

FINANCIAL INTELLIGENCE CENTRE (FIC)

Circular No. 02 of 2020

Additional obligations for Accountable Institutions (AIs) and Reporting Institutions (RIs) to report Suspicious Transactions (STRs) and Suspicious Activities (SARs) relating to Financing of Terrorism (FT) and Proliferation (PF) in terms of section 33 of the Financial Intelligence Act 2012, Act 13 of 2012, as amended (herein referred to as the FIA), read with section 25 of the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No.4 of 2014).

Introduction

This circular is issued in terms of Section 9(1) (h) of The FIA and bears reference to the issued Financial Intelligence Centre (FIC) Circular 1 of 2013.

The FIC, as part of its continued efforts to assist the Government of the Republic of Namibia to reduce the National Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF) risks will be circulating lists derived from the United Nations Security Council of designated individuals, entities and other groups¹, as well as the prohibited items and related materials. The updates on these lists are communicated in the form of circulars to AIs and RIs.

The United Nations Security Council Resolution lists (1267/1989/2253, 1988 & 1718)

Attached hereto find the following UN Security Council lists on which Accountable Institutions (AIs) and Reporting Institutions (RIs) are required to take relevant action as per the FIA:

- 1. Annexure "A"** The List established and maintained by the 1267 (1999), 1989 (2011) and 2253 (2015) Committee with respect to individuals, groups, undertakings and other entities associated with ISIL (Da'esh) & Al-Qaida as updated on **18 February 2020**.

The ISIL (Da'esh) & Al-Qaida Sanctions List consists of two sections, specified below:

¹ This is as per mandate by the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (Act No. 4 of 2014) (PACOTAPAA) and its complementing regulations

- a) Individuals associated with ISIL (Da'esh) & Al-Qaida Sanctions: and
- b) Entities and other groups and undertakings associated with ISIL (Da'esh) & Al-Qaida Sanctions.

The said list and updates thereto, can also be accessed at:

https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list

The press release, which provides a detailed outline of the update can be accessed on the following link:

<https://www.un.org/sc/suborg/en/sanctions/1267/press-releases>

Als and RIs are directly in terms of the FIA, and indirectly in terms of the PACOTAPAA, mandated to screen names of all their new and existing clients, as well as all transactions processed by the institution, against the names of the individuals and organisations on all the above sanctions lists (including the relevant attachments) and the updates thereto.

Whilst the FIC will at all times circulate the updates to the above identified lists to Als and RIs, as per applicable legislative provisions contained in the PACOTAPAA and its complementing Regulations, both Als and RIs have the responsibility to continuously and timeously familiarize themselves with updates made by the United Nations Security Council to the above lists.

Potential matches resulting from such screening must be subjected to enhanced customer due diligence measures as required by sections 23 and 24 of the FIA. In the event that a positive match is determined and enhanced customer due diligence is performed, Als and RIs should report this as well as any details of any funds held on behalf of the listed party, immediately to the FIC as required by section 33 of the FIA.

Further, it should be noted that, it is an offence in terms of sections 2, 3 and 23 of the PACOTAPAA to deal with, enter into or facilitate any transaction or perform any other act in connection with funds connected with or owned by individuals, entities and other groups associated with listed individuals or entities. The prohibitions contained in the above sections further establishes an effective freeze over the funds connected with or owned by the said individuals, entities and other groups as contained in the lists to ensure no transaction or any other act is performed in connection with such funds.

An AI or RI which provides products or services to these individuals, entities and other groups as per the said lists, as a result of failing to implement adequate screening measures, commits an offence and in addition exposes itself to an extremely high risk of Terrorist Financing or/and advancing weapons proliferation objectives.

Methods of reporting Suspicious Transaction Reports or Suspicious Activity Reports relating to Financing of Terrorism to the FIC

Als and RIs can report Suspicious Transaction Reports or Suspicious Activity Reports relating to Financing of Terrorism to the FIC through:

- a) Electronic submission(online/web based or xml by clicking on <https://www.fic.na/goaml/>); or
- b) Completion of manual STR/SAR form (form can be send to helpdesk@fic.na)

Non-compliance with the provisions of this Circular

Any non-compliance with the directions and specifications contained in this Circular is an offence in terms of section 63 of the FIA.

Further information

Enquiries can be directed to the FIC Help Desk by:

Email to helpdesk@fic.na

Tel: + 264 - 61-283-5100

Fax: +264 - 61-283-5259

The information contained in this document is intended only to provide a summary and a general overview on these matters and is not intended to be comprehensive. This document may contain statements of policy which reflect FIC's administration of the legislation in carrying out its statutory functions.

The guidance provided by the Centre in this circular, even though authoritative, is not intended to replace the FIA or PACOTAPAA including Regulations issued thereunder. The circular does vary the existing guidance note on reporting of suspicious transactions regarding ML as far as adding the obligations pertaining reporting of Financing of Terrorist and Proliferation transactions or activities are concerned. The said guidance note can be accessed at www.fic.na.

The information contained herein is current as at the date of this document.

Date issued: 19 February 2020

Director: Financial Intelligence Centre