



CE-FATF-ENG NEWSLETTER

NFIU'S SUSPENSION FROM EGMONT GROUP: IMPLICATIONS AND WAY FORWARD

Nigeria's admission into the Egmont Group in 2007 was considered one of the biggest achievements of the Obasanjo administration.

The 156 countries which constitute membership of the Egmont Group rely on the group for assistance in investigations of financial crime, terrorism financing, and corruption. This is because all bank accounts and other assets of suspects are made available to the countries wherever they are located in the world.

Member countries also benefit from interacting with one another by sharing intelligence relating to international finance and illicit flow.

Nigeria's membership paved way for the removal of her banks from the international finance blacklist which had hitherto prevented the banks from engaging in correspondent banking with foreign institutions. It had also denied Nigerians access

to foreign credit cards.

Since Nigeria's admission into the Egmont group, agencies such as the Central Bank of Nigeria (CBN), Nigerian Customs Service, Independent Corrupt Practices and Related Offences Commission (ICPC), the EFCC, Nigeria Immigration Service (NIS), Federal Inland Revenue Service (FIRS), and the Securities and Exchange Commission (SEC) have benefitted immensely from the activities of the group.

On July 5th, 2017, however, the NFIU was reportedly suspended from the Egmont Group of Financial Intelligence Units.

This was consequent of Nigeria's failure to provide a legal framework that would grant operational autonomy to the NFIU.

The development had been objected to by the Egmont group on the grounds that it contravened international standards set by the

Financial Action Task Force (FATF) which stresses the need for an independent body. Coupled with this were accusations of divulgence of confidential information to the media which were leveled against Nigeria; a departure from global best practices which the country signed up for.

One of the immediate effects of Nigeria's suspension from the group is that the Egmont Secure Web, (ESW) is currently shutdown against Nigeria. The implication of this is that Nigeria can no longer exchange sensitive information with other member countries in order to carry out her investigative and regulatory responsibilities as they affect local and international investigations.

Another implication is the blacklisting of Nigeria in international finance which would affect the issuance of MasterCard and Visa credit and debit cards.

Nigeria's inaction towards rectifying the status quo could not only hamper the country's ability to recover stolen funds abroad but could ultimately lead to expulsion from the group.

If expelled, the United Nations Convention Against Corruption (UNCAC) Implementation Reviewing Group will be served notice against Nigeria; countries such as USA, Germany and Switzerland and more would then alert their financial institutions to exercise caution in transacting with Nigeria and its citizens. This spells doom for businesses and ultimately the Nigerian economy.

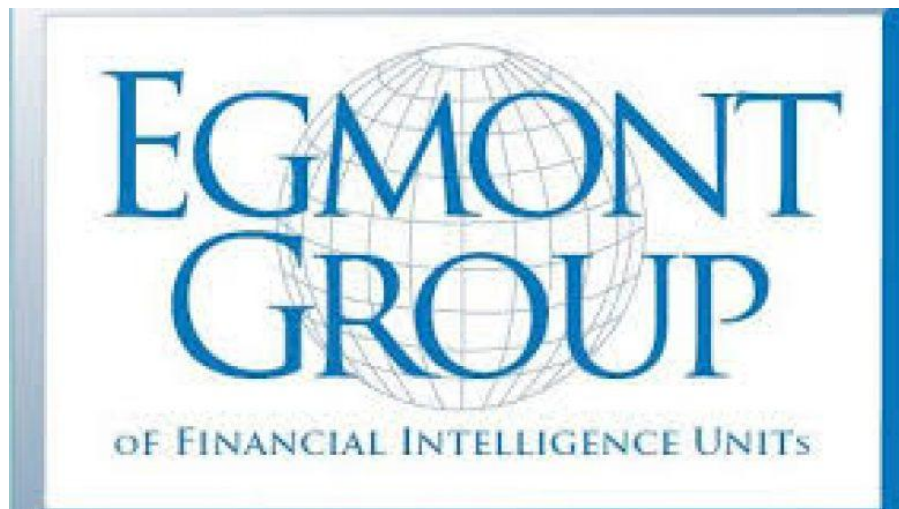
Activities of civil society organizations would be greatly affected if the situation is not rectified. Many nonprofits who get sponsorship from international organizations would encounter difficulties in transacting with these agencies and accessing funds in financial institutions located outside the country while others would be unable to get sponsorship from new donors.

To reverse the situation, the Nigerian Senate has resolved to pass a law creating a substantive and autonomous NFIU, independent of the anti-graft agency- EFCC. This will ensure that the Unit is legally, financially and operationally

autonomous with powers for employment, reward, training, promotion and discipline of its workforce.

The Nigerian government should include in its supplementary budget, separate funds for the NFIU.

The Senate has also urged the three Line Ministries of Justice, Finance and Interior to do all within their powers to ensure that Nigeria's suspension is immediately reversed and ensure that all conditions specified by the Egmont Group are met to re-admit and improve Nigeria's standing within the group while increasing their levels of cooperation and coordination.



Published with the support of



This newsletter is published as part of the civic engagement on the Financial Action Task Force evaluation on Nigeria project supported by OSIWA. All opinions expressed are that of the authors and does not reflect that of OSIWA or NNNGO or any other organization(s) mentioned.

About CE-FATF-ENG: CE-FATF-ENG stands for civic engagement on the Financial Action Task Force evaluation on Nigeria. This newsletter is part of the CE-FATF_ENG project implemented by NNNGO with the support of Open Society Initiative for West Africa (OSIWA).

Further information: E: nnngo@nnngo.org | T: 0802 857 3849 | F: @nnngo T: @nnngo