

# **Sudan Efforts on Anti-Money Laundering and Combating the Financing of Terrorism Report**

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### **Introduction:**

Since early ninety's Sudan witnessed a great concern about the money laundering, and significant improvements related to anti-money laundering and combating the financing of terrorism have been made in the last few years. In response to international developments, Sudan adopted a group of arrangements on the legal and institutional levels in addition to the coordination and cooperation with the international community like Financial Action Task Force (FATF), Middle East & North Africa Financial Action Task Force (MENAFATF) and the International Monetary Fund.

### **Sudan Efforts Represented on Different levels as Follows:-**

#### **The legal framework**

Sudan legislator criminalize money laundering under "Anti-money laundering and combating the finance of terrorism law on justice and legislative levels", on that Sudan issued a number of laws in the aspect of anti-money laundering and combating financing of terrorism:-

- 1. The Criminal Act of 1991.**
- 2. Sudan's Counter Terrorism Act of 2001**
- 3. The Money Laundering and Finance of Terrorism (Combating) Act 2014**

#### 4. Human Trafficking Act 2014

##### The Institutional Framework

- 1. The National committee for anti-money laundering and combating the financing of terrorism :**
  - In 2003, the interim decree of anti-money laundering have been issued, which states in the 8th article that a Higher administrative committee for anti-money laundering and combating the financing of terrorism to be found headed by the Prosecutor of the Republic of Sudan with participation of all concerned institutions to issue the regulations on (AML/CFT) after the minister of finance approval .**
  - In 2010 by the (AML/CFT) Act of 2010 Article (20) (amended in 2014) which stated to form an Administrative Committee for anti-money laundering and combating the financing of terrorism with legal personality and representing the highest administrative authority for anti-money laundering and combating the financing of terrorism.**
  - In 2014 The National committee for combating Money laundering and financing of terrorism is established by the AML/CF Act 2014, under the supervision of the president of Sudan, formed by (the minister of justice, central bank of Sudan , the ministry of foreign affairs, insurance supervisory authority, the ministry of commerce, Khartoum stock exchange and other related institutions) and is responsible for policy making, domestic coordination, assessing risk, monitoring international and regional developments and establishing training programs. It is headed by the deputy minister of justice and comprise of representatives of major stakeholders in the area of AMF/CFT.**
- 1. The Technical Committee for implementation of security council resolutions (TCISCR):-**

The Government of Sudan in charge for implementation of UNSCR resolutions (1267 for the year 1999, and 1373 for the year 2001) related

to terrorist financing the Council of Ministers issued resolution No.(360) in September 2014 to establish of the technical committee (TCISCR), including representatives from (Intelligence and National Security service chair, Ministry of foreign affairs , Ministry of defense, Ministry of interior, Ministry of justice, Central bank of Sudan, Khartoum Stock Exchange , Registrar - General of Land, Financial Information Unit).

**1. Financial Information Unit (FIU):-**

- A resolution was issued by the Governor of the Central bank of Sudan to establish the Financial Investigation Unit according to Article (10) of the anti-money laundering and combating the financing of terrorism law. The financial information Unit was established on 10/1/2010 as an independent unit under the supervision of the Central Bank of Sudan. It assumes responsibility of receiving, analyzing and disseminating STRs to the competent prosecution. The Unit receives STRs from financial and non-financial institutions. The Unit has the right to access information from the financial and non-financial institutions via a written letter. The Unit also has the right to request additional information from the reporting entities.
- The new AML Act established the Financial Information Unit (FIU) as an independent unit with legal personality (article 12).
- The financial intelligence unit (FIU) of Sudan joined the (Egmont Group of FIUs) in June 2017.

**1. Supervisory Entities on the financial Institutions:-**

The AML/CFT regime in Sudan included the obligation for banks, currency exchange companies, financial services companies, companies operating in stocks, leasing companies and insurance companies to pay special attention to business relationships and transactions performed with persons from or in countries that do not apply or insufficiently apply FATF recommendations, includes (Central bank of Sudan-financial market regulatory authority - Insurance Supervision Authority).

**1. Supervisory Entities Non-Financial Businesses :-**

- **General Union of Sudanese Lawyers.**
  - **Accountancy and Audit Profession Organizing Council(AAPOC)**
  - **the Jewelers and Gold Dealers Union**
  - **Real Estate Agents.**
1. **Law Enforcement and prosecution Authorities:**
    - **Public Prosecution and Specialized Prosecutions:**
    - **Ministry of Interior.**
    - **Security and Intelligence Service (Economic Security Directorate)**

#### **Regional and International Cooperation.**

1. **Middle East &North Africa Financial Action Task Force (MENAFATF):-**
  - Sudan underwent to the financial sector evaluation program (FSAB) by the World Bank in 2005.
  - Sudan joined the Middle East and North Africa Group, known as MENAFATF, based at Bahrain in 2006.
  - In February 2010, the FATF identified Sudan as a jurisdiction with strategic AML/CFT deficiencies. Two years later, Sudan was placed under monitoring due to remaining deficiencies, and agreed with the FATF on an action plan with a timetable to address these deficiencies.
  - In 2012 Sudan underwent the first round of joint assessment by MENAFATF. Several shortcomings were found at the legislative level.
  - MENAFATF and the Sudanese authorities agreed on a plan of action to improve the control situation in Sudan in 2013.

- In 2015, Sudan's significant progress in addressing the strategic AML/CFT deficiencies was recognized, and the FATF determined that therefore Sudan was no longer subject to "grey listing".
- A year later, Sudan was shifted from the enhanced to regular follow-up process of its AML/CFT regime.
- In October 2015, the FATF meeting in Paris agreed to remove the name of Sudan from the gray list (countries with deficiencies in the control system). The resolution affirms that the financial system of preventive measures is adequately implemented and commitment to the international standards.
- MENAFATF agreed at Doha in April 2016 to withdraw Sudan from the normal follow-up process to the updating every two years, which represents the highest level of commitment and a clear confirmation of Sudan's compliance with international requirements.

### 1. International Monetary Fund:-

- Since 2013 IMF provides substantial technical assistance to Sudan on strengthening their legal, regulatory, institutional and financial supervisory frameworks for AML/CFT.
- The assistance has contributed in the preparation of the (AML / CFT) Act of 2014, in addition to assisting the Central Bank of Sudan in issuing the circular No. 8/2014 on (the regulatory and supervisory controls of banks and financial institutions in combating money laundering and terrorist financing offenses).
- Work is under way with the Technical Assistance Mission to assist in the application of standards of efficiency, integrity and risk-based approach, as well as the application of the risk assessment methodology and the development of field inspection procedures.
- Providing technical assistance to the relevant authorities (The national committee of anti-money laundering and combating the

**financing of terrorism - Ministry of Justice - Financial Information Unit - Insurance Supervisory Authority).**

**Central Bank of Sudan**

**Banking System Regulation and Development Department**

**Financial Institutions Directorate**

**Risk management & Anti Money Laundry section**

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