



# FIRST ROUND MUTUAL EVALUATIONS - POST EVALUATION PROGRESS REPORT OF NAMIBIA

Covering the period August 2016 – July 2017

ESAAMLG (2017), First Round Mutual Evaluation - Post Evaluation Progress Report of Namibia on Anti-Money Laundering and Counter-Terrorist Financing Measures.

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## A. INTRODUCTION

1. The Mutual Evaluation of Namibia was conducted in November 2005 and the Mutual Evaluation Report (MER) was adopted on August 24, 2007. The tables below summarize the ratings obtained by Namibia against the Core and Key FATF Recommendations:

**Table 1: Ratings of Compliance with Core and Key Recommendations**

<b>Core Recommendation</b>	1	5	10	13	SR. II	SR. I
<b>Rating</b>	PC	NC	NC	NC	NC	NC

<b>Key Rec</b>	3	4	23	26	35	36	40	SR. I	SR.III	SR.V
<b>Rating</b>	PC	PC	NC	NC	NC	LC	LC	NC	NC	PC

**Table 2: Ratings of compliance with Non-core and Non-Key Recommendations**

<b>Non- core &amp; Non-key recommendations</b>	2	4	6	7	8	9	11	12	14	15	16	17	18	19	20	21
<b>Rating</b>	PC	PC	NC	NC	NC	NC	NC	NC	PC	NC	NC	PC	NC	C	LC	NC

	22	24	25	27	28	29	30	31	32	33	34	37	38	39	VI	VII	VIII	IX
	NA	NC	PC	PC	PC	LC	NC	LC	NC	NC	NC	C	PC	NC	NC	NC	PC	PC

2. Following the adoption of the Post Mutual Evaluation Procedures by the ESAAMLG in 2009, Namibia submitted its first progress report which was tabled in March 2011.
3. Below is an analysis that highlights the progress Namibia has made in addressing AML/CFT deficiencies since the date of evaluation, in particular, since the last Progress Report presented at the ESAAMLG meetings in Victoria Falls, Zimbabwe in September, 2016 on the Core and Key Recommendations as well as the Non-Key and Non-Core Recommendations rated partially compliant (PC) or non-compliant (NC).
4. According to the September 2016 Review Group C report, Namibia sufficiently addressed Rec 6, 21 and SR.VIII and is thus only reporting on two Recommendations, which are Recommendations 35 and 39.

## **B. OVERVIEW OF PROGRESS MADE BY NAMIBIA**

### **Overview of main changes since the adoption of the MER**

#### **Legal and Regulatory Framework**

5. Since the adoption of its MER in 2007, Namibia has made the following notable strides in addressing deficiencies identified in its national anti-money laundering, combating terrorism financing and proliferation financing AML/CFT/CFP regime.
  - Development of a comprehensive AML/CFT/CFP legal and regulatory framework through the amendment of existing laws and enactment of new pieces of legislation.
    - The Prevention of Organized Crimes Act 2004 (Act No 29 of 2004) as amended, which criminalizes money laundering in line with the Vienna and Palermo Conventions.
    - The Prevention and Combating of Terrorist and Proliferation Activities Act 2014 (PACOTPA). The Act criminalizes terrorism financing and proliferation financing, in accordance with the United Nations Security

Council Resolutions incorporating the new requirements of the Revised FATF Standards. This Act repealed its predecessor, The Prevention and Combating of Terrorist and Activities Act, 2012 (Act No. 12 of 2012).

- The Financial Intelligence Act 2007 (FIA 2007), initially enacted in 2007 but subsequently repealed and replaced with the FIA 2012. The Act, which provides for AML/CFT preventative measures and reporting obligations for financial institutions, non-banking financial institutions and designated non-financial business and professions (DNFBPs) also provides for the establishment of the Financial Intelligence Centre and the Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Council.
- Secondary legislation as well as sectoral guidelines have been issued including:
  - The Financial Intelligence Regulations issued pursuant to the Financial Intelligence Act gazetted by the Minister of Finance on January 18, 2015.
  - Guidelines, directives and circulars issued by the Financial Intelligence Centre that have covered customer due diligence, record keeping, and suspicious transaction reporting.
- Namibia issued two guidelines to supplement efforts to address deficiencies in its AML/CFT/CPF legal framework which include; the Financial Intelligence Centre (FIC) Directive No. 01 of 2015 on High Risk and Non-Cooperative Jurisdictions and Guidance Note No. 3 of 2015 on Customer Identification and Keeping of Records.
- Namibia conducted a National AML/CFT Risk Assessment (NRA) in 2012, updated in 2015, which serves as basis for the Risk Based AML/CFT approach that the country has adopted.

## C. ANALYSIS OF CORE AND KEY RECOMMENDATIONS

6. Since the last Progress Report presented at the ESAAMLG meetings in Victoria Falls, Zimbabwe, in September, 2016, Namibia has sufficiently addressed the following Core and Key Recommendations:

### **Building Block V: International Cooperation**

#### **V. 1 International Conventions - R. 35, SR. 1 (Rated NC)**

7. The Assessors noted that Namibia had not ratified some of the UN Protocols and treaties listed in the annex to the Terrorist Financing Convention. In particular, the following were outstanding during the previous meeting in September 2016:
  - i. Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, adopted by the General Assembly of the United Nations on 14 December 1973.
  - ii. International Convention against the Taking of Hostages, adopted by the General Assembly of the United Nations on 17 December 1979.
  - iii. International Convention for the Suppression of Terrorist Bombings, adopted by the General Assembly of the United Nations on 15 December 1997.
  - iv. International Convention for the Suppression of Acts of Nuclear Terrorism New York, adopted by the General Assembly of the United Nations on 13 April 2005.
8. All the four Conventions were ratified in September 2016, and evidence that the ratification instruments had been deposited with the UN was provided to the Reviewers.

#### ***Conclusion***

The Recommendation has been **sufficiently addressed**.

## D. ANALYSIS OF NON-CORE AND NON- KEY RECOMMENDATIONS

### Extradition - R. 39 (Rated NC)

9. The MER had noted that s. 2 of the Extradition Act required dual criminality. It was recommended that the Namibian authorities should consider ways in which they can make the Palermo Convention the basis of extradition even though this provision of the convention was excluded at the time of ratification. For example, they could notify the UN Secretary General of their intention to change their position as originally indicated at the time of depositing the instrument of ratification.
10. During the face to face meeting in September 2017 and after discussions by the ECG meeting, the ECG took a decision that Namibia had adequately addressed the deficiencies raised in the MER under this Recommendation.
11. In conclusion the Recommendation is now fully met.

### *Conclusion*

The Recommendation is **sufficiently addressed**.

## E. RECOMMENDATIONS

12. The Plenary in line with the recommendation which had been made by the ECG decided that Namibia should exit the follow-up process under the ESAAMLG 1<sup>st</sup> Round of Mutual Evaluations.