



FINANCIAL INTELLIGENCE AUTHORITY

MONEY LAUNDERING / TERRORIST FINANCING / PROLIFERATION FINANCING

TARGETED FINANCIAL SANCTIONS GUIDELINES

FOR

ACCOUNTABLE PERSONS

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Glossary of acronyms

AML	AML – Anti-Money Laundering
AMLA	AMLA – Anti-Money Laundering Act
AMLR	AMLR – Anti-Money Laundering Regulations
ATA	Anti-Terrorism Act
ATR	Anti-Terrorism Regulations
CFT	Combatting the Financing of Terrorism
CPF	Counter-Proliferation Financing
DPRK	Democratic People’s Republic of Korea
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FIA	Financial Intelligence Authority
TF	Terrorism Financing
TFS	Targeted Financial Sanctions
UN	United Nations
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolutions
WMD	Weapons of Mass Destruction

GUIDELINES TO ALL ACCOUNTABLE PERSONS IN RELATION TO TARGETED FINANCIAL SANCTIONS

Preamble

These guidelines are hereby issued by the Financial Intelligence Authority pursuant to s. 20(e) of the *Anti-Money Laundering Act, 2013*, Regulation 54 of the *Anti-Money Laundering Regulations, 2023* and consistent with Recommendations 6 and 7 of the FATF Recommendations. These Guidelines take immediate effect, and are specifically for the purpose of providing measures to be applied by accountable persons in respect of Targeted Financial Sanctions.

Section 20(e) of the *Anti-Money Laundering Act, 2013* provides that, “*To achieve its objectives, the authority shall give guidance to accountable persons, competent authorities, and other persons regarding compliance with the provisions of this Act*”

These Guidelines provide guidance on the roles and obligations of Accountable Persons with respect to targeted financial sanctions in accordance with applicable law, the FATF recommendations and the UNSC.

1. Introduction

- 1.1 Uganda, as a member of the United Nations, is mandated to implement UN Security Council Resolutions (UNSCR), including those related to the UN’s sanctions regimes. As a result, Uganda committed to protecting its financial services sector from abuse by illicit actors engaging in Proliferation Financing (PF) and Terrorism Financing (TF).
- 1.2 The United Nations Security Council (UNSC) is one of the six principal organs of the United Nations (UN) and has primary responsibility for the maintenance of international peace and security. It has 15 Members, and each Member has one vote. Under the Charter of the United Nations, all Member States of the UN are obligated to comply with the Security Council decisions.
- 1.3 The UNSC has the capacity to take action to maintain or restore international peace and security under Chapter VII of the Charter of

the United Nations by imposing sanctioning measures under Article 41 which reads:

“The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the Members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations.”

- 1.4 The measures encompass a broad range of enforcement options that do not involve the authorisation of the use of armed force, including interruption of economic relations, international communications and diplomatic relations.
- 1.5 The Security Council sanctions regimes focus mainly on entities or individuals involved in the acts of terrorism, terrorism financing, proliferation financing and proliferation of weapons of mass destruction, and those supporting the settlement of political conflicts. These regimes include measures ranging from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and restrictions on dealing with certain financial or commodity transactions.
- 1.6 In Uganda, the relevant legal framework relating to CFT and CPF comprises of the following laws;
 - i) Anti-Terrorism Act 2002 (No. 14 of 2002)
 - ii) Anti-Terrorism (Amendment) Act 2015 (No. 9 of 2015)
 - iii) Anti-Terrorism (Amendment) Act 2017 (No. 4 of 2017)
 - iv) Anti-Terrorism (Amendment) Act 2022
 - v) Anti-Terrorism Regulations 2015
 - vi) Anti -Terrorism Amendment Regulations 2023
- 1.7 These guidelines are hereby issued to provide guidance to all accountable persons on what their roles and obligations are in respect of the legal framework implementing targeted financial sanctions.

1.8 Accountable persons are expected to put in place adequate systems to enable them to comply with the above legislations, and the respective supervisory authorities of each accountable person are required to supervise and ensure that the legislations are being adhered to.

2. Rationale:

2.1 The Financial Action Task Force (FATF) under Recommendations 6 and 7 requires all countries to implement targeted financial sanctions related to terrorism and proliferation financing, respectively.

2.2 Accordingly, the Ugandan legal framework has encompassed the above recommendations under Regulations 12 to 19 of the Anti – Terrorism Regulations (2023).

2.3 Specifically, under Regulation 12, sub-regulations (7) to (10), Accountable persons have a duty to freeze **without delay** or seize funds or property and immediately stop all transactions relating to those funds or property upon receipt of notification from the FIA and thereafter inform the FIA of the full particulars of the funds or property which have been frozen or seized and any other information that is relevant to or would facilitate compliance with the Regulations, including all transactions or attempted transactions relating to the funds or property.

2.4 Accountable persons are required to implement a range of preventive measures as described under the interpretive notes to FATF Recommendations 6 and 7 to comply with reporting requirements. The aim is to prevent the abuse of the accountable person for the funding of terrorism and facilitate the freezing of funds and other assets, as well as generate financial intelligence for use in investigations.

3.4 Under Regulation 12(10)(b) of the Anti-Terrorism Amendment Regulations, 2023, accountable persons are required not to permit any dealings in respect of any frozen property. Such property includes;

- property of declared suspected terrorist, terrorist, or terrorist organization,
- any funds or property, economic resources, or financial or other related services available to declared terrorist funds directly or indirectly, wholly or jointly, owned with a terrorist

3. Institutional framework

- 3.1 The Ministry of Internal Affairs is the focal point for UN sanctions related matters, including coordinating and promoting effective implementation of the obligations under the UNSC resolutions in Uganda.
- 3.2 The FIA under Regulation 12 (5) of the Anti-Terrorism Amendment Regulations 2023, has the responsibility to give immediate notice to all Accountable persons to facilitate the timely freezing or seizing of the funds or property of the suspected terrorist or terrorist organisation. This includes new designations, changes to existing designations, and removed designations.
- 3.3 Section 21A (1) of the AMLA (as amended), 2017 assigns supervisory authorities' powers to enforce compliance of accountable persons with the provisions of the Act.
- 4.3 Regulation 53 (1) of the AMLR, 2015, requires supervisory authorities to supervise and enforce compliance by accountable persons over whom they exercise supervisory control or oversight with the requirements imposed under the AMLA and AMLR.
- 3.4 The FIA may develop additional guidelines relevant to Accountable persons. It is important that Accountable persons consult both these guidelines issued by the FIA, as well as any guidance issued by their respective supervisory authorities.

4. Scope of Guidelines

- 4.1 These guidelines are issued in accordance with Section 6 (27) of the AML(Amendment) Act 2017, to assist Accountable persons with the implementation of the preventive measures, in particular the role played by Accountable persons as prescribed under the Anti-Terrorism Regulations, 2023.
- 4.2 These guidelines are provided as general information only and do not in any way whatsoever constitute legal advice or intend to replace the Act and Regulations. They should be read in conjunction with other relevant national legislations as (indicated in the introduction), international standards, and guidelines issued by Financial Intelligence Authority or any other relevant Ministry.

5. Targeted Financial Sanctions

- 5.1 The term *targeted sanctions* means that such sanctions are imposed against specific individuals or groups, or undertakings. The term *targeted financial sanctions* includes both asset freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of individuals, entities, groups, or organization who are sanctioned.
- 5.2 There are two types of financial sanctions:
- i) Asset freezing: Freezing is the prohibition to transfer, convert, dispose, or move any funds or other assets that are owned or controlled by listed individual, groups, or entities. It includes:
 - a) The Freezing of funds and other financial assets and economic resources, and includes preventing their use, alteration, movement, transfer, or access.
 - b) The Freezing of economic resources also includes preventing their use to obtain funds, goods, or services in any way, including, but not limited to, by selling, hiring, or mortgaging them.

- ii) Prohibition to offer funds and services: This means the prohibition to provide funds to, or render financial services or other services related to, any listed individual, group, or entity. This includes, for example, the opening of banking subsidiaries in the sanctioned jurisdictions, the provision of financial services or trading in natural resources (including oil) and providing internet and/or telecommunications services.
- 5.3 Asset freezing and prohibition measures have **no time limit**: the funds must remain frozen, and the prohibition to offer funds and services stands until the individual, group, or entity is removed from the Domestic Terrorist List or the UN List or until there is a freezing cancellation decision made by a competent authority or the UNSC.

Purpose of TFS

The purpose of TFS is to deny certain individuals, groups, organizations, and entities the means to violate international peace and security, support terrorism or finance the proliferation of weapons of mass destruction. To achieve this, it seeks to ensure that no funds, financial assets, or economic resources of any kind are available to listed actors for so long as they remain subject to the restrictive measures.

6. Proliferation Financing

- 6.1 Proliferation refers to the development and use of nuclear, chemical, or biological weapons and their delivery systems – also referred to as Weapons of Mass Destruction (WMD) – by state or non-state actors in violation of international agreements and export control regimes.
- 6.2 State and non-state actors may access and use the formal financial system, as well as informal methods of value transfer, to raise funds, conduct payments to procure materials and goods needed for proliferation, and engage in other illicit financial activities connected to proliferation efforts. Proliferation financing therefore facilitates the movement and development of proliferation-sensitive goods and WMD programs and can therefore contribute to global instability and may ultimately result in a loss of life.

6.3 Proliferation Financing activities are further defined under Section 9B (2) of the ATA (as amended), 2022 as a person or organization that:

- (i) Makes available an asset.
- (ii) Provides a financial service; or
- (iii) Conducts a financial transaction.

And the person knows that, or is reckless as to whether, the asset, financial service or financial transaction is intended, in whole or in part to facilitate any of the activities specified in the ATA (as amended) 2022 regardless of whether the specified activity occurs or is attempted.

6.4 The activities referred to in the ATA (as amended) 2022 include.

- a) The manufacture, production, possession, acquisition, stockpiling, storage, development, transportation, sale, supply, transfer, export, transshipment, or use of:
 - (i) Nuclear weapons.
 - (ii) Chemical weapons.
 - (iii) Biological weapons.
- b) Materials related to nuclear weapons or radiological weapons that are prescribed by regulations or restricted or prohibited under any enactment relating to export or import controlled measures; and
- c) The provision of technical training, advice, service, brokering, assistance related to the activities mentioned in clause (c) above.

- d) It may therefore be useful to think of proliferation financing as three categories of activities that should be considered as part of counter-proliferation financing (CPF) efforts.
- e) Proliferators and terrorists who have been designated or designated by the UNSC use complex networks of front companies and diversion techniques borrowed from the world of money laundering to access the global financial system and circumvent increasingly stringent counter terrorist financing (TF) and proliferation financing (PF) sanctions measures. However, whereas money laundering is a circular process deployed by criminals to conceal the illicit origin of the proceeds of crime, sanctions are about the individuals to whom funds are made available (designated persons and entities) or the purposes for which they are being used (proliferation).
- f) It is therefore important that TF/PF is considered as distinct from other types of financial crime and other types of sanctions compliance.
- g) While tools used to combat AML/CFT and screening tools for sanctions will be very important for detecting TF/PF, this may ignore typologies and trends that are unique to proliferation financing.

7. Scope of Targeted Financial Sanctions

- 7.1 In response to identified terrorism and WMD proliferation threats, the UNSC currently imposes TFS related to terrorism and proliferation under the following sanctions regimes:
 - a) Democratic People's Republic of Korea (DPRK) – UNSC Resolution 1718 (2006) and all successor resolutions related to the DPRK. The 1718 List contains the names of the persons and entities currently designated related to DPRK.

- b) The UNSC Resolution 1267 (1989) targets specific individuals including designations relating to the Al-Qaida and the Taliban as well as related threats to Afghanistan.
- c) United Nations Resolutions 1267/1988 (Taliban) adopted unanimously on June 17, 2011, on terrorism and the threat to Afghanistan, and imposing sanctions regimes on AlQaeda and the Taliban, and its successor resolutions;
- d) United Nations Security Council Resolution 1737 (2006), whose designations were continued by United Nations Security Council resolution 2231 (2015), or United 56 Nations Security Council Resolution 2231 itself, adopted on October 18, 2015, endorsing the Joint Comprehensive Plan of Action (JCPOA) and providing for the termination of the previous Security Council resolutions on the Iranian nuclear issue while establishing specific restrictions that apply to all States without exception, and its successor resolutions
- e) Accountable persons should also be aware of the definition of 'funds' as it may determine, and potentially expand, the scope of TFS implementation beyond just financial transactions and funds.
- f) Under Section 2 of the ATA (as amended), 2015 'funds may include assets of every kind, tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in such assets, including but not limited to, bank credits, travelers' cheques, bank cheques, money orders, shares, securities, bonds, drafts and letters of credit.
- g) The UN 1718 Sanctions Committee maintains separate lists of designated vessels which are similarly subject to asset freezing actions. <https://www.un.org/securitycouncil/sanctions/1718/materials/list-of-designated-vessels>

- h) Despite the expanded scope of which persons and entities, and what funds and assets, are covered by TFS implementation, there are also important exceptions to TFS which should be consulted. This includes the ability for a designated party to access assets under limited circumstances, including the provision of basic living expenses, or extraordinary expenses if approved by UNSC committees. For UNSC Resolution 2231 on Iran, certain payments due under contracts entered prior to a party being designated can also be approved.
- i) Criteria 6.5(a) and 7.2(a) of the FATF Methodology 2020 further reinforce the UNSCRs in relation to TFS on TF and PF. Accountable persons including all financial institutions, DNFBPs, natural and legal persons within the country are required to freeze, without delay and without prior notice, the funds or other assets of designated persons and entities.
- j) Furthermore, criteria 6.5(e) and 7.2(e) of the FATF Methodology 2020 further stipulate that financial institutions and DNFBPs be required to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs, including attempted transactions.
- k) In Uganda, Accountable persons are specifically required under Regulation 12(8) of the Anti-Terrorism Amendment Regulations, 2023 to immediately, after freezing or seizing any assets or property under Regulation 12(7) inform the FIA of the full particulars of the funds or property which have been frozen or seized and any other information that is relevant to or would facilitate compliance with these Regulations, including all transactions or attempted transactions relating to the funds or property. Reference can be made to regulation 12(9) of the Anti-Terrorism Amendment Regulations for details of the particulars required for reporting purposes.

8. Implementation by Accountable persons

- 8.1 As stated in regulation 12 (6) of the Anti-Terrorism Amendment Regulations, 2023 upon receipt of notice from the FIA, the accountable persons shall conduct an immediate check to verify whether the details of the suspected proliferator or terrorist / terrorist organization match with the particulars of any customer, and if so, to determine whether the customer holds any funds or property with it.
- 8.2 Where a customer holds any funds or property, whether wholly or jointly owned or controlled directly or indirectly by the customer, the accountable person shall, without delay, freeze or seize such funds or property and immediately stop all transactions related to those funds or property under Regulation 12(7) of the Anti-Terrorism Regulations 2023.
- 8.3 Accountable persons shall, immediately after freezing or seizing any assets or property inform the FIA of the full particulars of the funds or property which have been frozen or seized and any other information that is relevant to or would facilitate compliance with the Regulation 12(8) of the Anti-Terrorism Amendment Regulations 2023 including all transactions or attempted transactions relating to the funds or property.
- 8.4 Accountable persons are therefore expected to put in place a TFS framework including policies and procedures as well as systems to facilitate the timely detection and reporting of any funds linked to TF/PF. These procedures should:
- (i) clearly assign responsibility to the accountable person to ensure compliance with legal and supervisory TFS requirements.
 - (ii) outline the process used to investigate potential matches, including escalation procedures for potential matches.
 - (iii) define the process used to block and reject transactions.
 - (iv) outline the process used to inform management of blocked or rejected transactions.
 - (v) address the adequacy and timeliness of filing reports to FIA.
 - (vi) outline the process to manage blocked accounts (such accounts must be reported to FIA and may earn a commercially reasonable

rate of interest as determined by the accountable person while the funds remain blocked).

- 8.5 Accountable persons must ensure that they put in place a mechanism to clearly communicate these policies and procedures to employees and any third parties operating on behalf of the accountable person.
- 8.6 Accountable persons should ensure that they employ and allocate adequate resources necessary to perform effective due diligence relating to TF/PF.
- 8.7 Accountable persons must actively train employees and third-party agents to ensure they understand sanctions compliance obligations, as well as how to recognize and address sanctions compliance.
- 8.8 Accountable persons should ensure that the internal audit function periodically reviews the TFS implementation processes and that an independent assessment is conducted regularly on the sanction screening solutions used by the accountable person.
 - (i) In addition to measures (d) to (h) above, Accountable persons should adopt risk-focused due diligence measures such as and not limited to:
 - (ii) Assessment of TF and PF risks separately from ML risks to effectively apply the TF risk-based approach as per FATF Recommendation 1.
 - (iii) Identification and verification of customers, including beneficial owners.
 - (iv) Reviewing whether these customers and beneficial owners are subject to sanctions.
 - (v) Scrutinizing customers' transactions through transaction monitoring.
 - (vi) Reporting suspicions of TF/PF to FIA as per the relevant Ugandan legislations.
 - (vii) Keeping records that can be shared with the relevant authorities without delay.

9. Sanction Screening

- 9.1 Sanctions apply to all clients and transactions, and there is no minimum financial limit or other threshold for when to conduct screening.
- 9.2 Accountable persons shall, immediately, verify whether the details of a designated party match with the particulars of any customer, and if so, to identify whether the customer owns any funds or other assets in Uganda.
- 9.3 All customers and transactions must therefore be screened against sanctions lists for potential matches. Once a positive match has been established the customer on-boarding process or transaction processing must be immediately halted and a report filed to the FIA.
- 9.4 The extent of, and method for, conducting screening for each relevant department or business line (e.g., automated clearing house (ACH) transactions, cross-border funds transfers, trade finance products, monetary instrument sales, cheque cashing, trusts, loans, deposits, and investments) may vary from one department or business line to another.

Customer screening

- 9.5 Accountable persons must have a system in place to screen customers during on-boarding and through the life cycle of the customer relationship. This also includes beneficiaries, guarantors, principals, beneficial owners, nominee shareholders, directors, signatories, and powers of attorney and any other parties linked to the account.
- 9.6 Screening should take place when establishing a new relationship, and at regular intervals either upon a trigger event (change in directors or ownership) or when there are changes on a sanctions list.

Transaction monitoring

- 9.7 Each incoming and outgoing transaction should similarly be screened for a potential match with sanctions lists.
- 9.8 While conducting transaction monitoring accountable persons should at least consider some of the most common screening data fields including:
- (i) Parties involved (remitter, beneficiary, other financial institutions involved in the transaction, intermediaries)
 - (ii) Bank names, bank identifier codes (BIC) and other routing codes
 - (iii) Free text fields (e.g. payment reference)
- 9.9 Attention should be given to those data fields within the transactional process where information could be modified or removed to undermine screening controls, for example evidence that information has been stripped from the transaction, or the transaction exhibits signs of sanctions evasion techniques. An overview of common sanctions evasion techniques employed by terrorists / proliferators is outlined further below in this section.

Sanctions Match and Resolving False Positives

- 9.10 When the reporting entity detects a positive match, and it does maintain accounts, or otherwise holds or controls funds and other assets for the designated party (or anyone owned or controlled by the designated party, or acting on their behalf for their benefit), the reporting entity should immediately:
- (i) Not deal with those funds and other assets.
 - (ii) Not make funds and other assets available to or for the benefit of the designated party.
 - (iii) Investigate further as detailed below.

- 9.11 If an alert is generated with a potential match, this is not an automatic indication of a sanction's violation. It should be confirmed or discounted with additional information gained through further investigation.
- 9.12 Determining a true match can often prove difficult due to a range of variables including language, spelling, abbreviations, and aliases. UN sanctions lists are provided with other identifying information to assist in the identification of a true match or false positive.

10. Reporting Obligations and procedures for Sanctions Reporting

- 10.1 If a positive match is identified by the reporting entity, it must immediately submit a report to the FIA after freezing any funds or property without delay. Regulation 12 (9) of the Anti-Terrorism Amendment Regulations, 2023 clearly indicates the following information that should be included in the report.

In the case of an accountable person;

- a) the account number;
- b) the name of the account owner or holder;
- c) the time of freezing of the account;
- d) the balance of the account at the time of freezing or seizing of the funds or property;
- e) the related accounts, if any, including the balance of funds or property in the accounts at the time of freezing or seizing; and
- f) an explanation as to the grounds for the identification of the related accounts.

In the case of a relevant public or private body;

- (i) the nature and description of the funds or property;
- (ii) the name of the owner or holder of the funds or property;
- (iii) the mode and date of acquisition of the funds or property by the owner;
- (iv) the location of the funds or property;
- (v) the transactions relating to the funds or property

10.2 There are important exceptions to TFS which should be consulted upon with the FIA. This includes the ability for a designated party to access assets under limited circumstances, on such grounds court considers appropriate including humanitarian grounds recognized by the United Nations Security Council and specified in the United Security Council Resolutions (if approved by UNSC committees). These may include including the provision of basic living expenses, or extraordinary expenses or rights of bona fide third parties, These provisions are outlined under Regulation 19 of the Anti-Terrorism Amendment Regulations, 2023, and Recommendation 6 and 7 and their accompanying interpretive notes.

Access to frozen property or funds is only granted by court and upon approval from the Security Council or relevant Security Council Committee.

Authorization to access frozen funds to settle basic expenses and extraordinary expenses is granted by court on approval by the Security Council or relevant Sanctions Committee;

Under Regulation 19 of the Anti-Terrorism Amendment Regulations, 2023 court may also authorize the addition to frozen accounts of payments due under contracts, agreements, or obligations that arose prior to the date of the designation, in respect to individuals or entities designated pursuant to United Nations Security Council Resolutions 1718 (2006) or 2231 (2015)

Any payments relating to the purposes described above can only be authorized upon obtaining prior written approval from the FIA in accordance with provisions stipulated under regulation 18(8) of the Anti-Terrorism Amendment Regulations,2023.

11. Effective implementation of Targeted Financial Sanctions

Understanding Sanctions Evasion

11.1 It is crucial that Accountable persons consider how designated parties may indirectly gain access to funds or financial services. This is because

designated parties will rarely (if ever) show up in a transaction but will instead make use of complex networks of front companies and intermediaries to conceal their involvement in a financial transaction.

- 11.2 Accountable persons should familiarize themselves with common sanctions evasion techniques of terrorists / proliferators to effectively implement TFS related to terrorism / proliferation and ensure that no funds or other assets are made available to designated persons and entities, as well as anyone acting on behalf of or at the direction of designated persons and entities or owned or controlled by them.
- 11.3 Accountable persons should further take note of the risk of misuse of charities and other Non-Profit Organizations (NPOs) for TF purposes. Enhanced monitoring may be warranted for certain charities and NPOs which, by virtue of their activities or characteristics, are likely to be at risk of terrorist financing abuse. It is also crucial to identify the nature of threats posed by terrorist entities to the NPOs which are at risk as well as how terrorist actors abuse those NPOs. Further reference can be made to FATF Recommendations 8 and the accompanying Interpretive Notes.
- 11.4 Accountable persons should further heed to the findings from the NPO sectoral risk assessment that Uganda conducted in 2021 by the FIA which exposed vulnerabilities in relation to source of funds in the sector such as cash-intensive processes that may lead to commingling of funds from sources which may support terrorism, anonymity of donors as reported by some respondents (source of funds not specified/unknown and use of personal bank accounts of their directors to receive donations and transact NPO activities).

Common sanctions evasion techniques used by terrorists / proliferators include:

- a) The use of aliases and falsified documentation to hide involvement of designated party.

- b) Bank accounts owned by nationals not from a proliferating country, who act as financial representatives on behalf of designated parties from the proliferating country.
- c) Offshore, front and shell companies to hide beneficial ownership information, and the involvement of designated parties.
- d) Designated parties entering joint ventures with non-designated companies.
- e) Use of diplomatic staff bank accounts, on behalf of designated parties and proliferating countries.
- f) Use of virtual currencies by designated parties to circumvent the formal financial system and evade sanctions.
- g) Conduct cyber-attacks against financial institutions and crypto currency exchanges to raise funds and evade sanctions.

Situations that may indicate sanctions evasion include:

- a) Customers linked to high-risk countries or business sectors.
- b) Customers who have unnecessarily complex or opaque beneficial ownership structures, or have frequent changes in directors, beneficial owners, or signatories (especially within short time from account opening).
- c) Customers who have previously had dealings with individuals or entities designated for terrorism / proliferation by the UNSC.
- d) Customers who have entered into joint venture or cooperation agreements with designated parties, including the sharing of address with a designated party.

- e) Customers involved in trading, brokering or intermediary services, and carrying out business inconsistent with normal business practices or with significant changes in business activities.
- f) Transactions that are unusual, lack an obvious economic or lawful purpose, are complex or large or might lend themselves to anonymity.
- g) Transactions or trade with countries known to be exploited by terrorism / proliferation financing regimes or neighboring countries to terrorism / proliferation financing regimes.
- h) Transactions involving correspondent banks known to facilitate payments for terrorists / proliferating regimes or within high-risk jurisdictions.

12. Review of the Targeted Financial Sanctions Guidelines

All Accountable persons should ensure full compliance with these TFS guidelines, and Accountable persons are advised to compile and record any comments, which arise in relation to implementation of these guidelines and forward them to the Financial Intelligence Authority for appropriated action.

13. Effective date

These Guidelines become effective on the 17th day of April 2023.

Sydney Asubo
Executive Director
Financial Intelligence Authority