 (two thousand and fifty-eight)** institutions formed part of the FIC's Monitoring and Supervision ambit. Available capacity within FIC's Compliance Monitoring and Supervision Team (seven compliance auditors only) caused FIC to subject only **75 (seventy-five)** institutions to its Monitoring and Supervision ambit, using a risk-based approach. Whilst best efforts are made to monitor the entire FIA regulated populace, available resources remain insufficient to effectively subject the entire FIA regulated populace to compliance monitoring and supervision activities.

Engagements with the Legal, Policy and Enforcement Division

Strategic engagements with this Division are tailored towards ensuring that the FIC:

- ensures the alignment of the national AML/CFT/CFP Policy, Legislative and Implementation framework with international AML/CFT/CPF obligations, standards and best practices;
- plays its role in enhancing awareness by, amongst others, conducting capacity sessions building and awareness with relevant AML/CFT/CPF stakeholders;
- avail legal advice and interpretation on FIA to AML/CFT/ CPF stakeholders and other identified stakeholders;
- take decisive, measured and proportionate enforcement action to address identified non-compliance with AML/CFT/CPF legislation.



Engagements with the Strategic Analysis division

Strategic engagements with this Division are tailored towards ensuring that the FIC:

- draws on information from various sources including law enforcement, government, intelligence communities and various industries in private sector, to better understand criminal syndicates, criminal patterns, emerging crime threats; and
- issue strategic analytical products to forewarn national AML/CFT/CPF stakeholders.

Strategic Analytical Products amongst others highlight:

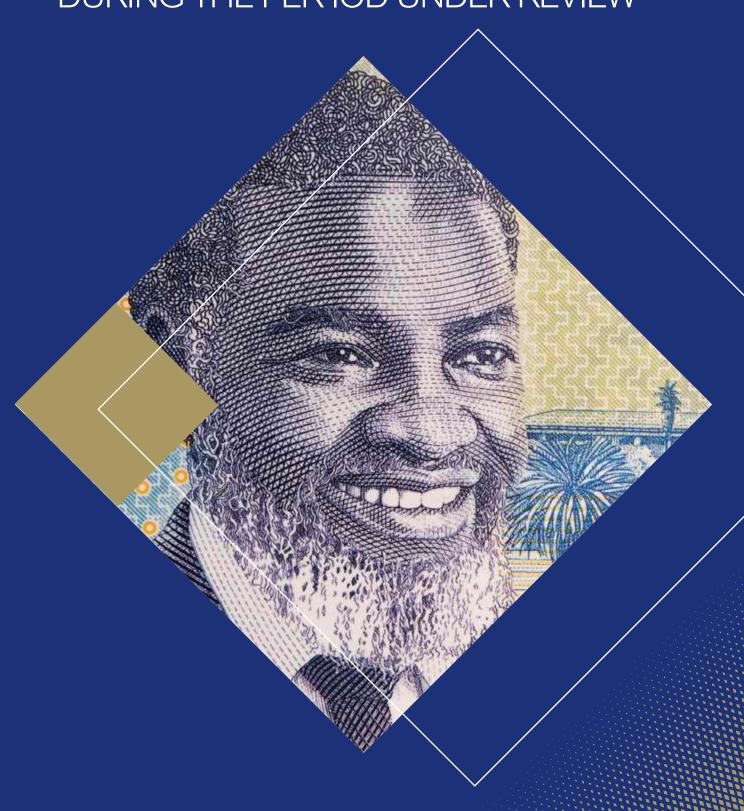
- the spectrum of predicate offences committed nationally;
- evolvement of organised criminal syndicates from old-fashioned models to highly sophisticated criminal entrepreneurial models who use technology and capitalize on networking to carry out multiple types of crimes;
- how professional enablers availing professional intermediary services, use their expertise to facilitate the laundering of proceeds of crime;

- abuse of financial services for ML/TF/PF purposes;
- how use of the dark web and encryption, cloak offending parties;
- how criminal syndicate modus operandi, undermine Namibia's economy, financial integrity, infrastructure and institutions through their criminal actions.
- how virtual assets are increasingly used to launder proceeds of crime; and

Details on Strategic Analytical products produced during 01 April 2019 until 31 March 2020 are highlighted in detail in this Annual Report. All Strategic Analytical products produced by the FIC for the year under review can also be found on the FIC's website www.fic.na

PART C

FIC OPERATIONAL ACHIEVEMENTS DURING THE PER IOD UNDER REVIEW



FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

The Director's office

The Office of the FIC Director, during the year under review, ensured that the FIC continuously nationally, regionally and internationally played its part in the AML/CFT/CPF prevention and combatting arena.

The FIC in particular made significant strides in increasing operational efficiencies. In this regard, it continued with efforts in leading FIA enforcement action against non-compliant institutions. Additionally, in response to the increasing volume of reports submitted to the FIC for analyses and compliance purposes, the FIC continuously searched for new efficiencies and innovations to:

- monitor compliance;
- identify and timeously act on FIA non-compliance; and
- generate actionable, meaningful intelligence for Law Enforcement and other identified FIA partners.

Nationally, the Director ensured that FIC remains the AML/CFT/CPF prevention and combatting partner of choice in efforts made to detect, disrupt and prevent criminal exploitation of Namibia's financial sector and economy. This is visible from active leadership availed by FIC in strategic public private partnerships operationalized to prioritize cases posing significant threats to financial stability and integrity. Regular activity reports on outcomes in this regard have been availed to strategic partners and decision makers.

The FIC also availed regular reports to the Council and the Minister of Finance on the execution of its statutory mandate.

In particular, the Director ensured that a large majority of the FIC's intelligence reports and supervisory activities are aligned with the 2019/20 national AML/CFT/CPF Sectoral Risk Assessment and

the 2019/20 National AML/CFT/CPF Self-Assessment results. She further ensured that all remaining work to overhaul the 2012 National AML/CFT/CPF Risk Assessment and the 2019 sectoral ML/TF/PF risk assessments are finalized, to avail assurance that ML/TF/PF Risk identification and resource allocation remains relevant and aligned to Namibia's development objectives, the expectations of AML/CFT/CPF treaty obligations, standards and best practice. As such, FIC's Analyses and Regulatory functions deploy risk-based approaches in task execution, with all resources applied to address ML/TF/PF high-risk areas as well as monitoring medium to low risk areas.

As can be seen from the statistics enclosed in this Annual Report, FIC's continuous engagement with AML/CFT/CPF stakeholders ensured that turn-overs are recorded in the recovery of potential proceeds of crime. Additionally, continuous engagements ensured that the regulatory footprint have significantly been widened with the FIC currently subjecting 2 058 (two thousand and fifty-eight) institutions (as at 31 March 2020) to AML/CFT/ CPF Regulatory Monitoring and Supervision activities. This excludes institutions directly supervised by NAMFISA for FIA compliance. During the period under review, the FIA regulated populace further expanded with 226 (two hundred and twenty-six) new institutions being registered. Further significant expansion of the FIA Regulated Populace is also foreseen in the 2020/21 financial year with the inclusion of the Customs Clearing and Forwarding Agent sector and the Non-Profit Organization sector as part of the FIA regulated populace, as gazetted 4 on 15 November 2019.

Regionally, the FIC with relevant national AML/CFT/CPF stakeholders, continue to participate in the ESAAMLG Working Group and Plenary meetings. Significant to note is that the FIC finalized all work as regional project lead on a Typology Study on Laundering the Proceeds of Wildlife Crimes, whilst it also lead progress reviews on progress made by Angola, Eswatini, Ethiopia, Tanzania, Mozambique and Malawi in addressing prevailing deficiencies in its respective national AML/CFT/CPF frameworks. Additionally, the FIC continues to avail:

⁴ Government Gazette No. No. 7049, dated 15 November 2019 which gazette Government Notice No. 339 and caused an amendment to Schedule 1 of Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended.

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

- technical, advisory and capacity building assistance to eighteen African jurisdictions to ensure their respective AML/ CFT/CPF regimes conforms with international AML/CFT/CPF standards and best practices;
- inputs on various other ESAAMLG Typologies Projects;
- identifying, assessing and mitigating ML/TF/PF risks;
- inputs on ESAAMLG ongoing work on Beneficial Ownership; and
- inputs on ESAAMLG ongoing work on promotion of financial inclusion and AML/CFTnational systems.

Internationally, the FIC contributed to strategic documents, policy documents, ML/TF/PF Risk, Trends and Methods of the Egmont Working Group to ensure the organization is guaranteed to attain its strategic objectives. Amongst others, the Director's office availed extensive input on:

- Acceptance of New Members to the Egmont Group;
- Egmont Group Membership Support and Compliance Matters;
- the Egmont Group Strategic Plan;
- Succession Planning and Selection Procedure for Egmont Group Chair;
- new Egmont and FATF requirements for the operational autonomy and independence of FIUs and Virtual Assets;
- actions to be taken by the Namibian FIU on the Anti-Corruption decision taken during the Argentina Heads of FIU meeting;

- various Egmont Typology research projects as ongoing projects;
- actions taken on the out-of-session Heads of FIU decisions;
- Egmont Membership contributions;
- Egmont Beneficial Ownership project;
- Annual Report of the Egmont Group;
- Egmont biennial census;
- actions taken deriving from the Counter Terror Financing Summit held in Paris in April 2018;
- actions taken to further FIU Public Private Partnership and Public to Public Partnership opportunities incountry;
- cyber and Emerging Technologies and ML/TF/PF risks;
- risks posed by Professional ML networks; and
- enhancing operational methodologies for strengthening FIUs work with Law Enforcement, Customs and Tax agencies.

All work done in above regard was endorsed by the Egmont Heads of FIUs with such Governance documents and structures significantly being conformed to ensure identified targets are attained.

Additionally, the Director's office remotely availed extensive input to the FATF Working Group and Plenary sessions, especially as far as the following is concerned:

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

- the FATF Strategy on Combating Terrorist Financing, including a public statement on FATF Monitoring of Terrorist Financing Risks and Actions Taken to Combat ISIL, Al-Qaeda and Affiliates Financing Public Statement
- input on various FATF Guidance Papers;
- input on mitigation of ML/TF/PF risks of virtual assets as well as Money Laundering and the Illegal Wildlife Trade;
- input on AML/CFT/CPF issues relating to stablecoins, particularly global stablecoins;
- input on promoting and facilitating more effective AML/ CFT/ CPF supervision at national level;
- input on Quality and Consistency on FATF mutual evaluations;
- input on follow-up reports resulting from mutual evaluations of identified jurisdictions;
- identifying jurisdictions with strategic AML/CFT/ CPF deficiencies with reference to new jurisdictions subjected to monitoring as well as monitoring various jurisdiction's actions to address deficiencies in national AML/ CFT/CPF systems;
- input on strategic review of the FATF Global Network assessment processes; and
- input on strengthening the governance and accountability of the FATF and expansion of membership.

The Office of the Director also continuously represent the FIC and the country at various platforms of International Financial Institutions such as the IMF and World Bank and strives by all means to ensure that Namibia's voice is heard in the development and application of AML/CFT/CPF policies, standards and best practices, to prevent a one-size-fits-all approach.

Compliance Monitoring and Supervision Division

FIC's approach to FIA supervisory activities is one of collaboration. In this regard, the Centre remains committed to enhancing its FIA regulatory and oversight function through availing tools and guidance that assist FIA regulated entities to understand and meet their FIA obligations. FIC continuously strives to enhance its regulatory output by reducing assessment processing timeframes and availing FIA compliance results to affected institutions as soon as possible.

The FIA primarily provides for the following control measures which institutions should comply with in order to help mitigate risks of money laundering, terrorism and proliferation financing:

- Identification and verification of clients on business transactions (section 21 & 22);
- Maintenance of appropriate risk management and monitoring systems (section 23);
- Exercising ongoing and enhanced due diligence (section 24);
- Identification and maintenance of cross border correspondent banking relationships (section 25);
- Keeping of records for business relationships and transactions (section 26 and 27);
- Reporting of cash transactions above prescribed limits (section 32);
- Reporting of Suspicious transactions and suspicious activities (section 33);
- Reporting of Electronic transfers of money to, from and within Namibia (section 34);
- Obligations of supervisory bodies (section 35);

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

- Declaration of cross border movement of cash above prescribed limits (section 36);
- Exercise of powers by Customs and Excise officials in respect of cross border movement of cash (section 37 and 38);
- All other obligations of accountable and reporting institutions in mitigating such risks (section 39).

Output of the Compliance Division for Year under Review

The Compliance Monitoring and Supervision Division employs a risk-based supervisory approach. In such approach, more time and resources are applied where risks are identified to be higher or intolerable. The activities of the Division are also geared towards increasing supervisory coverage in relevant sectors with cognizance to the risk exposure of such sectors. During the period under review, while high risk sectors remained the Division's primary focus, the Division equally engaged the medium-to-low risk institutions through other supervisory activities to gauge their FIA compliance behavior.

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Table 1: Supervisory coverage in terms of compliance assessments of supervised institutions as at 31 March 2020

| Sector | Total Registered @ March 2019 | Total Registered @ March 2020 | Risk Rating | Total Assessed March 2019 | Total Assessed March 2020 | Percentage Coverage @ March 2019 | Percentage Coverage @ March 2020 | Percentage Coverage Difference |
|--|--|--|----------------|------------------------------------|------------------------------------|---|---|--------------------------------------|
| Accountants and Auditors | 70 | 82 | L | 0 | 8 | 0% | 10% | 10% |
| Authorized Dealers in Currency Exchange with Limited | 11 | 11 | Н | 4 | 11 | 36% | 100% | 64% |
| Auctioneers | 21 | 22 | L | 2 | 15 | 10% | 75% | 65% |
| Banks | 12 | 12 | Н | 18 | 12 | 150% | 100% | -50% |
| Casinos | 11 | 5 | М | 0 | 5 | 0% | 100% | 100% |
| Customs, Clearing and Forwarding Agencies | 52 | 53 | М | 0 | 0 | 0% | 100% | 100% |
| Dealers and in Precious Metals and Stones | 6 | 7 | L | 1 | 4 | 17% | 57% | 40% |
| Legal Practioners | 209 | 233 | Н | 12 | 156 | 6% | 71% | 65% |
| Lending Institutions | 5 | 7 | M | 2 | 5 | 40% | 71% | 31% |
| Money and Value Transfer Service Providers | 7 | 6 | L | 3 | 3 | 43% | 50% | 7% |
| Motor Vehicle Dealers | 96 | 102 | M | 32 | 72 | 43% | 71% | 38% |
| Real Estate Agencies | 810 | 863 | M | 50 | 118 | 6% | 14% | 8% |
| Supervisory and Regulatory Bodies | 4 | 4 | L | 0 | 0 | 0% | 100% | 100% |
| Trust and company Service Providers | 28 | 39 | L | 0 | 3 | 0% | 8% | 8% |
| Others | 52 | 112 | M | 0 | 0 | 0% | 0% | 0% |
| Total | 1850 | 2058 | | 125 | 450 | | | |

FIA Compliance Assessments

The Division conducts various supervisory activities, which includes off-site and on-site assessment activities. These activities are aimed at gauging the level of an institutions' money laundering, terrorism and proliferation financing risk management and compliance with the FIA. The purpose of such assessments is to allow the Division to understand risk exposure and compliance levels in accountable or reporting institutions and, where need be, take measures to ensure corrective interventions are employed to enhance effective FIA compliance and ML/TF/PF risk mitigation.

NAMFISA is the only other supervisory body tasked with ensuring compliance with the FIA. The FIC cooperates with NAMFISA to ensure that sectors under the latter's supervision are effectively supervised for FIA compliance.

During the period under review, the Division continued engagements, which entailed periodic supervisory meetings and FIA consolidated supervision report reviews with both regulated industries, industry representative bodies and NAMFISA. Key engagements with these stakeholders during quarterly meetings centered around enhancing the FIA compliance behavior of identified sectors and addressing industry FIA compliance concerns.

The Division further expanded sectoral FIA reviews and had similar engagements with other sectors including Auctioneers, Casino Operators, Authorized Dealers with Limited Authority, but to mention a few, to advance FIA compliance objectives.

The nature and type of FIA assessment activities employed for particular sectors and institutions is dependent on various factors including the level of ML/TF/PF risk exposure and enhancement of FIA supervisory coverage nationally.

During the period under review the Division conducted thirtythree (33) FIA on-site assessment and twenty-four (24) FIA offsite assessment activities, compared to seventy (70) FIA on-site and fifty (50) FIA off-site assessment activities undertaken in the year ended March 2019 (see tables below). During the period under review the Division focused more on understanding the sectoral ML/TF/PF risks and having sectoral engagements, hence the decrease in number of assessments conducted.

Table 2: FIA Onsite Compliance Assessment coverage for the period 2018 to 2020

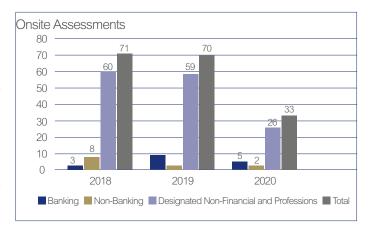
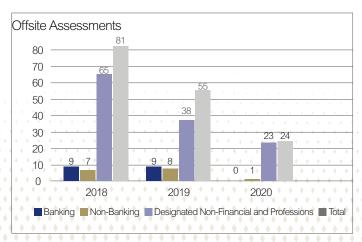


Table 3: Off-site Compliance Assessment activities for the period 2018 to 2020



FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Registrations

It is essential that institutions identified by the FIA as falling under the supervisory coverage of the FIC ensure registration with the FIC. This enhances the ease with which the FIC can reach and duly supervise such institutions. The total number of institutions registered in the period under review is two hundred and twenty-four (224). By 31 March 2020, the total number of registered institutions stood at two thousand and fifty-eight (2058) - see table 1 above

Financial Investigations and Analysis Division (FIAD)

The Financial Investigations and Analysis Division (FIAD) is tasked to receive STRs, SARs, CTRs, EFTs, IFTs, CBMCRs and AIFs from the FIA regulated populace from which analysis are performed to identify proceeds of crime, including Money Laundering and Financing of Terrorism and Proliferation Activities.

Thereafter if there are indicators of proceeds of crime, intelligence is disseminated to relevant Local and Foreign Law Enforcement Agencies including, the Office of the Prosecutor-General, State Security, and the Receiver of Revenue for further investigation.

The division further contributes to maintaining enhanced local and international co-operation by, amongst others, availing spontaneously and upon request, financial intelligence that may aid counterpart organizations in the investigation, prosecution and asset forfeiture of ML/TF/PF activities.

1.1 Spontaneous Disclosures (SDs) trend analysis per year

Since 01 April 2019 to 31 March 2020, 273 Intelligence Reports were shared with local Law Enforcement agencies and Foreign Intelligence Units for further investigation and for purposes of freezing, preservation and seizure of suspected ill-gotten assets. It represents an increase of 12%. on the total of 244 intelligence reports disseminated during 2019.

Table 4: Spontaneous Disclosures (SDs) trend analysis per year

| Year | 2019 | 2020 | Total |
|----------------------------------|------|------|-------|
| Anti-Corruption Commission | 5 | 21 | 26 |
| Ministry of Finance | 130 | 112 | 242 |
| Namibian Police Force | 49 | 59 | 108 |
| Office of the Prosecutor General | 21 | 23 | 44 |
| Others | 32 | 51 | 83 |
| Foreign FIUs | 7 | 7 | 14 |
| Total | 244 | 273 | 517 |

1.2 Responses to Request for Information (RtRFIs) trend analysis per year

Additionally, FIAD shared a total of 71 intelligence reports in terms of Request for Information to local Law Enforcement agencies and Foreign Financial Intelligence Units for the same purpose in such foreign jurisdictions, since 01 April 2019 to 31 March 2020. It represents a decrease of 24.46% on the total of 94 intelligence reports disseminated during 2019. The decrease may be attributed to the reduction of cases requiring responses to local/foreign jurisdictions.

Table 5: Responses to Request for Information (RtRFIs) trend analysis per year

| Year | 2019 | 2020 | Total |
|----------------------|------|------|-------|
| Domestic (IRD) | 73 | 65 | 138 |
| Foreign FIU (IRI) | 21 | 6 | 27 |
| Total | 94 | 71 | 165 |



1.3 Request for Information sent to foreign FIUs

Similarly, FIAD filed 23 Requests for Information to Foreign Financial Intelligence Units, since 01 April 2019 to 31 March 2020. It represents a decrease of 30.30.% on the total of requests filed during 2019. The decrease may be attributed to the reduction of cases requiring requests to foreign jurisdictions.

Table 6: Request for information sent to foreign FIUs

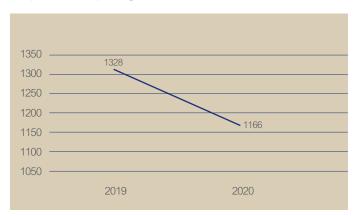
| Year | 2019 | 2020 | Total |
|----------------------|------|------|-------|
| Requests sent (FIUs) | 33 | 23 | 56 |

1.4 Suspicious Transaction Reports (STRs)

Accountable Institutions (Als), Reporting Institutions (Rls) as well as members of the public have an obligation to submit STRs to FIC when suspicious transactions and/or activities in relation to ML/TF and PF are discovered. These STRs/SARs are a key source of information for intelligence generated by the division.

There is no standard worldwide used to determine the volume of STRs that an entity should be reporting. The nature of behaviour which may lead to eventual flagging and further reporting in one transaction or Accountable Institution may be different in others. ML/TF/PF activities are thus not easily comparable. Despite this, most Financial Intelligence Units (FIUs), the FIC included, rely on comparing sectoral reporting behaviour to make assessments on areas which may need improvement.

Graph 1: STR reporting



The graph 1 above shows a summary of total number STRs received from Als and RIs during 2018/2019 financial year when compared to 2019/2020 financial year. The number of STRs reported in 2020 amounted to 1166 reports, a significant reduction of 12.2% when compared to 1328 STRs recorded in 2019. However, an increase in CTR, EFT, IFT, AIF and CBMCRs reports to the FIC was noted within the year under review.

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Table 7: Breakdown of total Number of STRs according to source received since 2019 to 2020

| Source of STR | 2019 | 2020 | Total | |
|--------------------------------------|------|------|-------|--|
| Accounting firms | - | - | - | |
| ADLAS | 262 | 168 | 430 | |
| Asset management | 8 | 25 | 33 | |
| Auctioneers | 1 | 2 | 3 | |
| Banking | 972 | 878 | 1850 | |
| Car Dealers | 1 | - | 1 | |
| Casino / Gambling House | 4 | 3 | 7 | |
| Customs Clearing Agents | 1 | - | 1 | |
| Dealers in Precious Metal and Stones | - | - | - | |
| Government ministries | - | - | - | |
| Insurance / Investment Brokers | 20 | 2 | 22 | |
| Internally generated | 5 | 1 | 6 | |
| Law Enforcement | - | - | - | |
| Legal practitioners | 13 | 32 | 45 | |
| Lending | 2 | 6 | 8 | |
| Life Insurance Broker/Agent | - | - | - | |
| Local Authorities | - | - | - | |
| Long Term Insurance | 2 | 4 | 6 | |
| Money and Value transfers (MVTs) | - | 1 | 1 | |
| Motor vehicle dealers | 15 | 10 | 25 | |
| Non - Profit Organization | - | - | - | |
| Pension Fund Administrator | 1 | 1 | 2 | |
| Public members | 10 | 11 | 21 | |
| Real Estate Agencies | 1 | - | 1 | |
| Short-Term Insurance | - | 2 | 2 | |



| Stockbroker | 1 | 1 | 2 |
|---------------------------|------|------|------|
| Supervisory authorities | 2 | 3 | 5 |
| Trust and Company Service | - | 1 | 1 |
| Trust and Loan Company | - | 3 | 3 |
| Unit Trust Schemes | 6 | 12 | 18 |
| Total | 1328 | 1166 | 2494 |

The banking sector continued to report most of these reports representing 73.2% and 75.3% STRs filed in 2019 and 2020 respectively. Whereas ADLAS follows in the second place responsible for about 14.41% of the STRs filed.

A decrease in the total number of STR reported is noted by the two main historical filers, the banking industry and the ADLAs. Bank reporting declined by 9.7%, from 972 reports to 878 reports filed in 2019 and 2020 financial years respectively. However, an increase in CTR, EFT, IFT, AIF and CBMCRs reports to the FIC was noted within the year under review.

The ADLAs sector has taken a relatively deep dive, from 262 report to 168 STRs filed in 2019 and 2020 respectively representing 35.90% decrease during 2020 financial year.

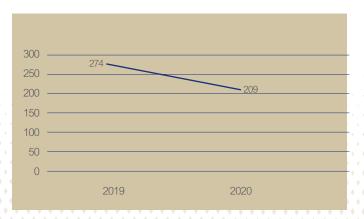
However, reporting from the other Designated Non-Financial Businesses and Profession has increased. Increased reporting is specifically noted from the Asset Managers, Legal Practitioners, and Unit Trust Schemes in 2020 compered 2019. Additionally, a slight increase in the number of STR filed by members of public is noted, from 10 STRs filed 2019 to 11 STRs recorded in 2020.

1.5 Suspicious Activities Reports (SARs)

The FIC also receives SARs. A SAR is simply a report disclosing noted questionable or dubious behaviour. During 2020 financial year a total 209 SARs were filed, 65 report less than in the preceding period. with the FIC by Accountable Institutions, Reporting Entities and members of the public.

Unlike the STRs, the historical filing trend of SAR is different. The report trend reporting of SARs, show slight decrease in one year followed by a steep filing the other year Since 2015 financial year.

Graph 2: SAR reporting



FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Table 8: SARs trend analysis per source per year

| Source of STR | 2019 | 2020 | Total |
|--------------------------------------|------|------|-------|
| Accounting firms | 1 | 1 | 2 |
| ADLAS | 12 | 10 | 22 |
| Asset management | 17 | 9 | 26 |
| Auctioneers | 5 | - | 3 |
| Banking | 177 | 136 | 313 |
| Casino / Gambling House | - | 1 | 1 |
| Courier and Customs Clearing | - | 1 | 1 |
| Dealers in Precious Metal and Stones | - | - | - |
| Foreign FIUs | 1 | - | 1 |
| Insurance / Investment Brokers | - | 2 | 2 |
| Internally generated | 2 | 10 | 12 |
| Law Enforcement Agency | - | 4 | 4 |
| Legal practitioners | 2 | 3 | 5 |
| Lending | - | - | - |
| Life Insurance Broker/Agent | - | - | - |
| Long Term Insurance | - | 3 | 3 |
| Micro Lenders | 2 | 1 | 3 |
| Money and Value transfers (MVTs) | - | - | - |
| Motor Vehicle Dealers | 1 | 1 | 2 |
| Public members | 5 | 11 | 16 |
| Real Estate Agencies / Agent | 44 | 8 | 52 |
| Short-Term Insurance | 1 | 2 | 3 |
| Stockbroker | - | 2 | 2 |
| Supervisory authorities | 3 | 3 | 6 |
| Trust and Loan Company | - | 1 | 1 |
| Unit Trust Schemes | 1 | - | 1 |
| Total | 274 | 209 | 483 |

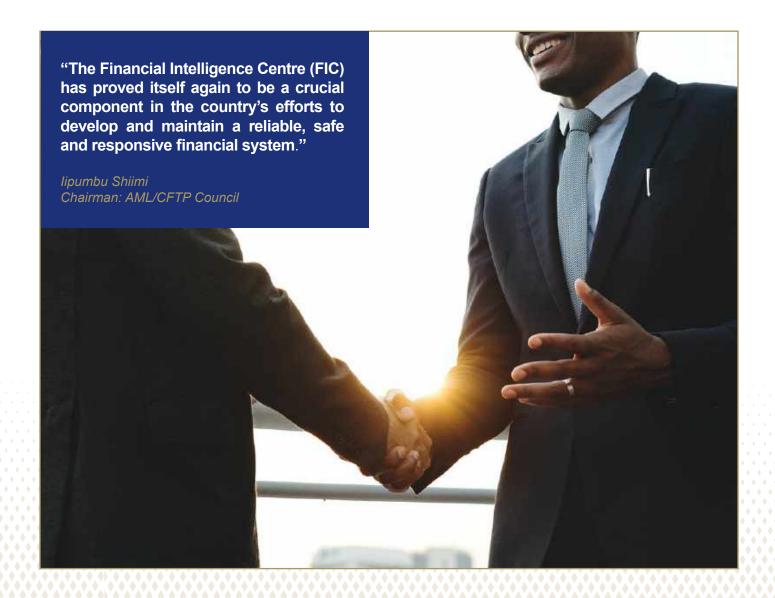


Like the STRs, banking sector continue to dominate reporting of SAR, contributing to 65% of reports filed in 2019 and 2020 respectively. Whereas the DNFBP collectively shares between 35% and 30% in 2019 and 2020.

Bank reporting weakened by 23%, from 177 reports to 136 reports filed in 2019 and 2020 financial years respectively. An overall 25% fall in reporting by ADLAs sectors is also noted during this the financial year. Despite that, filing by members of the public increased by 55% in the current year.

1.6 Threshold Reports: CTRs, EFTs, IFTs & CBMCRs

Since February 2015, the FIC has implemented a system under which Als and RIs are obligated to report transactions above prescribed limits to the FIC. These reports enabled FIC to identify additional sources of data for production of intelligence.



FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Table 9: Total CTR Reports received

| | 20 ⁻ | 19 | | | 2020 | |
|-------------------------------------|--------------------------------------|------------------------|----------------|--------------------------------------|------------------------|----------------|
| Source of CTRs | Number of CTR Reports Received | No. of Transactions | Amount(N\$) | Number of CTR Reports Received | No. of Transactions | Amount(N\$) |
| ADLAS | 249 | 253 | 42,463,095 | 223 | 223 | 41,518,299 |
| Asset management | 5 | 5 | 20,448,801 | 15 | 15 | 32,601,904 |
| Auctioneers | 280 | 285 | 61,871,255 | 289 | 289 | 67,254,172 |
| Banking | 3,763 | 58,953 | 11,712,387,182 | 7,412 | 60,107 | 53,317,716,466 |
| Casino/gambling house | 3,270 | 3,270 | 200,767,765 | 2,780 | 4,186 | 260,114,835 |
| Insurance / Investment Broker | - | 183 | 52,731,833 | 1 | 1 | 300,000 |
| Legal practitioners | 92 | 110 | 102,480,211 | 82 | 96 | 52,506,526 |
| Lending | 19 | 20 | 4,282,498 | 8 | 8 | 1,367,400 |
| Local Authorities | - | 2 | 578,200 | 2 | - | - |
| Life Insurance Broker/Agent | 2 | - | - | - | - | - |
| Long term Insurance | - | - | - | - | 2 | 1,000,000 |
| Motor Vehicle Dealership | 102 | | | 62 | 62 | 13,857,351 |
| Money and Value Transfers (MVTs) | 20 | 24 | 3,564,763 | - | - | - |
| Real Estate Agencies/Agent | 1 | 1 | 850,000 | 3 | 3 | 1,773,652 |
| Short-Term Insurance | 4 | 4 | 655,443 | 2 | 2 | 632,636 |
| Stockbroker | 1 | 1 | 172,739 | 4 | 4 | 671,400 |
| Trust and Loan Companies | - | - | - | - | - | - |
| Unit Trust Schemes | 4 | 4 | 518,000.00 | - | - | - |
| Wholesaler and Retailers | 1 | 1 | 120,556 | - | - | - |
| Total | 7,813 | 63,116 | 12,203,892,341 | 10,883 | 64,998 | 53,791,314,642 |

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

The above tables shows an overall 39.29% increase in CTRs reporting recorded in 2020 from 7813 reports in 2019 to 10883 reports recorded in 2020. The main contributor remains the banking sector as in preceding periods, accounting for 68.11% of the CTRs in 2020.

Table 10: Total EFTs Reports received (Value and Number of Transactions)

| | 2019 | | | | 2020 | |
|----------------------------------|--------------------------------------|------------------------|-----------------|--------------------------------------|------------------------|-----------------|
| Source of EFTs | Number of EFT reports Received | No. of Transactions | Amount(N\$) | Number of EFT reports Received | No. of Transactions | Amount(N\$) |
| Accountants | - | - | - | - | - | - |
| ADLAS | 2 | 2 | 253,160 | 2 | 2 | 285,273 |
| Auctioneers | - | - | - | - | | |
| Banking | 5661 | 594,819 | 574,908,022,267 | 32,772 | 467,169 | 407,092,444,697 |
| Casino/gambling house | 3 | 3 | 579,301 | - | - | - |
| Legal practitioners | 10 | 10 | 5,381,746 | 129 | 131 | 97,094,978 |
| Money and Value transfers (MVTs) | 69 | 144 | 36,360,893 | - | - | - |
| Motor vehicle dealers | 35 | 35 | 5,366,000 | 103 | 103 | 14,891,314 |
| Real Estate | 5 | 5 | 7,416,000 | 6 | 6 | 7,416,000 |
| Trust and Loan Companies | - | - | - | - | - | - |
| Lending | 2 | 2 | 3,210,000 | - | - | - |
| Unit Trust Schemes | - | - | - | - | - | - |
| Total | 5787 | 595,020 | 574,971,713,368 | 33,012 | 467,411 | 407,212,132,262 |

The table shows a significant rise in EFTs, from 5,787 recorded in 2019 to 33,012 recorded in 2020. Again, the banking sector dominated filing accounting for 99% of reports received in 2020.

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Table 11: Total IFTs Reports received, Number and Value of Transactions

| | 2019 | | | 2020 | | |
|----------------------------------|----------------------------------|------------------------|----------------|----------------------------------|------------------------|-----------------|
| Source of IFTs | Number of Reports received | No. of Transactions | Amount(N\$) | Number of Reports received | No. of Transactions | Amount(N\$) |
| Accountants | - | - | - | - | - | - |
| ADLAS | 8,063 | 56,356 | 223,937,739 | 14,129 | 86,053 | 333,032,066 |
| Auctioneers | - | - | - | - | - | - |
| Banking | 2,410 | 991,710 | 59,388,354,978 | 29,485 | 904,639 | 118,257,071,320 |
| Casino/gambling house | - | - | - | - | - | - |
| Legal practitioners | - | - | - | - | 1 | 2,762,511 |
| Long term Insurance | - | - | - | - | - | - |
| Money and Value transfers (MVTs) | 106 | 1,145 | 5,651,343 | - | - | - |
| Motor vehicle dealers | - | - | - | - | - | - |
| Trust and Loan Companies | - | - | - | - | - | - |
| Unit Trust Schemes | - | - | - | - | - | - |
| Total | 10,579 | 1,049,211 | 59,617,944,060 | 43,615 | 1,026,693 | 118,592,865,897 |

Table 11 above summarised the total number of IFTs transactions filed and the amount involved during the period under review. During the period under review, a total of 1,026,693 IFT transactions involved an amount of NAD 118,592,865,897 was received. This, however, indicates a slight reduction when compared to a total of 1,049,211 IFT transactions received during 2019.



Table 12: Cross Border Movement of Cash Reports (CBMCRs) received

| Year | 2019 | 2020 | Total |
|----------------------|------|------|-------|
| Number of Reports | 7 | 15 | 22 |

The FIC received a total of 15 CBMCRs during the period under review. There has been a significant 114% increase in CBMCRs reported from 7 reports in 2019 to 15 reports in 2020.

1.7 Additional Information Files (AIFs)

The FIC also receives AIFs from AIs and RIs. These reports enabled the FIC to identify additional sources of data to further enhance the production of intelligence.

Table 13: Additional Information Reports (AIFs) received

| Year | 2019 | 2020 | Total |
|---------------|------|------|-------|
| AIFs received | 503 | 695 | 1,198 |

The table shows total number of AIFs received during 2011 to 2020. There has been an 38% increase in this year, as additional 192 AIFs were recorded in 2020, more than the report 503 AIFs in 2019. This is as a result of FICs continued awareness and training interventions.

1.8 Request for financial intelligence

Over the years, there has been an increase in demand for FIC intelligence products by local LEAs and Foreign FIUs. The FIC remains committed to cooperate and coordinate efforts by maintaining close working relation cooperation and exchange of information with various local and international law enforcement agencies involve in curbing financial crimes. During the period 2009 to 31 March 2020, a total of 559 requests for information have been received from foreign FIUs (IRIs) and domestic LEAs (IRDs).

Table 14: Request for information received

| Year | 2019 | 2020 | Total |
|--------------------|------|------|-------|
| Domestic (IRD) | 94 | 71 | 165 |
| Foreign FIU (IRIs) | 17 | 4 | 21 |
| Total | 111 | 75 | 186 |

The above table shows that request for financial intelligence has increased steadily over the years, however a slight decrease is noted during the 2019/2020 financial year, where requests from local law enforcement agencies decline by 24.40% from 94 request received 2019 to 71 requests recorded 2020. Similarly request from foreign jurisdictions fall from 17 requests in 2019 to 4 requests in 2020.

1.9 Value of suspected proceeds of crime blocked

Section 42 of the Financial Intelligence Act empowers the FIC to restrict bank accounts (suspected of holding proceeds of crime) by directing Accountable Institutions (Als) or Reporting Entities (REs) not to proceed with carrying out transactions in respect of funds under suspicion for a period of 12 working days.

Table 15: Number and Value of Interventions filed

| | 2019 | 2020 |
|--|----------------|---------------|
| Total Number of FIC Interventions issued | 25 | 44 |
| Value of Interventions (NAD) | 471,855,267.13 | 34,169,619.05 |

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Outcomes/Successes linked to FIC disclosures

The division disclosed 273 Spontaneous disclosures (table 4) and 71 Responses to requests (table 5) to the various law enforcement partners, competent authorities and foreign financial intelligence units for consideration, assessment, further investigations and prosecutions where appropriate. The FIC contributed through our intelligence disclosures/responses to information requests, to 84 (eighty-four) investigations conducted 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/Ponzi schemes and money laundering.

The investigations by these law enforcement agencies with assistance of the Office of the Prosecutor General has 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. See table 16 below. Charges raised include fraud, corruption activities, poaching, dealing in drugs, illegal deposit taking from members of the public and money laundering.

The table below illustrates total recovered proceeds of crime due to FIC assistance amount to NAD6.8 million during the period under review. Further it shows that Namibia recorded 16 money laundering convictions with 50 more cases before court. Additionally, the FIC contributed to millions of dollars in tax assessments issued by the Receiver of Revenue against individuals and businesses.

Table 16: Value of proceeds of crime recovered due to FIC contributions during the review period

| | No. of application | Value (NAD) | ML Convictions | ML Pending case | |
|--|--------------------|--------------|----------------|-----------------|--|
| Forfeitures | 5 | 225,403.75 | | | |
| Estimated value of assets due to Fund | 3 | 688,073.95 | | 50 | |
| Estimated value of preservations order | 5 | 5,478,073.95 | 15 | | |
| Estimated value of confiscation orders | 4 | 459,080.00 | | | |
| Total | | 6,830,631.65 | | | |



Tax Assessments

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.

Strategic Analysis Division (SAD)

The FIC receives and shares data and information with various AML/CFT/CPF prevention and combatting stakeholders including law enforcement agencies, prosecutorial authorities and supervised sectors. In recent years, the Centre created the Strategic Analysis Division (SAD) tasked with availing strategic intelligence products to stakeholders such as policy makers, law enforcement and supervised institutions on the nature and extent of ML/TF/PF activities posing threats to the financial system and economy. SAD identifies emerging characteristics, trends and typologies employed in the advancement of funding or laundering activities both domestically and internationally. Outputs of the SAD enabled the FIC, throughout the year, to publish a range of strategic analytical products, inclusive of a range of guidance papers designed to equip AML/CFT/CPF stakeholders and businesses with the knowledge to identify patterns of criminal behaviour and protect their businesses from criminal exploitation. Overall, SAD outputs complement FIC's regulatory education and outreach activities, tailored to each industry sector.

Overall, strategic analysis products produced and published during the year under review highlight:

- the spectrum of predicate offences being committed nationally: Crimes such as tax evasion, fraud and corruption still feature as the most common predicate offences to money laundering. This trend remained unchanged during the period under review;
- evolvement of organised criminal syndicates from old-fashioned models to highly sophisticated criminal entrepreneurial organs where professional intermediaries are the preferred mode of laundering

proceeds of crime: the infamous "Fishrot scandal", amongst others, potentially may reflect such sophistication of criminal enterprises; Methods employed by professional intermediaries such as law firms, accountants, auditors, asset managers, estate agents but to mention a few, in using their services and expertise to knowingly and unknowingly, facilitate the laundering of proceeds of crime;

- models that use technology and capitalize on networking to carry out multiple types of crimes: The growth in financial schemes such as pyramid and similar types which are in contravention of key financial regulatory frameworks appear to be on the rise;
- the increase of online and other related fraudulent scams premised on advance payments, identify theft, but to mention a few; and
- the overall increase in the use of crypto assets locally:
 Although there have not been any notable criminal cases observed locally, international trends suggest increasing laundering trends in this area. The growing use of crypto assets locally could naturally attract potential criminal activities and abuse of crypto assets.

Some reports which avail detailed information on the above are published on the FIC website ⁵, under the "Public Awareness" section.

⁵ www.fic.na



Highlights for the year under review include publication of the following:



52 Weekly ML/TF/PF Statistical Reports



12 Monthly ML/TF/PF Statistical Reports (8 reports were published on the FIC website



4 Quarterly ML/TF/PF Statistical Reports were published on the FIC website



1 Trends and Typology report for the NAMFISA supervised sectors



11 Statistical feedback / similar statistical reports to the sectors within the FIC Regulated populace

Forewarning Reports

Forewarning reports are generally issued by the FIC to help raise public awareness on emerging financial scams to which the public may be vulnerable. The SAD usually studies both local and international trends to understand areas on which the public may require awareness.

During the year under review, the following forewarning reports were issued:

 Money Transfer Scams: emanating from an increase in similar scams that involve unsuspecting members of the public being asked to transfer money through fraudulent schemes;

- Health Care Fraudulent Schemes: the health sector has recently been exploited by several service providers to advance fraudulent activities mainly to illicitly obtain or claim funds not due to them;
- Corona Virus Scams: With the COVID-19 pandemic creating challenges, it has come to the fore that criminals have developed several means to use the pandemic as a means to defraud members of the public, and health service providers. Examples include retailers unduly increasing prices of goods and services during the pandemic, fraudsters urging people to invest in new stocks related to the COVID-19, fraudulent persons pausing as charitable entities and thus illicitly collecting funds etc.;
- Social Media Scams: Social media engagements are increasingly being used to defraud members of the public mostly through advance payments or identity theft:
- Charity Scams: fraudulent activities being committed through charity organizations;
- Invoice Fraud Scams: where banking details are changed on invoices to ensure payments are fraudulently directed to accounts which they are not due to and/or invoices not due are paid at the expense of innocent parties;
- Advance Fee Fraud Schemes: where unsuspecting members of the public are misguided to make payments in advance in the hope of getting some reward;
- Tender/Procurement Contract Schemes: inviting potential service providers to bid for the supply of goods and services and often requesting such service providers to pay bribes to secure such contracts.



Legal, Policy & Enforcement Division

The Legal, Policy and Enforcement Division is responsible for administering the FIA, including drafting legislative amendments when necessary. The division also engages with international and regional inter-governmental bodies and co-ordinates the FIC's technical assistance to countries in eastern and southern Africa. The Division further provides strategic policy advice on AML/CFT/CPF and ML/TF/PF, including improvements to the national AML/CFT/CPF Policy, Legislative and Implementation framework. Additionally, the Division provides in-house legal advice, governance and compliance and enables secretariat support to the Council and the soon to be established FIA Appeal Board.

Strategic focus of the Legal, Policy and Enforcement Division is tailored towards:

- ensuring the alignment of the national AML/CFT/CFP Policy, Legislative and Implementation framework with international AML/CFT/CPF obligations, standards and best practices;
- widening the FIC's international reach and collaboration through Memoranda of Understanding;
- ensuring that FIC plays its role in enhancing awareness by, amongst others, conducting training and awareness sessions with relevant stakeholders;
- availing legal advice and guidance to the FIA regulated populace and AML/CFT/CPF stakeholders;
- ensuring that FIC is effectively represented in civil action proceedings where it is cited as a party or a party having an interest in the matter; and
- taking decisive, measured and proportionate enforcement action to address non-compliance with provisions of national AML/CFT/CPF legislation.

During the year under review, the Division:

- ensured FIC's attendance of EGMONT Group of Financial Intelligence Units meetings as well as ESAAMLG meetings and availed Namibia's input on all policy and strategic documents discussed in the working groups and plenary meetings of these bodies;
- facilitated the establishment of an Egmont Task Force in order to ensure the sharing of information and evidence in respect of criminal offences where different elements of the offence occurred in various jurisdictions;
- facilitated the Amendment to Schedule 1 of the FIA to include Non-Profit Organizations and Customs Clearance Agents into the FIA regulatory ambit;
- in preparation of the 2020/21 FATF/ ESAAMLG Mutual Evaluation of Namibia, ensured the completion of the National AML/CFT/CPF self-assessment assessing Namibia's overall compliance with applicable UN Conventions, mandatory UN Chapter VII Security Council as embodied in the FATF nternational Standards on Combatting Money Laundering and Financing Terrorism and Proliferation. The results of the Self-Assessment and complementing action plans to address identified vulnerabilities were approved by Council and availed to Cabinet for consideration:
- facilitated the FATF/ESAAMLG Pre-Mutual Evaluation Workshop with relevant AML/CFT/CPF public and private sector stakeholders during February 2020;
- represented the FIC on a national committee mandated with ensuring that all cross-border payments within the Common Monetary Area complies with all international standards, including the FATF Recommendation 16;
- negotiated and facilitated the FIC's signing of a new Memorandum of Understanding (MoU) with the financial intelligence units of Iceland and the United

FIC OPERATIONAL ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Arab Emirates, bringing the total number of MoUs in place with financial intelligence units globally to 12. These MoUs are deliberate interventions to improve international co-operation and information sharing, strengthening Namibia's capability for assisting and also requesting assistance from international partners in preventing and combatting ML/TF/PF;

- availed the necessary support to law enforcement, ensuring the successful investigations and prosecution of offences related to failure to declare cross border movement of cash and bearer negotiable instruments in terms of section 36 of the FIA. Action was also commenced to enable administrative forfeiture of currency seized from individuals who failed to comply with FIA section 36 declaration obligations.
- in collaboration with NAMFISA, undertook a benchmarking exercise with South African AML/CFT/ CPF regulators in order to enhance the FIC's FIA Administrative Enforcement Framework.
- published the following guidance notes, directives and circulars to enhance understanding and interpretation of FIA:
 - Guidance Note No 1 of 2019 on Treatment of Politically Exposed Persons;
 - Directive No 1 of 2019 on Proof of Registration with FIC to Register Trusts;

- Circulars on ML/TF/PF High Risk and Non-Cooperative Jurisdictions following the FATF publications of September 2019, October 2019, June 2019 and February 2020 on ML/TF/ PF high risk and non-cooperative jurisdictions⁶;
- Circulars on the updates of the UNSC sanctions lists to ensure freezing of assets in terms of Freezing Orders issued by the Minister responsible for Safety and both Security. These Circulars are circulated to public and private institutions.
- in terms of the mandate conferred upon the FIC by virtue of section 56 of the FIA, initiated administrative sanctions against Accountable and R e p o r t i n g Institutions with compliance deficiencies. This is to encourage compliance and deter the other institutions in various sectors and industries from contravening similar provisionsof the FIA and PACOTPAA. In light of the aforesaid, the FIC issued FIA section9(2) (c) Directives, FIA section 56(5) Notices and made various determinations on administrative fines that was imposed in terms of the FIA on identified Accountable and Reporting institutions; and
- availed FIA legal advice and interpretation and conducted capacity building and public awareness per Tables 17 and 18 on the next page.

⁶ The purpose is to alert both private and public institutions as well as the general public on high risk ML/TF/PF jurisdictions and enabling the exercise of caution when dealing with individuals and entities originating from these jurisdictions.



Table 17: Legal Advice and Interpretations

| Sector/Industry/ Public Institution | Scope | Authority |
|-------------------------------------|--|----------------------------------|
| Legal Practitioners | Intervention Orders | Section 42 of FIA |
| Banking Institutions | Concepts of "beneficial owner" and "effective controller" | Section 1 of the FIA |
| Public Institutions | The role of the FIC in evidence gathering as far as wild-life crimes are concerned | FIA |
| Short term Insurance | General Compliance with FIA & Interpretation of provisions | Financial Intelligence Act, 2012 |
| Supervisory & Regulatory Bodies | Ambit of administrative action | Part 5 of FIA |
| Law Enforcement | Self-laundering offence | Sections 4,5 and 6 of POCA |
| Internal | | Schedule 1 of FIA |

Table 18: Training and Awareness

| Date | Category of Institution/s | Subject matter |
|---------------------|--|---|
| 26 April 2019 | Accountants & Auditors | Awareness on AML/CFT/CPF |
| 25-27 February 2020 | Various public and private sector stakeholders | Pre-Mutual Evaluation Workshop |
| 5 March 2020 | Law Enforcement: Prosecutors | Section 36 Reporting Obligation Offence |



Namibia's 2020/2021 FATF-ESAAMLG Mutual Evaluation

I. Introduction

As alluded to in the themed chapter of the FIC's 2018/2019 Annual Report, Namibia is on the eve of her second ESAAMLG/FATF mutual evaluation, starting with a desk review in June 2020 and followed by an on-site assessment in November 2020.

Money Laundering, Terrorism Financing and the Financing of Proliferation of Weapons of Mass Destruction (ML/TF/PF) continuously pose risks and threats to the international financial system, peace, stability and democracy. As ML/TF/PF continuously pose threats to the core of global security and the integrity of the global financial system, the UN mandated a global response from all UN Member States through various UN Conventions and UN Security Council Resolutions issued under Chapter VII of the UN Charter, to ensure necessary and timeous action is taken to address identified ML/TF/PF risks and threats.

Namibia, in ensuring that it effectively contribute to above global effort, since early 2000 started to develop an operational and effective national Anti-Money Laundering, Combatting the Financing of Terrorism and Proliferation (AML/CFT/CPF) policy, legislative and framework (the national framework).

II. Interconnectedness between UN & UNSCR AML/CFT/ CPF obligations and FATF Recommendations

The FATF has been recognised by the UN and UNSC to ensure effective compliance by Members States with AML/CFT/CPF UN Conventions and mandatory UN Security Council Resolutions. In tracking the level of compliance by Member States with their AML/CFT/CPF obligations, the FATF conducts peer reviews of member countries on an ongoing basis. The outcome of peer reviews avails an in-depth description and analysis of each country's national AML/CFT/CPF system and its effectiveness in preventing criminal abuse of the national and global financial system.

Results of peer reviews is published internationally and serves as a first point of reference for those interested in causing foreign direct investment in such country. Additionally, negative outcomes of a peer review can cause a call on the global community to regard such country's national financial system as posing a risk to the international financial system and can ultimately lead to imposition of sanctions against such country.

III. Namibia's National AML/CFT/CPF Policy, Legislative & Implementation Framework

The Government of the Republic of Namibia, in line with National Policies and Strategies on combatting ML/TF/PF ratified and domesticated the following UN and AU Conventions:

The Government of the Republic of Namibia, in line with National Policies and Strategies on combatting ML/TF/PF ratified and domesticated the following UN and AU Conventions:

- 1988 UN Convention against Illicit Traffic in Narcotic Drugs & Psychotropic Substances;
- 1999 UN International Convention on Suppression the Financing of Terrorism;
- 2000 UN Convention against Transnational Organized Crime;
- 2003 UN Convention against Corruption;
- 1973 UN Convention on the Prevention & Punishment of Crimes Against Internationally Protected Persons, including Diplomatic Agents;
- 1979 UN International Convention Against Taking of Hostages;
- 1997 UN International Convention for the Suppression of Terrorist Bombings;
- 2005 UN International Convention for the Suppression of Acts of Nuclear Terrorism;



• 1999 OAU Convention on the Prevention and Combatting of Terrorism; 1267 (1999); and

Namibia also created an implementation framework for mandatory UN Security Council Resolutions issued under Chapter VII of the UN Charter, such as:

• The Security Council Resolutions pursuant to 1267 (1999), 1373 (2001), 1452 (2002), 1526 (2004), 1617 (2005), 1624 (2005), 2129 (2013), 2133 (2014), 2170 (2014), 2178 (2014), 2195 (2014), 2199 (2015), 2249 (2015), 2253 (2015), 2322 (2017), 2347 (2016), 2331 (2016), 2341 (2017), 2354 (2017), 2368 (2017), 2370 (2017), 2388 (2017), 2395 (2017), 2396 (2017), 2462 (2019), and all predecessor and/or subsequent resolutions.

The Namibian Government through her Anti-Money Laundering and Combatting the Financing of Terrorist and Proliferation Council (the Council) and the FIC continuously monitored international obligations to determine whether the national AML/CFT/CPF Preventative and Combatting Policies, Laws and Implementation Framework are still aligned with obligations mandated by these Conventions and Security Council resolutions as embodied in the FATF Recommendations.

The FIC in turn is Government's main agency designated with the responsibility to coordinate Namibia's national, regional and international ML, TF and PF prevention and combatting efforts in collaboration with other government stakeholders and law enforcement agencies.

IV. Past & Future FATF/ESAAMLG Mutual Evaluation Assessments of Namibia

During 2005 Namibia underwent a first FATF/ESAAMLG Mutual Evaluation, assessing the country' overall compliance with above UN Conventions and UN Security Council Resolutions, as embedded in the then FAFT Forty Recommendations on ML and Nine Special Recommendations on TF.

The overall assessment found Namibia's National ML/TF regime wanting in critical areas, which required urgent action. In turn, Namibia promulgated various AML/CFT Policies and Laws and rolled out an implementation framework necessary to effectively implement the newly promulgated laws. Most notable developments in this regard, is the enactment of the now repealed 2007 Financial Intelligence Act, 2007 (replaced by the Financial Intelligence Act 2012 (Act No. 3 of 2012) as amended), which caused the establishment of the Financial Intelligence Centre, as well as the Prevention of Organized Crime Act, 2004 (Act No. 29 of 2004), as amended. Combined, these two laws are the main national laws criminalizing ML in Namibia and enables the preservation and forfeiture of proceeds of crime, using both civil and criminal processes.

Despite notable progress attained by Namibia during the years 2007 to 2011 to address risks and threats posed by ML, the international community voiced concern on the slow progress made by Namibia to adopt necessary national Policies and Legislative Frameworks needed to address risks and threats posed by Terrorist Activities and the Financing thereof. The concerns on slow progress caused Namibia to be subjected to a Targeted Review by the FATF's International Cooperation Review Group as from 2012 to early 2015, with international publicized statements calling on Government to heed to the call for reforms.

In addressing the identified CFT concerns, Government in 2012 adopted the Prevention and Combatting of Terrorist and the Financing of Terrorist Activities Act, 2012 (PACOTA). After the enactment of same, the UN and UNSC intensified its efforts to prevent the international financial system being used for TF and Proliferation purposes. New UNSCRs adopted called for an intensification of efforts by the FATF to address newly identified risks and threats posed by Terrorist Activities and Proliferation Activities. These developments caused Namibia to align the 2012 PACOTA with the revised 2012 FATF Recommendations, resulting in the enactment of the Prevention and Combatting of Terrorist and Proliferation Activities Act, 2014 (Act No.4 of 2014), making Namibia a leader in the international arena on prevention and combatting of Proliferation. The necessary reforms undertaken, in turn caused Namibia to be removed from the FATF's Targeted Review process in early 2015.



IV. Perpetual Challenges inhibiting an Effective National AML/CFT/CPF System

Whilst Namibia in 2015 and 2017 respectively, has been found to have an overall good system to address threats and vulnerabilities posed by ML/TF/PF, gaps have been identified through a National Self-Assessment conducted in 2019/20, which negatively impede the effectiveness of the national AML/CFT/CPF system.

Identified vulnerabilities required of Government to enhance necessary combatting efforts, needed in pursuing the investigation and prosecuting of ML offenders and confiscating assets to mitigate identified risks. At the time of publication of this report, Namibia's recorded statistics on ML investigations and prosecutions are falling far below expectations needed to satisfy understanding that the country has an effectively implemented national AML/CFT/CPF system, which functions effectively in addressing identified ML/TF PF risk exposure. Recorded low statistics, pose significant threats to the outcome of Namibia's scheduled 2019/2020 FATF/ESAAMLG Mutual Evaluation.

In the event that Namibia is found wanting as far as effective implementation of her national AML/CFT/CPF regime is concerned, it faces significant risks. One such risk is that the country yet again may be escalated for a FATF Targeted Review, with consequential public statements that the national financial system, poses significant ML/TF/PF risks to the international financial system. A public statement to this effect, in turn may have negative impact on Government's efforts to attract necessary and required foreign direct investment to the country and may further negatively affect investor confidence in Namibia.

V. Preparing for Namibia's 2020/2021 FATF/ESAAMLG Mutual Evaluation

In ensuring that all required and necessary action is timeously taken to prevent Namibia receiving a negative Mutual Evaluation outcome, required national preparatory efforts have commenced since the last quarter 2018, preparing both public and private sectors for the assessment.

Reparatory Actions in particular focusses on the following:

- a: enable effective awareness raising and understanding on the Methodology that will be used to asses Namibia's compliance with the international AML/CFT/CPF obligations and standard, as per the requirements set out in the FATF Recommendations. The FATF Recommendations and Interpretive Notes embodies the UN and UNSC AML/CFT/CPF obligations which all UN member states must comply with. It as such, constitute the international standard to combat ML/TF/PF;
- b: an overhaul of the 2012 national AML/CFT/CPF Risk and Threat Assessment and its 2015/2018 update thereto;
- a Self-Assessment to highlight current national compliance with international AML/CFT/CPF obligations and areas in need of critical reform, which if not addressed, may negatively impede on the evaluation outcome;
- d: an assessment of Namibia's Technical Compliance with relevant UN Conventions and UN Security Council Resolutions (as embodied in the FATF Recommendations), through enacted and implemented AML/CFT/CPF national policies and laws; and
- e: an assessment of Namibia's Effective implementation of national AML/CFT/CPF policies and laws.

The technical compliance assessment addresses the specific requirements of the UN and UNSCR ML/TF/PF obligations as embodied in the FATF Recommendations, principally as they relate to the relevant legal and institutional framework of Namibia, and the powers and procedures of the competent authorities. These represent the fundamental building blocks of a national AML/CFT/CPF system.



The effectiveness assessment differs fundamentally from the assessment of technical compliance. It seeks to assess the adequacy of Namibia's implementation of the UN and UNSCR ML/TF/PF obligations as encapsulated in the FATF Recommendations. It further identifies the extent to which Namibia achieved a defined set of outcomes that are central to a robust national AML/CFT/CPF system. The focus of the effectiveness assessment is therefore on the extent to which the policy, legal and institutional framework is producing the expected results.

Together, the assessments of both technical compliance and effectiveness will present an integrated analysis of the extent to which Namibia is compliant with the UN and UNSCR AML/CFT/CPF obligations. It will further showcase how successful the country is in maintaining a strong AML/CFT/CPF system, as required by the UN and UNSC.

These focus areas are paramount to the country's preparation for the upcoming mutual evaluation to ensure that all deficiencies are addressed to the greater extent prior to the mutual evaluation.

The Assessment: The overall evaluation involves a series of processes and steps as outlined below, culminating in a final report published in 2021:

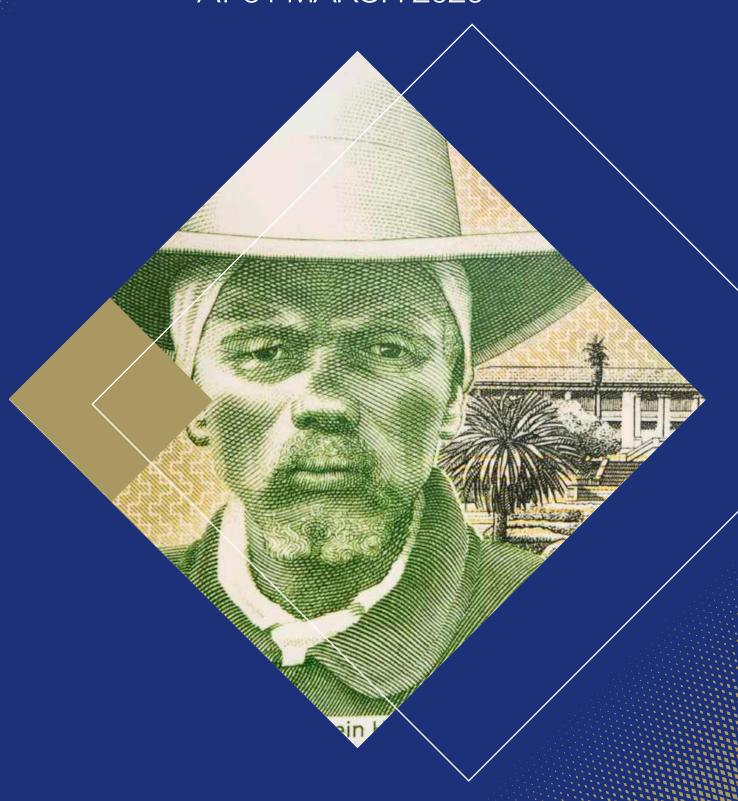
- July 2020: submission to FATF/ESAAMLG setting out Namibia's AML/CFT/ PF system (policy, legislation and in its entirety, including its role players;
- August 2020: Submission to FATF/ESAAMLG on how effectively the AML/CFT/CPF system is implemented in Namibia, including outputs and results achieved. This includes an assessment of the country's top-level ML/ TF/PF risks;
- September 2020: FATF/ESAAMLG assessment team develops a scoping note based on Namibia's submissions. This forms the materiality framework for the evaluation;

- November 2020: FATF/ESAAMLG assessment team visits Namibia, conducting a series of interviews with AML/CFT/CPF stakeholders who play a role in the functioning of the national AML/CFT/PF system (including the FIC, government departments and agencies, the Bank of Namibia, selected systemically important financial and non-banking financial institutions, casinos, estate agents, auctioneers, law firms, accounting and auditing firms, auctioneers, motor vehicle dealers (new and second hand) law firms, dealers in precious metals and stones, but to mention a few). These interviews aim to verify the information set out in the country's submissions, rather than to determine if the private sector is meeting the national AML/CFT/CPF system's requirements;
- January/February 2021: The FATF/ESAAMLG assessment team submits its draft report to Namibia for comment;
- March 2021: Namibia responds to the report, providing comment and more information if necessary; and
- September 2021: Final report is discussed at the ESAAMLG plenary meeting, after which it is subjected to FATF quality and consistency reviews, adopted and published.

The above is for noting by both public and private sectors to avail the necessary cooperation and assistance thereby ensuring Namibia is successfully positioned to secure a positive evaluation outcome.

PART D

ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020





Country of Incorporation and domicile

Nature of business and prinicpal activities

Council

Business Address

Auditors

Namibia

Administering the Financial Intelligence Act (FIA) in preventing and combating Money Laundering (ML)/Terrorist Financing (TF)/Proliferation Financing (PF).

I. Shiimi

K. Matomola

J.E Kandjeke

O.M Imalwa

S. Van Zyl

S. Katjiuandjo

Commissioner (Rtd) T.Kamati

E. Angula

E. Shafudah

B.K Likando

S.H Ndeitunga

P. Noa

71 Robert Mugabe Avenue

Windhoek

Namibia

Grand Namibia

Registered Accountants and Auditors

Chartered Accountants (Namibia)



TABLE OF CONTENT

The reports and statements set out below comprise the annual financial statements presented to the Council:

| Council's Responsibility | 61 |
|--|------|
| Independent Auditor's Report | 62-6 |
| Council's Report | 65-6 |
| Statement of Financial Position | 67 |
| Statement of Comprehensive income | 68 |
| Statement of Changes in Equity | 69 |
| Accounting Policies | 70-7 |
| Notes to the Annual Financial Statements | 72-7 |



Council's Responsibilities and Approval

The Council is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the Council's responsibility to ensure that the annual financial statements fairly present the state of affairs of the Centre as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis as set out in note 1. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that they are ultimately responsible for the system of internal financial control established by the Centre and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Centre and all employees are required to maintain the highest ethical standards in ensuring the Centre's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Centre is on identifying, assessing, managing and monitoring all known forms of risk across the Centre. While operating risk cannot be fully eliminated, the Centre endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council has reviewed the Centre's cash flow forecast for the year 31 March 2021 and, in the light of this review and the current financial position, the Council is satisfied that the Centre has access to adequate resources to continue in operational existence for the foreseeable future.

E. Uanguta

P. Noa

Windhoek 4.08.2020 (Date)



INDEPENDENT AUDITOR'S REPORT

To the Council of the Financial Intelligence Centre

Opinion

We have audited the annual financial statements of Financial Intelligence Centre set out on pages 65 to 75, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies and the Councils' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Financial Intelligence Centre at 31 March 2020, and its financial performance for the year then ended in accordance with the basis of accounting described in note 1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Centre in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Councils are responsible for the other information. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Council for the Annual Financial Statements

The Council is responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting described in note 1 and for such internal control as the Council determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Council is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councils.
- Conclude on the appropriateness of the Councils' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and
 whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair
 presentation.



We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grand Namibia

Registered Accountants and Auditors

rand Mamibic

Chartered Accountants (Namibia)

Per: R Theron (Managing Partner)

Windhoek

04 August 2020



Council's Report

The Council has pleasure in submitting this report on the annual financial statements of Financial Intelligence Centre for the year ended 31 March 2020.

1. Main business and operations

The prime work of the Centre in terms of Financial Intelligence Act No.13 of 2012 are to combat money laundering and the financing of terrorism and proliferation activities in collaboration with other law enforcement agencies.

Surplus of The Centre for the year 2020 is N\$ 12 054 790 (2019 : N\$ 9 958 012).

The accumulated surplus as at 31 March 2020 amounted to N\$ 11 606 834 (2019; Deficit(N\$ 447 956)).

The Surplus is as a result of the following:

- (a) funds donated to the FIC by the Asset Recovery Committee established under the Prevention of Organized Crime Act, 2004 as amended, to complement the shortage of funds allocated by Parliament, and of which funds were received in last quarter of the financial year only, making it challenging for the FIC to apply it for inlended expenditure;
- (b) significant cost-cutting measures introduced by the FIC in the first three quarter of the financial year to ensure funds availed by Parliament, even though short of what was requested, can cover salaries in full. This in turn caused all critical operational matters not being availed with full budget to ensure funds can last to year end; and
- (c) COVID-19, which disrupted FIC's expenditure on critical matters during the last quarter of the financial year. As such FIC could not apply the funds for its intended purpose.

The surplus so recorded will be applied for investment purposes to enable financial reserves to be build for the FIC to buffer the organization against future operational funding shortages resulting from in sufficient fund allocation from Padiament. The surplus will be invested as soon as the Council approves an investment policy for the FIC.

The operating results and state of affairs of the Centre are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Council

The members of Council in office at the date of this report are as follows:

Council

I. Shiimi

K Matomola

J.E Kandjeke

O M. Imalwa

S. Van Zyl S. Katijuandjo

Commissioner (Rtd) T. Kamati.

E. Angula

E. Shafudah

B.K. Likando

S.H Ndeitunga

P. Noa

Council's Report (continued)

3. Events after the reporting period

The Council is not aware of any material event which occurred after the reporting date and up to the date of this report.

4. The Centre's Governance

The Centre is run by a Director who is appointed by the Minister of Finance.

5. Administrative arrangement

In terms of Section 7(2) of the Financial Intelligence Act, 2012, the Bank of Namibia must provide administrative services to the Centre.

6. Going concern

The accumulated surplus as at 31 March 2020 amounted to N\$ 11 606 634 (2019; Deficit(N\$ 447 956)).

The financial statements have been prepared on a going concern basis.



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

| | Notes | 2020 N\$ | 2019 N\$ |
|---------------------------------|-------|----------------|-------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | \$6,645 | 196,087 |
| Intangible Assets | 3 | 54,789 | 96,887 |
| Current Assets | | | |
| Receivable from Bank of Namible | 9 | 13,450,370 | 1,284,757 |
| Other Receivables | 11 | 52,062 | 11,638 |
| Total Assets | | 13 643 866 | 1 589 369 |
| Equity and Liabilities | | | |
| Equity | | | |
| Accumulated Surplus/(Deficit) | | 11,606,834 | 447,957 |
| Total Equity | | 11 608 834 | 447 957 |
| Liabilities | | | |
| Current liabilities | | | |
| Employee Provisions | 7 | 1,895,716 | 1,759,612 |
| Audit Fees Provisions | 8 | 126,766 | 120,800 |
| Other Trade Payables | 10 | 14,550 | 156,914 |
| Total Liabilities | | 2 037 032 | 2 037 326 |
| | | | |
| Total Equity and Liabilities | | 13 643 868 | 1,589 369 |



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 N\$ | 2019 N\$ |
|--|-------|--------------|--------------|
| Grant received | 4 | 39,446,790 | 37,440,030 |
| Operating expenses | В | (27.392,000) | (27,482,018) |
| Operating Surplus | 5 | 12,054,790 | 9,958,012 |
| Surplus for the year | | 12,054,790 | 9,958,012 |
| Other comprehensive income | | | • |
| Total Comprehensive Surplus for the year | | 12,054,790 | 9,958,012 |



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

| | Accumulated profit/(loss) account N\$ | Total N\$ |
|---------------------------------|---------------------------------------|--------------|
| Opening balance at 1 April 2018 | (10,405,968) | (10,405,968) |
| Surplus for the year | 9,958,012 | 9,958,012 |
| Balance at 31 March 2019 | (447,956) | (447,956) |
| Surplus for the year | 12,054,790 | 12,064,790 |
| Balance at 31 March 2020 | 11,606,834 | 11,606,834 |

(REGISTRATION NUMBER 2011/123)

ACCOUNTING POLICIES

1. Basis of presentation

The annual financial statements have been prepared in accordance with the accounting policies set out below. The annual financial statements have been prepared on the historical cost basis.

1.1 Basis of preparation

The financial statements of the Centre have been prepared in accordance with the Centre's basis of accounting. They have been prepared under the historical cost convention.

The preparation of financial statements is in conformity with the Centre's policies that require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Centre's accounting policies. No significant estimates and judgements were used during the year under review.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' (losses) – net' in the statement of comprehensive income.

1.3 Intangible Assets - Computer Software

On acquisition the software is capitalised at purchase price and amortised on a straight-line basis with zero residual value. The estimated useful lives, residual values and amortisation methods are reviewed at each year end, with the effect of any changes in the estimate accounted for on a prospective basis. The Bank reassesses the residual value and useful life of Computer software on an annual basis and the useful life has been set to range between 1 and 8 years.



ACCOUNTING POLICIES (Continued)

1.4 Government Grant received

This principally relates to income received from the Ministry of Finance as reimbursement for costs incurred by The Centre. Government grants received are presented separately as part of profit or loss in the statement of comprehensive Income and are recongnised on a cash receipt basis.

The Centre, with the approval of the Minister of Finance, may accept financial donations or contribution from any other source.

1.5 Expenses

Expenses are recorded on the accrual basis.

1.6 Other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are classified as loans and receivables at amortised cost.

1.7 Other payables

Other Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.8 Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered leave and bonuses), are recognised in the period in which the service is rendered and are not discounted. The expected cost of bonus payments and leave is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

2. PROPERTY, PLANT AND EQUIPMENT

| | Furniture & Fixtures | Equipment & Fittings | Computer Hardware | Minor Assets | Total |
|--|------------------------------|------------------------------|---|-----------------|---------------------------------|
| 2020 Cost | N\$ | N\$ | N\$ | N\$ | N\$ |
| At 1 April 2019 Additions | 400,737 | 169,513 | 745,423 2,870 | 354 | 1,316,027 2,870 |
| At 31 March 2020 | 400,737 | 169,513 | 748,293 | 354 | 1,318,897 |
| Accumulated depreciation | | | | | |
| Al 1 April 2019 Depreciation Adjustment | 245,214 74,143 | | 716,909 29,230 48 4 | 354 | 1,119,940 111,828 484 |
| At 31 March 2020 | 319,357 | 165,918 | 746,623 | 354 | 1,232,252 |
| Carrying value At 1 April 2019 | 155,523 | 12,050 | 28,514 | _ | 196,087 |
| At 31 March 2020 | 81,380 | 3,595 | 1,670 | | 88,645 |
| 2019 Cost At 1 April 2018 Additions/Transfers | 400,737 | 184,519 4,994 | 745,423 | 354 - | 1,311,033 4,994 |
| At 31 March 2019 | 400,737 | 189,513 | 745,423 | 354 | 1,316,027 |
| Accumulated depreciation | | | | | |
| At 1 April 2018 Depreciation At 31 March 2019 | 171,071 74,143 245,214 | 124,934 32,529 167,463 | 587,411 129,498 716,909 | 354 - 354 | 883,770 236,170 1,119,940 |
| Carrying value at 1 April 2018 | 229,668 | 39,585 | 158,012 | | 427,263 |
| At 31 March 2019 | 155,523 | 12,050 | 28,514 | | 196,087 |

3. INTANGIBLE ASSETS - COMPUTER SOFTWARE

| | Computer software | Total | |
|--------------------------------|---------------------------------------|-------------|---------------------------------------|
| 2020 | | N\$ | N\$ |
| Cost | | | |
| At 1 April 2019 | 1,511,0 | 00 | 1,511,000 |
| Additions | , , | • | |
| | | | |
| At 31 March 2019 | 1 511 0 | 00 | 1 511 000 |
| Accumulated depreciation | | | |
| At 1 April 2019 | 1,414.1 | 13 | 1,414,113 |
| Depreciation | 42,0 | 98 | 42,098 |
| | | | |
| At 31 March 2020 | 1 456 2 | 11 | 1 456 211 |
| Carrying value | | | |
| At 1 April 2019 | 96 8 | 87 | 96 887 |
| · | | | |
| At 31 March 2020 | 54.7 | 89 | 54 789 |
| 2019 | | | |
| Cost | | | |
| At 1 April 2018 | 1,384,7 | | 1,384,706 |
| Additions/Transfers | 126,2 | 94 | 126,294 |
| Prior period error | | | |
| At 31 March 2019 | 1 511 0 | OU | 1 511 000 |
| Accumulated depreciation | | | |
| At 1 April 2018 | 1,384,7 | 08 | 1,384,706 |
| Depreciation | 29,4 | 07 | 29,407 |
| Transfers to/(from) BoN | · · · · · · · · · · · · · · · · · · · | <u> </u> | <u> </u> |
| At 31 March 2019 | 1 414 1 | 13 | 1 414 113 |
| Carrying value at 1 April 2018 | | · · · · · · | · · · · · · · · · · · · · · · · · · · |
| | · · · · · · · · · · | <u> </u> | · <u></u> · |
| At 31 March 2019 | 96 8 | 87_ | 96 887 |

| | 2020 N\$ | 2019 N\$ |
|--|-------------|-------------|
| 4. Grant received | | |
| Ministry of Finance | 35,446,790 | 28,923,000 |
| Ministry of Justice -Asset Recovery Fund | 4,000,000 | 8,517,030 |
| Total grant received | 39,446,790 | 37 440 030 |
| | | |

5. Operating surplus/(deficit)

Operating surplus for the year is stated after accounting for the following:

 Depreciation
 153,928
 265,577

 Employee costs
 24,756,432
 23,618,794

Employee costs for 2020 includes employee bonuses and leave pay provision movement of NS136 104 (2019; N\$153 655).

6. Operating Expenses

| Advertising & Recruitment | - | (3,310) |
|-------------------------------------|------------|------------|
| Audit Fees | 125,566 | 84,800 |
| AML/CFT Awareness Campaign | | (11,963) |
| Compliance & Inspection Expense | 154,790 | 98,288 |
| Computer Maintenance | 613,638 | 541,656 |
| Conferences Attended | - | 11,024 |
| Conferences Hosted | 217,700 | 587,759 |
| Consultants Fees | | 920 |
| Depreciation | 153,927 | 265,577 |
| Employee Costs | 24,756,432 | 23,618,794 |
| Entertainment Expenses | 7,942 | 8,934 |
| Equipment Rental | 220,516 | 142,552 |
| Financial Investigations | 255,526 | 563,633 |
| Legal Costs | 240,810 | - |
| Loss on Foreign Exchange | 46,456 | - |
| Membership Fees | 64,740 | 76,512 |
| Miscellaneous Expanditure | 4,322 | 4,120 |
| Printing & Publications | 31,459 | 15,478 |
| Staff Training | . 118,601 | 289,723 |
| Stationery | 26,665 | 22,086 |
| Stall expenses | 72,783 | 57,998 |
| Subscription | 80,330 | 84,886 |
| Telephone & Telex Expenses | 19,077 | (7,190) |
| Travel, Subsistence & Accommodation | 180,720 | 1,049,741 |
| | 27 392 000 | 27 482 018 |



| | 2020 N\$ | 2019 N\$ |
|--|------------------|-------------|
| 7. Employee Provisions | | |
| Provision for Bonuses | 23,250 | 46,885 |
| Provision for Leave Pay | 1,872.466 | 1,712,727 |
| | 1 895 716 | 1 759 612 |
| 8. Audit Fees Provisions | | |
| Provision for Audit fees | 126.768 | 120,800 |
| | 126 766 | 120 800 |
| | | |
| 9. Receivable from Bank of Namibia | 13 450 370 | 1 284 757 |
| The receivable from Bank of Namibia was determined after taking into account all the graexpenditures incurred by FIC for the period ended 31 March 2020. | nts received and | |
| 10. Other Trade Payables | | |
| Other payables | 14,550 | 99,194 |
| Trade payables | | 57,720 |
| | 14 550 | 156 914 |
| | | |
| 11.Other receivables | | |
| Prepayments | 0 | 3,958 |
| Staff Debtor | 52,062 | 7,680 |
| | 52 062 | 11 638 |

12. Statement of Cash flows

No statement of cash flows was prepared as the Centre does not have a bank account.

13. Going Concern

The accumulated surplus as at 31 March 2020 amounted to N\$ 11 606 834 (2019; Deficit(N\$ 447 956)).

The annual financial statements are being prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available as detailed in the council's report, to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.





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