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2022 No. 14

*Money Laundering
(Prevention and Prohibition) Act, 2022*

**MONEY LAUNDERING
(PREVENTION AND PROHIBITION) ACT, 2022**



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**MONEY LAUNDERING
(PREVENTION AND PROHIBITION) ACT, 2022**

ACT No. 14

AN ACT TO REPEAL THE MONEY LAUNDERING (PROHIBITION) ACT, No. 11, 2011 AND ENACT THE MONEY LAUNDERING (PREVENTION AND PROHIBITION) ACT, 2022 TO PROVIDE COMPREHENSIVE LEGAL AND INSTITUTIONAL FRAMEWORK FOR THE PREVENTION AND PROHIBITION OF MONEY LAUNDERING IN NIGERIA, ESTABLISH THE SPECIAL CONTROL UNIT UNDER THE ECONOMIC AND FINANCIAL CRIMES COMMISSION ; AND FOR RELATED MATTERS.

[12th Day of May, 2022] Commence-
ment.

ENACTED by the National Assembly of the Federal Republic of Nigeria—

PART I—OBJECTIVES OF THIS ACT

1.—(1) The objectives of this Act are to—

Objectives.

(a) provide for an effective and comprehensive legal and institutional framework for the prevention, prohibition, detection, prosecution and punishment of money laundering and other related offences in Nigeria ;

(b) strengthen the existing system for combating money laundering and related offences ;

(c) make adequate provisions to prohibit money laundering ;

(d) expand the scope of money laundering offences and provide appropriate penalties ; and

(e) establish the Special Control Unit Against Money Laundering under the Economic and Financial Crimes Commission for effective implementation of the money laundering provisions of the Act in relation to the designated non-financial businesses and professions.

PART II—PROHIBITION OF MONEY LAUNDERING

2.—(1) No person or body corporate shall, except in a transaction through a financial institution, make or accept cash payment of a sum exceeding—

Limitation to make or accept cash payment.

(a) ₦5,000,000 or its equivalent, in the case of an individual ; or

(b) ₦10,000,000 or its equivalent, in the case of a body corporate.

(2) A person shall not conduct two or more transactions separately with one or more financial institutions or designated non-financial businesses and professions with intent to—

(a) avoid the duty to report a transaction which should be reported under this Act ; and

(b) breach the duty to disclose information under this act by any other means.

Duty to report international transfer or transportation of funds, securities and cash.

3.—(1) A transfer to or from a foreign country of funds or securities by a person or body corporate including a money service business of a sum exceeding US\$10,000 or its equivalent shall be reported to the Unit, Central Bank of Nigeria and Securities and Exchange Commission in writing within one day from the date of the transaction.

(2) A report made under subsection (1) shall indicate the nature and amount of the transfer, the names and addresses of the sender and the receiver of the funds or securities.

(3) Transportation of cash or negotiable instruments in excess of US\$10,000 or its equivalent by individuals in or out of Nigeria shall be declared to the Nigerian Customs Service.

(4) The Nigerian Customs Service shall report any declaration made under subsection (3) to the Central Bank and the Unit.

Cap. F34,
LFN, 2004.

(5) Any person who falsely declares or fails to make a declaration to the Nigerian Customs Service under section 12 of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, commits an offence and is liable on conviction to forfeit the undeclared funds or negotiable instrument or to imprisonment for a term of at least two years or both.

Identification of customers.

4.—(1) A financial institution and a designated non-financial business and profession shall—

(a) identify a customer, whether permanent or occasional, natural or legal person or any other form of legal arrangements, using identification documents as may be prescribed in any relevant regulation ;

(b) verify the identity of that customer using reliable, independent source documents, data or information ;

(c) identify the beneficial owner using relevant information or data obtained from a reliable source such that the financial institution or the designated non- financial business and profession is satisfied that it knows who the beneficial owner is ; and

(d) take reasonable measures to verify that any person purporting to act on behalf of the customer is so authorised, identified and verify the identity of that person.

(2) Financial institutions and designated non-financial businesses and professions shall undertake customer due diligence measures when—

(a) establishing business relationships ;

(b) carrying out occasional transactions above the applicable designated threshold prescribed by relevant regulations, including transactions carried out in a single operation or in several operations that appear to be linked ;

(c) carrying out occasional transactions that are wire transfers ;

(d) there is a suspicion of money laundering or terrorist financing, regardless of any exemptions or thresholds ; or

(e) the financial institution or designated non-financial business and profession has doubts about the veracity or adequacy of previously obtained customer identification data.

(3) Financial institutions or designated non-financial businesses and professions shall—

(a) conduct ongoing due diligence on a business relationship ;

(b) scrutinise transactions undertaken during the course of the relationship to ensure that the transactions are consistent with the institution’s knowledge of the customer, their business and risk profile and where necessary, the source of funds ; and

(c) ensure that documents, data or information collected under the customer due diligence process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships.

(4) Financial institutions and designated non-financial businesses and professions shall take appropriate measures to manage and mitigate the risks and—

(a) where higher risks are identified, apply enhanced measures to manage and mitigate the risk ;

(b) where lower risks are identified, take simplified measures to manage and mitigate the risks, provided that simplified customer due diligent measures are not permitted whenever there is suspicion of money laundering or terrorist financing ; and

(c) in the case of cross-border correspondent banking and other similar relationships and in addition to carrying out customer due diligence measures—

(i) gather sufficient information about a respondent institution,

(ii) assess the respondent institution’s anti-money laundering and combating the financing of terrorism controls,

(iii) document respective responsibilities of each institution in this regard, and

(iv) obtain management approval before establishing new correspondent relationships.

(5) A casual customer shall comply with the provisions of subsection (2) for any number or manner of transactions including wire transfer involving a sum exceeding US\$1,000 or its equivalent if the total amount is known at the commencement of the transaction or as soon as it is known to exceed the sum of US\$1,000 or its equivalent.

(6) Where a financial institution or designated non-financial business and profession suspects or has reasonable grounds to suspect that the amount involved in a transaction is the proceeds of a crime or an illegal act, it shall require identification of the customer notwithstanding that the amount involved in the transaction is less than US\$1,000 or its equivalent.

(7) Financial institutions or designated non-financial business and profession shall put in place appropriate risk management systems and procedures to determine whether a customer or the beneficial owner of a customer is a politically exposed person.

(8) In relation to a foreign politically exposed person, the financial institution or designated non-financial institution shall in addition to the requirements of subsections (1) and (2)—

(a) obtain senior management approval before establishing (or continuing, for existing customers) such business relationships ;

(b) take reasonable measures to establish the source of wealth and the source of funds of customers and beneficial owners identified as politically exposed persons ; and

(c) conduct enhanced ongoing monitoring on that relationship.

(9) In relation to a domestic politically exposed persons or person who has been entrusted with a prominent function by an international organisation, the financial institution or designated non-financial institution shall in addition to the requirements of subsections (1) and (2), adopt the measures under subsection (8), where there is higher risk business relationship with such a person.

Duties
incumbent
upon
casinos.

5.—(1) A casino shall—

(a) verify the identity of any of its customers carrying out financial transactions by requiring its customer to present a valid original document bearing his name and address ; and

(b) record all transactions under this section in chronological order including—

(i) the nature and amount involved in each transaction, and
(ii) each customer's surname, forenames and address, in a register forwarded to the Special Control Unit against Money Laundering for that purpose.

(2) A register kept under subsection (1)(b) shall be forwarded to the Unit and preserved for at least five years after the last transaction recorded in the register.

(3) In this section, casino includes internet casino and ship-based casinos.

6.—(1) A designated non-financial business and profession whose business involves cash transaction shall—

(a) in the case of —

(i) a new business, before commencement of the business ; and

(ii) an existing business, within 3 months from the commencement of this Act, submit to the Special Control Unit against Money Laundering, a declaration of its activities ;

(b) prior to any transaction involving a sum exceeding US\$1,000 or its equivalent, identify the customer by requiring him to fill a standard data form and present his international passport, driving license, national identity card or such other document bearing his photograph as may be prescribed by the Special Control Unit Against Money Laundering ; and

(c) record all transactions under this section in chronological order, indicating each customer's surname, forenames and address in a register numbered and forwarded to the Special Control Unit Against Money Laundering.

(2) A register kept under subsection (1) shall be forwarded to the Unit and preserved for at least five years after the last transaction recorded in the register.

(3) A designated non-financial business and profession that fails to comply with the requirements of customer identification and the submission of returns on such transaction as specified in this Act within seven days from the date of the transaction commits an offence and is liable on conviction to—

(a) a fine of ₦250,000 for each day during which the offence continues ; and

(b) suspension, revocation or withdrawal of license by the appropriate licensing authority as the circumstances may demand.

Occasional
cash
transaction
by
designated
non-
financial
businesses
and
professions.

Suspicious
transaction
reporting.

7.—(1) Where a transaction—

- (a) involves a frequency which is unjustifiable or unreasonable,
- (b) is surrounded by conditions of unusual or unjustified complexity,
- (c) appears to have no economic justification or lawful objective,
- (d) is inconsistent with the known transaction pattern of the account or business relationship, or
- (e) in the opinion of the financial institution or non-financial business and profession involves the proceeds of a criminal activity, unlawful act, money laundering or terrorist financing,

that transaction shall be deemed to be suspicious and the financial institution and designated non-financial business and profession involved in the transaction shall report to the Unit as the case may be immediately.

(2) A financial institution or designated non-financial business and profession shall within 24 hours after the transaction referred to in subsection (1)—

- (a) draw up a written report containing all relevant information on the matters mentioned in subsection (1) together with the reasons and identity of the principal and, where applicable, of the beneficiary or beneficiaries ;
- (b) take appropriate action to prevent the laundering of the proceeds of a crime or an illegal act ; and
- (c) report the suspicious transaction and actions taken to the Unit.

(3) The provisions of subsections (1) and (2) shall apply whether the transaction is complete or not.

(4) The Unit shall acknowledge receipt of any disclosure, report or information received under this section and may demand such additional information as it may deem necessary.

(5) The acknowledgement of receipt shall be sent to the financial institution or designated non-financial business and profession within the time allowed for the transaction to be undertaken and it may be accompanied by a notice deferring the transaction for a period not exceeding 72 hours.

(6) Notwithstanding the provisions of subsection (5), the Unit or the Commission or the authorised representatives shall place a stop order not exceeding 72 hours, on any account or transaction if it is discovered that such account or transaction is suspected to be involved in any unlawful act.

(7) If the acknowledgment of receipt is not accompanied by a stop notice, or where the stop notice has expired and the order specified in subsection (8) to block the transaction has not reached the financial institution or designated non-financial business and profession, it may carry out the transaction.

(8) Where it is not possible to ascertain the origin of the funds within the period of stoppage of the transaction, the Federal High Court may, at the request of the Unit or the Commission or their authorised representatives order that the funds, accounts or securities referred to in the report be blocked.

(9) An order made by the Federal High Court under subsection (8) shall be enforced forthwith.

(10) A financial institution or designated non-financial business and profession which fails to comply with the provisions of subsections (1) and (2) commits an offence and is liable on conviction to a fine of ₦1,000,000 for each day during which the offence continues.

(11) The directors, officers and employees of financial institutions and designated non-financial businesses and professions who carry out their duties under this Act in good faith shall not be liable to any civil or criminal liability or have any criminal or civil proceedings brought against them by their customers.

(12) Unlawful activity as used in subsection (1) (e) has the same meaning as assigned to it under section 18 (6) of this Act.

8.—(1) Financial institution and designated non-financial business and profession shall preserve and keep at the disposal of the authorities specified in section 9 of this Act—

Preservation
of records.

(a) all necessary records on transactions, both domestic and international, for at least five years following completion of the transaction ; and

(b) all records obtained under section 4 of this Act, including account files and business correspondence, and results of any analysis undertaken, for at least five years following the termination of the business relationship or after the date of the occasional transaction.

(2) The records referred to in subsection (1) shall be—

(a) sufficient to permit individual transactions to be readily reconstructed at any time by the competent authorities ; and

(b) made swiftly available to the competent authorities.

9. The records referred to in section 8 of this Act shall be communicated on demand to a competent authority and such other regulatory authorities or judicial persons as the Unit or Special Control Unit Against Money Laundering may specify by order published in the Federal Government Gazette.

Communication
of
information.

Internal procedures, policies and controls.

10.—(1) Every financial institution and designated non-financial business and profession shall develop programmes to combat the laundering of the proceeds of a crime or other unlawful acts, and these shall include—

- (a) the designation of compliance officers at management level at its headquarters and at every branch and local office ;
- (b) regular training programmes for its employees ;
- (c) the centralisation of the information collected ; and
- (d) the establishment of an internal audit unit to ensure compliance with and effectiveness of the measures taken to enforce the provisions of this Act.

(2) Notwithstanding the provision of this Act or any other Law, the Central Bank of Nigeria, Securities and Exchange Commission, National Insurance Commission and the Special Control Unit Against Money Laundering may—

- (a) impose a penalty not more than ₦1,000,000 for designated non-financial businesses and professions, not less than ₦1,000,000 for capital brokerage and other financial institutions and ₦5,000,000 in the case of a Bank ; and
- (b) in addition, suspend any licence issued to the financial institution or designated non-financial business and profession, for failure to comply with the provisions of subsection (1).

Mandatory disclosure by financial institutions and designated non-financial businesses and professions.

11.—(1) Notwithstanding anything to the contrary in any other law or regulation, a financial institution or designated non-financial business and profession shall report to the Unit in the case of a financial institution and to Special Control Unit Against Money Laundering in the case of a designated non-financial business and profession in writing within seven days, any single transaction, lodgment or transfer of funds in excess of —

- (a) ₦5,000,000 or its equivalent, in the case of an individual ; or
- (b) ₦10,000,000 or its equivalent, in the case of a body corporate.

(2) A person other than a financial institution may voluntarily give information on any transaction, lodgement or transfer of funds in excess of —

- (a) ₦1,000,000 or its equivalent, in the case of an individual ; or
- (b) ₦5,000,000 or its equivalent, in the case of a body corporate.

(3) Any financial institution or designated non-financial business and profession that contravenes the provisions commits an offence and is liable on conviction to a fine of at least ₦250,000 and not more than ₦1,000,000 for each day the contravention continues.

(4) Legal professional privilege and the invocation of client confidentiality shall not apply in connection with—

- (a) the purchase or sale of property ;
- (b) the purchase or sale of any business ;
- (c) the managing of client money, securities or other assets ;
- (d) the opening or management of bank, savings or securities accounts ;
- (d) the creation, operation or management of trusts, companies or similar structures ; or
- (e) anything produced in furtherance of any unlawful act.

12.—(1) The opening or maintaining of numbered or anonymous accounts by any person, financial institution or body corporate is prohibited.

Prohibition of numbered or anonymous accounts, accounts in fictitious names and shell banks.

(2) A person shall not establish or operate a shell bank in Nigeria.

(3) A financial institution shall—

- (a) not enter into or continue correspondent banking relationships with shell banks ; and
- (b) satisfy itself that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks.

(4) Any person, financial institution or body corporate that contravenes the provisions of subsections (1), (2) and (3), commits an offence and is liable on conviction to

- (a) in the case of an individual, a term of imprisonment of at least two years but not more than five years ; or
- (b) in the case of a financial institution or body corporate, a fine of at least ₦10,000,000 but not more than ₦50,000,000, in addition to—
 - (i) the prosecution of the principal officers of the body corporate, and
 - (ii) the winding up and prohibition of its constitution or incorporation under any form or guise.

13.—(1) Financial institutions and designated non-financial businesses and professions shall identify and assess the money laundering and terrorism financing risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products in accordance with the requirements specified by the regulatory authorities.

New products, business practices and technologies.

(2) Pursuant to the provisions of subsection (1), financial institutions and designated non-financial businesses and professions shall—

(a) undertake the risk assessments prior to the launch or use of such products, business practices and technologies ; and

(b) take appropriate measures to manage and mitigate the risks.

Liability of directors and employees of financial institutions and designated Non-financial business and profession.

14. Where funds are blocked under section 7 (8) of this Act and there is evidence of conspiracy with the owner of the funds, the financial institution or the designated non-financial business and profession involved shall not be relieved of liability under this Act and criminal proceedings for all offences arising there from, may be brought against a director and employees involved in the conspiracy.

Surveillance of bank accounts.

15.—(1) A competent authority under an order of the Federal High Court obtained upon an ex-parte application supported by a sworn declaration made by an authorised officer of the competent authority justifying the request, may in order to identify and locate proceeds, properties, objects or other things related to the commission of an offence under this Act or any other law—

(a) place any bank account or any other account comparable to a bank account under surveillance ;

(b) obtain access to any suspected computer system ; and

(c) obtain communication of any authentic instrument or private contract, together with all bank, financial and commercial records, when the account, the telephone line or computer system is used by any person suspected of taking part in a transaction involving the proceeds of a financial crime or other crime.

(2) The competent authority may exercise the powers conferred under subsection (1) where it relates to identifying or locating properties, objects or proceeds of an unlawful act.

(3) Banking secrecy or preservation of customer confidentiality shall not be invoked as a ground for objecting to the measures set out in subsection (1) and (2) or for refusing to be a witness to facts likely to constitute an offence under this Act, or any other law.

Determination of flow of transactions.

16. The Unit, Commission shall in consultation with the Central Bank and the Corporate Affairs Commission determine the flow of transaction and the identities of beneficiaries under this Act including the beneficiaries of individual accounts and of corporate accounts.

PART III—SPECIAL CONTROL UNIT AGAINST MONEY LAUNDERING

17.—(1) There is established a department under the Economic and Financial Crimes Commission to be known as the Special Control Unit Against Money Laundering (in this Act referred to as “the SCUML”) which shall be responsible for the supervision of designated non-financial businesses and professions in their compliance with the provisions of this Act, relevant laws and applicable regulations.

Establishment of the Special Control Unit Against Money Laundering and functions.

(2) The functions of SCUML are to—

(a) register and certify designated non-financial businesses and professions in accordance with the provisions of this Act, relevant laws and applicable regulations ;

(b) monitor and supervise designated non-financial businesses and professions in accordance with the provisions of this Act, relevant laws and applicable regulations ;

(c) take necessary enforcement actions to ensure compliance with this Act, relevant laws and applicable regulations ;

(d) conduct off-site, on-site, and on the spot checks, inspection of designated non-financial businesses and professions for the purposes of money laundering control and supervision ;

(e) establish and maintain a comprehensive database of designated non-financial businesses and professions ;

(f) receive cash based transaction reports and currency transaction reports from designated non-financial businesses and professions in accordance with the provisions of this Act ;

(g) sensitise designated non-financial businesses and professions regarding their responsibilities under this Act ; and

(h) perform other function necessary to fulfil its responsibilities under this Act or any other relevant laws and applicable regulations.

PART IV—OFFENCES AND PENALTIES

18.—(1) Money laundering is prohibited in Nigeria.

Money laundering offences.

(2) Any person or body corporate, in or outside Nigeria, who directly or indirectly—

(a) conceals or disguises the origin of,

(b) converts or transfers,

(c) removes from the jurisdiction, or

(d) acquires, uses, retains or takes possession or control of any fund or property, intentionally, knowingly or reasonably ought to have known that such fund or property is, or forms part of the proceeds of an unlawful act, commits an offence of money laundering under this Act.

(3) A person who contravenes the provisions of subsection (2) is liable on conviction to imprisonment for a term of not less than four years but not more than fourteen years or a fine not less than five times the value of the proceeds of the crime or both.

(4) A body corporate who contravenes the provisions of subsection (2) is liable on conviction to a fine of not less than five times the value of the funds or the properties acquired as a result of the offence committed.

(5) Where the body corporate persists in the commission of the offence for which it was convicted in the first instance, the regulators may withdraw or revoke the certificate or license of the body corporate.

(6) The unlawful act referred to in subsection (2) includes—

- (a) participation in an organised criminal group ;
- (b) racketeering, terrorism, terrorist financing ;
- (c) trafficking in persons, smuggling of migrants, sexual exploitation, sexual exploitation of children ;
- (d) illicit trafficking in narcotic drugs and psychotropic substances ;
- (e) illicit arms trafficking, illicit trafficking in stolen goods ;
- (f) corruption, bribery, fraud, currency counterfeiting ;
- (g) counterfeiting and piracy of products, environmental crimes ;
- (h) murder, grievous bodily injury ;
- (i) kidnapping, hostage taking, robbery or theft ;
- (j) smuggling (including in relation to customs and excise duties and taxes), tax crimes (related to direct taxes and indirect taxes) ;
- (k) extortion, forgery, piracy ;
- (l) insider trading and market manipulation ; and
- (m) any other criminal act specified in this Act or any other law in Nigeria including any act, wherever committed in so far as such act would be an unlawful act if committed in Nigeria.

(7) A person who commits an offence under subsection (2) shall be subject to the penalties specified in this section notwithstanding that the various acts constituting the offence were committed in different countries or places.

(8) Notwithstanding the provisions of subsection (6), it shall not be necessary to establish a specific unlawful act, or that a person was charged or convicted for an unlawful act, for the purpose of proving a money laundering offence under this Act.

(9) Knowledge, intent, purpose, belief or suspicion required as an element of money laundering under this Act may be inferred from objective factual circumstances.

19.—(1) Without prejudice to the penalties provided under section 18 of this Act, any person who—

Other offences.

(a) being a director or employee of a financial institution warns or in any other way intimates the owner of the funds involved in the transaction referred to in section 7 of this Act about the report he is required to make or the action taken on it or who refrains from making the report as required ;

(b) destroys or removes a register or record required to be kept under this Act ;

(c) carries out or attempts under a false identity to carry out any of the transactions specified in sections 2 - 6 of this Act ;

(d) makes or accepts cash payments exceeding the amount authorised under this Act ;

(e) fails to report an international transfer of funds or securities required to be reported under this Act ; or

(f) being a director or an employee of a financial institution or designated non-financial business and profession contravenes the provisions of sections 3, 4, 5, 6, 7, 8, 10, 11, 13, 14, 15 of this Act, commits an offence under this Act.

(2) A person who commits an offence under subsection (1)—

(a) paragraph (a), is liable on conviction to a fine of at least ₦10,000,000 or imprisonment for a term of at least two years ; and

(b) paragraphs (b)-(f), is liable to a fine of ₦10,000,000 or imprisonment for a term of at least three years or both, in the case of individual and ₦25,000,000 in the case of a body corporate.

(3) A person found guilty of an offence under this section may also be banned indefinitely or for a period of five years from practicing the profession which provided the opportunity for the offence to be committed.

(4) Where as a result of a serious oversight or a flaw in its internal control procedures, a financial institution or person designated under section 10 (1) (a) of this Act, fails to meet any of the obligations imposed by this Act, the disciplinary authority responsible for the financial institution or the person's professional

body may, in addition to any penalty in this Act take such disciplinary action against the financial institution or persons as is in conformity with its professional and administrative regulations.

Retention of
proceeds of
an unlawful
act.

20. Any person who—

(a) conceals, removes from jurisdiction, transfers to nominees or otherwise retains the proceeds of an unlawful act on behalf of another person, where he knows or reasonably ought to have known or suspected that other person to be engaged in an unlawful act or has benefited from an unlawful act, or

(b) knows or reasonably ought to have known or suspected that any property either in whole or in part directly or indirectly represents another person's proceeds of an unlawful act, acquires or uses that property or takes possession of it,

commits an offence under this Act and is liable on conviction to a fine of at least five times the value of the proceeds of the unlawful act or imprisonment for a term of at least four years but not more than 14 years or both.

Conspiracy,
aiding and
abetting.

21. A person who—

(a) conspires with, aids, abets or counsels any other person to commit an offence ;

(b) attempts to commit or is an accessory to an act or offence, or

(c) incites, procures or induces any other person by any means whatsoever to commit an offence under this Act,

commits an offence and is liable on conviction to the same punishment as is prescribed for that offence under this Act.

Offences
by a body
corporate.

22.—(1) Where an offence under this Act which has been committed by a body corporate is proved to have been committed on the instigation or with the connivance of or attributable to any neglect on the part of a director, manager, secretary or other similar officer of the body corporate, or any person purporting to act in any such capacity, he, as well as the body corporate where applicable, commits an offence and is liable to be proceeded against and punished accordingly.

(2) Where a body corporate is convicted of an offence under this Act, the court may order that the body corporate shall, be wound up and all its assets and properties forfeited to the Federal Government.

PART V—MISCELLANEOUS PROVISIONS

23.—(1) The Federal High Court located in any part of Nigeria regardless of the location where the offence is committed shall have jurisdiction to—

Jurisdiction to try offences under this Act.

- (a) try offences under this Act or any other related enactment ; and
- (b) hear and determine proceedings arising under this Act.

(2) The Federal High Court shall exercise jurisdiction under subsection (1) whether or not the offence was commenced or completed in Nigeria where the alleged offence was committed—

- (a) in Nigeria ;
- (b) on a ship, vessel or aircraft registered in Nigeria ;
- (c) by a citizen or non-citizen of Nigeria if the person’s conduct would also constitute an offence under a law of the country where the offence was committed ; or
- (d) outside Nigeria where the alleged offender is in Nigeria and not extradited to any other country for prosecution.

(3) The Federal High Court has jurisdiction to impose any penalty provided for an offence under this Act or any other related law.

(4) In a trial for an offence under this Act, the Court may, notwithstanding anything to the contrary in any other enactment, adopt all legal measures to avoid unnecessary delays and abuse in the conduct of matters.

(5) Subject to the provisions of the Constitution, an application for stay of proceedings or for an interlocutory injunction in respect of any matter brought under this Act shall not be entertained by the Court but shall be stayed until judgment in the matter is delivered by the Court.

(6) In any trial of an offence under this act, the fact that a defendant is in possession of pecuniary resources or property for which he cannot satisfactorily account and which is disproportionate to his known sources of income, or that he had at or about the time of the alleged offence obtained an increase to his pecuniary resources or property for which he cannot satisfactorily account, may be proved and taken into consideration by the Court as corroborating the testimony of any witness in the trial.

24. For the purpose of this Act, a competent authority may demand, obtain and inspect the books and records of a financial institution or designated non-financial institution business and profession to confirm compliance with the provisions of this Act.

Power to demand and obtain records.

Obstruction
of authorised
officers.

25. A person who willfully obstructs officers of a competent authority in the exercise of the powers conferred on the competent authority by this Act commits an offence and is liable on conviction—

(a) in the case of an individual, to imprisonment for a term of at least two years and not more than three years ; and

(b) in the case of a financial institution or other body corporate, to a fine of ₦1,000,000.

Periodic
furnishing of
reports on
money
laundering.

26.—(1) Within two years of the coming into force of this Act and every two years after that, the Attorney-General shall cause to be prepared, for submission to the President, a Nigerian Money Laundering Strategy Report (in this section referred to as “the Report”) which shall contain contributions from all competent authorities.

(2) The Report shall provide details of —

(a) the number of currency transactions and activities undertaken during the period ;

(b) convictions made for —

(i) money laundering offences, and

(ii) financing of terrorism ;

(c) areas of high risk concerns encountered ; and

(d) amounts of moneys frozen, retrained or confiscated for—

(i) trafficking in drugs,

(ii) corruption, and

(iii) other criminal activities.

(3) The Report shall also include further plans to—

(a) substantially reduce the extent of money laundering in Nigeria ;

(b) develop a better coordinated response to money laundering ;

(c) implement mechanisms to improve the discovery, investigation and prosecution of money laundering offences ;

(d) improve coordination between financial institutions and designated non-financial businesses and professions ; and

(e) improve on inter-agency (law enforcement) cooperation.

Administrative
penalties.

27.—(1) Supervisory and regulatory authorities may impose on—

(a) a financial institution ;

(b) designated non-financial business and profession ; or

(c) any officer of a financial institution or designated non-financial business and profession, for any breach of any requirement of this Act, such administrative sanctions as may be prescribed in a regulation made by the Attorney-General of the Federation under this Act.

(2) Any penalty imposed by a supervisory or regulatory authority by virtue of subsection (1) shall take precedence over and is not limited by any other sanction that may be imposed under any other regulation.

28. The Attorney-General of the Federation may make orders, rules, guidelines or regulations as are necessary for the efficient implementation of the provisions of this Act.

Regulations.

29.—(1) The Money Laundering (Prohibition) Act, No. 11, 2011 is repealed.

Repeals and other consequential amendments.

(2) All regulations, orders, reports, ongoing investigations, prosecutions and other proceedings, actions taken and things done under the repealed Act shall continue and have effect as if made, issued, carried on, taken or done under this Act.

(3) Any conduct or activity which was a criminal conduct or activity under the repealed Act shall constitute a criminal conduct or activity in respect of which the provisions of this Act shall apply.

30. In this Act—

Interpretation.

“*account*” means a facility or arrangement by which a financial institution—

(a) accepts deposits of currency ;

(b) allows withdrawals of currency or transfers into or out of the account ;

(c) pays cheques or payment orders drawn on a financial institution or cash dealer by a person or collect cheques or payment orders on behalf of a person ; or

(d) supplies a facility or an arrangement for a safe deposit box ;

“*beneficiary*” includes a natural or legal person or any other form of legal arrangement identified by the originator as the receiver of the requested cash or wire transfer ;

“*beneficial owner*” refers to—

(a) the natural person who ultimately owns or controls a customer ;

(b) the natural person on whose behalf a transaction is being conducted ; and

(c) a person who exercises ultimate effective control over a legal person or arrangement ;

“*business relationship*” means an arrangement between a person and a financial institution or designated non-financial institution for the purpose of concluding a transaction ;

“*Central Bank*” means Central Bank of Nigeria ;

“*Commission*” means the Economic and Financial Crimes Commission ;

“*competent authority*” means any agency or institution concerned with combating money laundering and terrorist financing under this Act or under any other law or regulation ;

“*correspondent banking*” means the provision of banking services by one bank (the correspondent bank) to another bank (the respondent bank) ;

“*casino*” whether licenced or not includes an internet casino, a building or room used for meetings, entertainment, gambling or dancing and equipped with gambling devices, gambling tables ;

“*designated non-financial business and profession*” include—

- (a) automotive dealers,
- (b) businesses involved in the hospitality industry,
- (c) casinos,
- (d) clearing and settlement companies,
- (e) consultants and consulting companies,
- (f) dealers in jewelries,
- (g) dealers in mechanised farming equipment, farming equipment and machineries,
- (h) dealers in precious metals and precious stones,
- (i) dealers in real estate, estate developers, estate agents and brokers
- (j) high value dealers,
- (k) hotels,
- (l) legal practitioners and notaries,
- (m) licensed professional accountants,
- (n) mortgage brokers,
- (o) practitioners of mechanised farming,
- (p) supermarkets,
- (q) tax consultants,
- (r) trust and company service providers,
- (s) pools betting, or
- (t) such other businesses and professions as may be designated by the Minister responsible for Trade and Investment ;

“*false declaration*” refers to a misrepresentation of —

(a) the value of the currency or bearer negotiable instrument being transported ; and

(b) other relevant data required for submission in the declaration or otherwise requested by the authorities ;

“*financial institution*” include banks, body corporates, associations or group of persons, whether corporate or incorporate which carries on the business of investment and securities, virtual asset service providers, a discount house, insurance institution, debt factorisation and conversion firm, bureau de change, finance company, money brokerage firm whose principal business includes factoring, project financing, equipment leasing, debt administration, fund management, private ledger service, investment management, local purchase order financing, export finance, project consultancy, financial consultancy, pension funds management and such other business as the Central Bank or other appropriate regulatory authorities may designate ;

“*funds*” refers to assets of every kind whether tangible or intangible, movable or immovable, howsoever acquired and legal documents or instruments in any form, including electronic or digital, evidencing title to or interest in such assets, including bank credits, travelers’ cheques, bank cheques, money orders, shares, securities, bonds, drafts or letters of credit and virtual assets ;

“*Minister*” means the Minister charged with responsibility for matters pertaining to Trade and Investment ;

“*Ministry*” means the Federal Ministry of Industry, Trade and Investment ;

“*money service business*” includes currency dealers, money transmitters, cheque cashers, and issuers of travelers’ cheques, money orders or stored value ;

“*Nigerian Financial Intelligence Unit (NFIU)*” refers to the central unit responsible for the receiving, requesting, analyzing and disseminating to the competent authorities disclosures of financial information concerning the suspected proceeds of crime and potential financing of terrorism ;

“*other regulatory authorities*” means the Securities and Exchange Commission, the National Insurance Commission and the Special Control Unit against Money Laundering ;

“*physical presence*” in relation to shell banks, means having structure and management located within a country and not merely the existence of a local agent or low level staff ;

“*politically exposed persons (PEPs)*” includes —

(a) individuals who are or have been entrusted with prominent public functions by a foreign country, for example Heads of State or Government, senior politicians, senior government, judicial or military officials, senior executives of State owned corporations and important political party officials,

(b) individuals who are or have been entrusted domestically with prominent public functions, for example Heads of State or of Government, senior politicians, senior government, judicial or military officials, senior executives of State owned corporations and important political party officials, and

(c) persons who are or have been entrusted with a prominent function by an international organisation and includes members of senior management such as directors, deputy directors and members of the board or equivalent functions and their family members and close associates, other than middle ranking or more junior individuals in the foregoing categories ;

“*proceeds*” means property derived from or obtained, directly or indirectly through the conduct of an unlawful act ;

“*property*” means assets of every kind, whether corporeal or incorporeal, moveable or immoveable, tangible or intangible, virtual and legal documents or instruments evidencing title to or interest in such assets ;

“*public officers*” means individuals who are or have been entrusted with prominent public function, both within and outside Nigeria and those associated with them ;

“*regulators*” mean competent regulatory authorities responsible for ensuring compliance of financial institutions and designated non-financial businesses and professions with requirements to combat money laundering and terrorist financing ;

“*shell bank*” means a bank that is not physically located in the country in which it is incorporated-and licensed and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision ;

“*suspicious*” means a matter which is beyond mere speculations and is based on some foundation ;

“*terrorism financing*” means financial support, in any form, of terrorism or of those who encourage, plan or engage in terrorism ;

“*transaction*” means—

- (a) acceptance of deposit and other repayable funds from the public;
- (b) lending ;
- (c) financial leasing ;
- (d) money transmission service ;

(e) issuing and managing means of payment (for example, credit and debit cards, cheques, travellers' cheque and bankers' drafts etc.) ;

(f) financial guarantees and commitment ;

(g) trading for account of costumer (spot-forward, swaps, future options, etc.) in—

(i) money market instruments (cheques, bills of exchange, etc.),

(ii) foreign exchange,

(iii) exchange interest rate and index instruments,

(iv) transferable securities, and

(v) commodity futures trading ;

(h) participation in capital markets activities and the provision of financial services related to such issues ;

(i) individual and collective portfolio management ;

(j) safekeeping and administration of cash or liquid securities on behalf of clients ;

(k) life insurance and all other insurance related matters ; and

(l) money changing.

“*Unit*” means the Nigerian Financial Intelligent Unit ;

“*virtual asset*” means a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes but does not include digital representations of fiat currencies, securities and other financial assets ; and

“*wire transfer*” means any transaction carried out on behalf of a natural person or legal originator through a financial institution by electronic means with a view to making an amount of money available to a beneficiary person at another financial institution, irrespective of whether the originator and the beneficiary are the same person.

31. This Act may be cited as the Money Laundering (Prevention and Prohibition) Act, 2022. Citation.

A 488

2022 No. 14

*Money Laundering
(Prevention and Prohibition) Act, 2022*

I, certify, in accordance with Section 2 (1) of the Acts Authentication Act, Cap. A2, Laws of the Federation of Nigeria 2004, that this is a true copy of the Bill passed by both Houses of the National Assembly.

OJO, O. A., fnia, fcia
Clerk to the National Assembly
8th Day of May, 2022.

EXPLANATORY MEMORANDUM

This Act repeals the Money Laundering (Prohibition) Act, No. 11, 2011 and enacts the Money Laundering (Prevention and Prohibition) Act, 2022 to provide comprehensive legal and institutional framework for the prevention and prohibition of money laundering in Nigeria and establish the Special Control Unit under the Economic and Financial Crimes Commission.

SCHEDULE TO THE MONEY LAUNDERING (PREVENTION AND PROHIBITION) BILL, 2022

(1) <i>Short Title of the Bill</i>	(2) <i>Long Title of the Bill</i>	(3) <i>Summary of the Contents of the Bill</i>	(4) <i>Date Passed by the Senate</i>	(5) <i>Date Passed by the House of Representatives</i>
Money Laundering (Prevention and Prohibition) Bill, 2022.	An Act to repeal the Money Laundering (Prohibition) Act, No. 11, 2011 and enacts the Money Laundering (Prevention and Prohibition) Act, 2022 to provide comprehensive legal and institutional framework for the prevention and prohibition of money laundering in Nigeria, establish the Special Control Unit under the Economic and Financial Crimes Commission; and for related matters.	This Bill repeals the Money Laundering (Prohibition) Act, No. 11, 2011 and enacts the Money Laundering (Prevention and Prohibition) Act, 2022 to provide comprehensive legal and institutional framework for the prevention and prohibition of money laundering in Nigeria, and establish the Special Control Unit under the Economic and Financial Crimes Commission.	16th March, 2022.	4th May, 2022.

I certify that this Bill has been carefully compared by me with the decision reached by the National Assembly and found by me to be true and correct decision of the Houses and is in accordance with the provisions of the Acts Authentication Act Cap. A2, Laws of the Federation of Nigeria, 2004.



I ASSENT

OJO, O. A., fnia, fcia
Clerk to the National Assembly
8th Day of May, 2022.

MUHAMMADU BUHARI, GCFR
President of the Federal Republic of Nigeria
12th Day of May, 2022.