



# CÔTE D'IVOIRE

August 2023

## DETAILED ASSESSMENT REPORT ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

This Detailed Assessment Report on Anti-Money Laundering and Combating the Financing of Terrorism for Côte d'Ivoire was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed in June 2022.

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August 10, 2023

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Approved By  
**Legal Department**

This Detailed Assessment Report was prepared in the context of an IMF Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) assessment mission in Côte d'Ivoire during June 6 to 24, 2022, led by Arz El Murr, IMF and overseen by the Legal Department, IMF. Further information on the IMF's AML/CFT program can be found at:

<http://www.imf.org/external/np/exr/facts/aml.htm>

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## Glossary

AGRAC	Agency for the Management and Recovery of Criminal Assets
AMC	Asset Management Company
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
AQMI	Al Qaeda in the Islamic Maghreb
ARIN-WA	Asset Recovery Inter-Agency Network for West Africa
BC	Banking Commission
BCEAO	Central Bank of West African States
BNI	Bearer Negotiable Instrument
BO	Beneficial Owner
BRICM	Anti-Mining Code Violations Squad
CAAT	Airport Counter-Trafficking Unit
CCGA	Consultative Commission on Administrative Freezing
CDCI	Deposits and Consignments Fund
CEN	Customs Enforcement Network
FIU	Financial Intelligence Unit
CEPICI	Center for Development and Investment
CFT	Combating the Financing of Terrorism
CI	Credit Institution
CILAD	Inter-Ministerial Anti-Drug Committee
CIMA	Inter-African Conference on Insurance Markets
CM	Council of Ministers
CNDJ	National Center for Legal Documentation
CNLC	National Anti-Counterfeiting Committee
CNLTP	National Anti-Human Trafficking Committee
CRCA	Regional Commission for Insurance Supervision
CREPMF	Regional Council for Public Savings and Capital Markets
CSEILT	Special Unit for Enquiries, Investigations and Combating Terrorism
CTR	Currency Transaction Report
DA	Directorate of Insurance
DACP	Directorate of Civil and Criminal Affairs
DFS	Decentralized Financial System
DGAT	General Directorate of Territorial Administration
DGC	General Directorate of Religious Affairs
DGD	General Customs Directorate
DGI	General Tax Directorate
DGMG	General Directorate of Mines and Geology
DGTCP	General Directorate of the Treasury and Public Accounting
DITT	Directorate of Information Technology and Technological Tracing

DNFBPs	Designated Non-Financial Businesses and Professions
DPC	Criminal Police Directorate
DPEF	Economic and Financial Police Directorate
DPSD	Narcotic and Drug Police Directorate
ECOWAS	Economic Community of West African States
EMI	Electronic (or E-) Money Institution
EU	European Union
EURL	Single-Owner Limited Liability Company
FATF	Financial Action Task Force
FCTC	Debt (Securitization Mutual) Fund
FI	Financial Institution
FRAP	Police Search and Attack Force
FX Bureau	Licensed Foreign Exchange Bureau
GDP	Gross Domestic Product
GSBC	General Secretariat of the Banking Commission
GS-LOI	Task Force to Combat Illegal Goldmining
HABG	High Authority for Good Governance
ISWAP	Islamic State West Africa Province
JNIM	Jama'at Nasr al-Islam wal Muslimin
LLC	Limited Liability Company
LONACI	National Lottery of Côte d'Ivoire
LPF	Tax Procedures Handbook
MEF	Ministry of Economy and Finance
MIC	Management and Intermediation Company
ML	Money Laundering
MLA	Mutual Legal Assistance
MVTS	Money or Value Transfer Service
NCB	National Central Bureau
NPO	Non-Profit Organization
NRA	National Risk Assessment
NS	National (AML/CFT/CFP) Strategy (2020-2030)
OFAC	Office of Foreign Assets Control
OHADA	Organization for the Harmonization of Business Law in Africa
OPC	One-Person Company
PEP	Politically Exposed Person
PF	Proliferation Financing
PLCC	Counter-Cybercrime Platform
PLLC	Public Limited Liability Company
PPEF	Economic and Financial Crimes Tribunal
RCCM	Trade and Personal Property Credit Register

RCMs	Regional Capital Markets
Simplified JSC	Simplified Joint-Stock Company
SRB	Self-Regulatory Body
STR	Suspicious Transaction Report
TF	Terrorist Financing
TFS	Targeted Financial Sanctions
UCT	Counter Transnational Crime Unit
UCIT	Undertaking for Collective Investment in Transferable Securities
UID	Unique Identifier
UN	United Nations
UNSCR	United Nations Security Council Resolution
VASP	Virtual Asset Service Provider
WAEMU	West African Economic and Monetary Union
WAMU	West African Monetary Union
WCO	World Customs Organization
WMD Proliferation	Proliferation of Weapons of Mass Destruction
XOF	CFA Franc

## EXECUTIVE SUMMARY

This report summarizes AML/CFT measures in the Republic of Côte d'Ivoire (Côte d'Ivoire) at the time of the on-site visit (6-24 June 2022). It analyzes the level of compliance with the FATF 40 Recommendations and the effectiveness of Côte d'Ivoire's AML/CFT system and provides recommendations on how the system could be strengthened.

## KEY FINDINGS

1. **Côte d'Ivoire has achieved progress in countering money laundering and terrorist financing (ML/TF) since the 2012 mutual evaluation, particularly with the adoption of the AML/CFT Law in 2016, the drafting of a national risk assessment (NRA) and a national strategy, as well as awareness-raising among various actors regarding AML/CFT issues.** The effects of this endeavor have begun to materialize, notably with the new impetus provided to judicial investigations and proceedings related to financial crime. As long as they are sustained, strengthened, and based on a deeper understanding of risks, these reforms should bear more fruit in the coming years. Nevertheless, certain structural elements, such as the prevalence of cash and magnitude of the informal sector to the country's economy, the cross-border nature of offenses, as well as corruption, continue to challenge the effectiveness of the AML/CFT regime.
2. **The authorities have identified high risk sectors and key domestic ML/TF threats.** However, they have failed to demonstrate a detailed understanding of ML and TF methods used in practice. This limitation relates to several key issues in the context of the country, notably cross-border financial flows, the financial sector, and corruption, and hampers the adoption of a risk-based approach.
3. **The authorities have taken measures in response to certain risks which are deemed high, particularly with regard to corruption or the real estate sector, but these measures are still recent and have only addressed the risks to a certain extent.** National coordination is facilitated through interactions between the National Financial Intelligence Unit (FIU) and most authorities involved in AML/CFT or in vulnerable sectors, yet this coordination does not extend to supervisory authorities.
4. **Financial intelligence disseminated by the FIU has allowed the country to secure notable ML convictions and confiscations, even if the degree of sophistication of such disseminations remains to be improved.** The absence of TF disseminations constitutes a strategic deficiency. The FIU develops few comprehensive strategic analyses, mainly due to limited technical and IT capacities, and a lack of human resources.
5. **The Economic and Financial Crimes Tribunal (PPEF) and some investigative authorities make use of financial intelligence and other information in an adequate manner, in order to develop evidence and identify criminal proceeds.** Other investigative authorities, however, despite their strategic role in combating the main threats, make little use of

financial intelligence to investigate on ML, predicate offenses and TF. Generally speaking, the PPEF and investigative authorities make a very limited use of the information they can obtain from the FIU and their foreign counterparts.

**6. The PPEF's rapid rise has enabled judicial authorities to effectively take charge of ML cases. ML offenses are now targeted more systematically in predicate offense proceedings, yet there remains room for improvement.** ML is not sufficiently prosecuted as an independent offense, which impedes the authorities' ability to deepen the asset and financial components of their investigations, particularly in international cases. While the existence of transnational crime is well established, the international aspects of investigations are under-exploited.

**7. Prosecuted cases and confiscations are partially aligned with the most prominent threats identified.** Cases linked to corruption have only led to a few prosecutions or convictions, despite the systemic nature of this crime. Other threats deemed as a priority, specifically environmental crime and tax fraud, are not sufficiently prosecuted.

**8. Imposed sentences are generally effective, proportionate, and dissuasive.**

**9. Judicial authorities issue confiscation orders in the vast majority of ML cases, and in the majority of cases involving predicate offenses, despite the fact that public authorities do not assign priority to this topic.** A certain number of decisions targeted complex confiscations, significant amounts and assets of varying nature, sometimes involving legal persons. The establishment of the Agency for the Management and Recovery of Criminal Assets (AGRAC) is a strong signal and the premise for increased effectiveness of confiscation mechanisms. There is significant room for improvement with regard to the confiscation of assets held abroad and the confiscation of cash at the border, which are not proportionate to transnational threats.

**10. For the most part, TF prosecutions were launched following terrorist attacks, and the number of TF investigations remains low.** In spite of the high TF risk profile, no case has been brought to trial to date; subsequently, no conviction has been secured, and no confiscation has been made in this context. The identification of potential cases involving the financing of terrorist organizations, individual terrorists, or activities outside of Côte d'Ivoire does not seem to be a priority.

**11. Due to the lack of action at the regional level, and the lack of a national mechanism to bridge this gap, targeted financial sanctions (TFS) under United Nations Security Council Resolution (UNSCR) 1267 are not implemented by authorities, which instead rely on a "voluntary" implementation by certain financial institutions (FIs).** The only two cases of (very recent) designations, which involve several individuals under UNSCR 1373, have not been effective. Thus, the use of TFS in TF matters is not in line with the country's risk profile.

**12. In the absence of concrete cases, authorities are yet to identify the nature of threats posed by terrorist entities to Non-Profit Organizations (NPOs).** Relevant awareness-raising efforts remain nascent. Authorities have implemented some general supervisory activities, but those do not specifically target TF. The TF supervisory authority for NPOs has not yet been designated.

**13. With one exception, TFS linked to proliferation financing (PF) are not implemented in Côte d'Ivoire.**

**14. The significance of the informal sector, where customer due diligence measures are not applied, impacts the general effectiveness of ML/TF prevention in Côte d'Ivoire.** FIs have a limited understanding of the ML risks, and an even more limited understanding of the TF risks, to which they are exposed. FIs backed by international and regional groups, and national banks, implement customer identification measures, but this implementation is more limited in other categories of FIs. FIs do not implement measures aimed at detecting forms of control other than direct or indirect ownership of capital, or voting rights, in order to identify the beneficial owner (BO). The implementation of requirements relating to politically exposed persons (PEPs) is limited in effectiveness, particularly with regard to national PEPs. In a context where corruption is a prominent threat, these gaps constitute a fundamental deficiency. Reporting activity does not reflect risks. DNFBPs do not fulfill AML/CFT requirements, and they either do not yet have a designated supervisory authority,<sup>1</sup> or such authorities had not yet started their activity at the time of the on-site visit. Virtual asset service providers (VASPs) are neither licensed nor regulated or supervised, due to a lack of a legal framework.

**15. Supervisory authorities have not integrated ML/TF risks nor cooperation with other competent authorities, both national and foreign, into their AML/CFT supervisory strategy.** They are not in a position to understand and identify risks at the institutional and sectoral levels. Risk-based supervision is yet to be adopted in all sectors. The Banking Commission (BC) has developed supervisory tools and methods, the effectiveness of which remains limited, however. Sanctions and measures pronounced as a result of inspections reflect neither the seriousness, nor the persistence of the deficiencies identified.

**16. Timely access by authorities to basic information about legal persons is hampered by the incomplete and fragmented nature of collected information, in an economy in which the informal sector is significant.** Available information on BOs is not subject to verification to ensure the availability of satisfactory, accurate, and up to date information, and authorities cannot rely on reporting entities in accessing BO information that is accurate and up to date.

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<sup>1</sup> This is the case for real estate agents and brokers, dealers in precious metals and stones, casinos and gaming establishments, business agents, and service providers to companies and trusts. As for lawyers, notaries, public accountants, judicial officers, and justice commissioners, their supervisory authorities were designated during the onsite visit.

**17. Judicial authorities rarely request mutual legal assistance (MLA) and, with the exception of the FIU,** the proactive use of other forms of cooperation is insufficient, considering the transnational nature of most proceeds-generating offenses.

### Risks and General Situation

**18. Major predicate offenses to ML in Côte d'Ivoire include corruption, followed by environmental crimes, drug trafficking, counterfeiting, trafficking in counterfeit medicine, fraud, and scams.** Several of these offenses, including environmental crimes, drug trafficking and counterfeit medicine have international implications. Côte d'Ivoire has become a transit country for international drug trafficking. A significant portion of trafficking proceeds appears to be laundered in Côte d'Ivoire, specifically in the real estate sector.

**19. Côte d'Ivoire is exposed to a high TF risk and growing terrorist threats, notably in the northern border regions.** Recent trends show that funds are being collected in the form of cash in Côte d'Ivoire through criminal activity, such as the sale of stolen cattle, and that informal channels are used to transfer the funds. Possible links between TF and certain predicate offenses, such as drug trafficking and illicit gold mining, have been noted by the authorities.

**20. The country's geographical position, importance in the regional economy, and developed and open financial sector, all render it particularly exposed to ML/TF risks.** Côte d'Ivoire has significant cross-border, commercial, and financial flows with its regional partners, as well as international financial centers in Europe and Asia. The country serves as a financial center for the West African Economic and Monetary Union (WAEMU) region, mainly due to the prominence of its banking and financial sectors. Preventive measures insufficiently implemented by the sector, and supervision with limited effectiveness, are fundamental deficiencies in this context. The gaps in the authorities' understanding of risks, and the weak dissemination of typology information, particularly impact the effectiveness of measures taken by FIs.

**21. The porous nature of the borders and the significance of the informal sector are vulnerability factors as a major portion of transactions is conducted in cash, sometimes involving large amounts, including in the real estate sector, which is particularly prone to ML risks.** Non-regulated cash flows are equally likely to exacerbate the country's vulnerability to TF.

### Overall Effectiveness and Technical Compliance Level

***Risk assessment and national AML/CFT coordination and policy setting (Chapter 2- IO. 1; R.1, R.2. R.33)***

**22. The authorities have identified high risk sectors and the major domestic ML and TF threats.** However, they have not demonstrated a detailed understanding of the ML/TF methods used in practice. This limitation includes notably the role of legal persons, the financial sector,

DNFBPs, and cross-border flows (both formal and informal) and obstructs the implementation of a risk-based approach.

**23. The authorities have adopted an ambitious National Strategy in response to the risks identified and have started implementing some of its measures.** Thus, the PPEF has been strengthened and has obtained encouraging results. Furthermore, the authorities have sensitized several DNFBP categories which had a poor understanding of their AML/CFT obligations. However, the risk assessment has not been used to adapt preventive measures that reporting sectors are required to apply, nor to guide the work of supervisory authorities.

**24. The Coordination Committee has brought the different authorities together on strategic issues, as shown by the work achieved as part of the NRA.** Operational coordination is facilitated by the interaction between the FIU and certain authorities, or in sectors deemed vulnerable. However, authorities do not make full use of the available mechanisms and the information thus obtained, and coordination does not extend to all relevant actors, and to supervisory authorities in particular.

***Financial intelligence, money laundering, and confiscation (Chapter 3 – IO. 6; R.3, R.4, R.29-32)***

*Use of Financial Intelligence*

**25. The FIU's capacity to produce operational and strategic analyses in a timely manner is low, due to its inadequate technical resources, insufficient human resources, and major discrepancies in the distribution and completeness of STRs.** Nevertheless, financial intelligence disseminated by the FIU has helped secure noteworthy ML convictions and confiscations, even if such disseminations are only partially aligned with major threats and have generally not resulted in investigations into complex ML cases. The absence of TF-related disseminations is regarded as a strategic deficiency, in view of the TF risk.

**26. The PPEF and some investigative authorities make good use of financial intelligence to develop evidence and identify criminal proceeds.** Other investigative authorities with a strategic role in combating the main ML/TF threats, however, do not make sufficient use of financial intelligence in investigations related to ML, TF, and predicate offenses. The very low use of information from foreign partners is a major deficiency in view of the country's risks, and greatly limits investigative authorities' ability to trace activities linked to cross-border offenses.

*ML Investigations and Prosecutions*

**27. Since the establishment of the PPEF, the dynamic seems to be excellent, built on this specialized jurisdiction which has reinvigorated the momentum of prosecutions relating to organized crime and money laundering.** ML offenses are now targeted more systematically in the prosecution of predicate offenses. Statistics on prosecutions and convictions reflect this new

dynamic, and the prosecution and conviction rate, compared to investigations initiated, is very high.

**28. There is room for improvement, notably with regard to promoting parallel financial investigations.** ML is only prosecuted as an autonomous offense in the case of the FIU reports, when the predicate offense could not be identified. The policy of the public prosecutor's office is not aimed at starting parallel ML investigations, especially since the majority of prosecuted cases involve self-laundering. This policy impedes the ability to expand the financial aspect of investigations, particularly in international cases.

**29. Despite the well-established existence of transnational crime, the international aspects of investigations remain underutilized, except when the investigation is launched by foreign authorities.** Investigations rarely focus on the international components of ML and predicate offenses, or on the existence of proceeds of crime abroad.

**30. Recent statistics show very positive developments in the type of prosecuted offenses.** Until recently, prosecuted cases were only partially aligned with the threats identified by the NRA. For example, corruption cases rarely resulted in prosecution or conviction, despite the systemic nature of this offense. Other offenses deemed as priority threats, such as environmental crime and tax fraud, remain insufficiently prosecuted.

**31. For the most part, pronounced sentences are effective, proportionate, and dissuasive.** In many instances, ML convictions were issued in cases where evidence of the predicate offense could not be established. To this date, criminal prosecutions have been made against legal persons in 46 cases, and four convictions have been made.

#### *Confiscation*

**32. Judicial authorities issue confiscation sentences in the vast majority of ML cases, and several complex confiscation orders or targeting huge amounts and a variety of assets, have been issued, including the confiscation of assets of equivalent value and confiscation of assets of legal persons.** Such judicial initiatives make up for the fact that government authorities have not placed seizure and confiscation as priority components of their criminal justice policy. The legal seizure and confiscation framework, though overhauled by the AML/CFT Law, only provides for the confiscation of the instrumentalities of certain predicate offenses, which nevertheless correspond to the main threats.

**33. Despite the transnational nature of most cases, Côte d'Ivoire has practically never filed a mutual legal assistance request for the seizure or confiscation of proceeds resulting from a predicate or ML offense with an international component.** This negatively impacts the effectiveness of the judicial system. Besides, cash confiscations at the border are not adequately proportionate to risks related to the circulation of cash in the economy, and vulnerabilities emanating from the porous borders.

**34. There is some degree of adequacy between ordered confiscations and identified threats, yet the proceeds of major predicate offenses,** such as corruption, tax fraud, or environmental offenses, do not frequently lead to confiscation orders.

***Terrorist and Proliferation Financing (Chapter 4 – IO. 9-11; R.5-8)***

*TF Investigations and Prosecutions*

**35. Côte d'Ivoire does not have a national counter-terrorism strategy which incorporates TF investigations, but the implementation of a coordinated operational approach has recently allowed for the integration of TF investigations into investigations pertaining to terrorist attacks and activities.** This approach has contributed to the development of TF cases for prosecution before the courts.

**36. Côte d'Ivoire has initiated nine TF prosecutions.** Prosecuted cases were, for the most part, initiated following terrorist attacks against Côte d'Ivoire, and the number of TF investigations remains low. To date, no case has been brought to trial; thus, no convictions have been obtained, and no confiscations have been ordered. Neither the number of launched investigations, nor the above result, are in line with the country's high TF risk profile.

**37. Investigations have allowed to identify certain TF cases, relating to the sale of cattle and the use of mobile money.** The identification of potential cases involving the financing of terrorist organizations, individuals, or activities outside Côte d'Ivoire, does not appear to be a priority. The ability to effectively prosecute and sanction TF offenses is limited by the fact that the financing of a terrorist organization, for any purpose whatsoever, is not criminalized.

*Preventing Terrorists from Collecting, Moving, and Using Funds*

**38. The Community-wide legal framework for the implementation of TFS under UNSCR 1267 only applies to banks and financial establishments.** However, TFS are not implemented by Côte d'Ivoire, due to the lack of decisions by the WAEMU Council of Ministers, or of a national mechanism for bridging this gap. Nevertheless, the 1267 List is applied by the vast majority of banks – and several other FIs – on a voluntary basis. Meanwhile, TFS are not implemented by DNFBPs. The few national designations made under UNSCR 1373 were not implemented without delay and did not prove effective.

**39. The use of TFS in TF matters is not in line with the country's risk profile. In spite of the threat found to be posed by groups already designated by the United Nations (UN) and/or based in the region,** Côte d'Ivoire has not yet proposed any designations to the 1267/1989 Committee and has never called upon a third country to give effect to actions taken as part of its own freezing mechanisms. The will exists to combat all dimensions of terrorism in general, yet at the operational level, there has been no freezing of funds or confiscation of assets in the framework of TFS implementation.

**40. Authorities have not yet identified the totality of active NPOs in Côte d'Ivoire, nor the nature of threats posed by terrorist entities against NPOs.** Relevant awareness-raising efforts remain nascent. Authorities have put in place some general supervisory activities, but those do not specifically target TF; the TF supervisory authority has not yet been appointed.

*Financial Sanctions in Relation to Proliferation Financing*

**41. With the exception of one entity designated in 2020, TFS related to PF are not implemented, due to the absence of Orders aimed at transposing the 1718 and 2231 Lists into national law.** Nevertheless, these lists are applied by the vast majority of banks, and a significant number of other FIs, on a voluntary basis. Meanwhile, DNFBPs do not implement TFS. In the context of TFS relating to PF, no independent efforts have been demonstrated for identifying and freezing the assets of targeted persons and entities.

**Preventive Measures (Chapter 5 – IO. 4; R.9-23)**

**42. The significance of informal sector, which by definition does not implement due diligence measures, limits the overall effectiveness of preventive measures.** FIs have a limited understanding of ML risks, and an even more limited understanding of TF risks. ML/TF typologies are not understood, and vulnerabilities relating to legal persons and cross-border flows are not recognized. Gaps in the understanding of ML/TF typologies hamper the fulfillment of AML/CFT obligations based on risks. TF risks are not understood by FIs.

**43. FIs that are part of international or regional groups, as well as national banks, implement customer identification measures.** The quality of implementation becomes more variable in other FI categories. With regard to BO identification, the majority of FIs do not have measures in place for identifying forms of control other than direct or indirect ownership of capital or voting rights. Moreover, this information is not updated systematically. Most FIs rely on “commercial” lists for the identification of PEPs, which mainly include foreign PEPs. This limitation significantly impacts the effectiveness of measures taken in order to counter the laundering of funds generated from corruption.

**44. Reporting activity does not reflect major ML/TF risks in Côte d'Ivoire.** In the banking sector, the implementation of the suspicious activity reporting requirement varies greatly and is inadequate in other types of FIs. Furthermore, FIs are generally late to report suspicions, and the number of STRs on attempted transactions is very limited.

**45. The understanding of ML/TF risks is non-existent among DNFBPs, which do not implement AML/CFT obligations.**

**46. There are active VASPs in Côte d'Ivoire. However, they are neither licensed, nor regulated, nor supervised, due to the absence of a relevant legal framework.** As a result, they do not implement due diligence measures.

**Supervision (Chapter 6 – IO. 3; R.26-28, R.34-35)**

**47. Fit-and-proper checks can be improved. Supervisory authorities lack effective means for identifying** – let alone combating – activities conducted without a license, particularly in the foreign exchange and money or value transfer service (MVTs) sectors.

**48. FI supervisory authorities' understanding of risks pertaining to the various sectors and actors (FIs) is insufficient.** Risk-based supervision has not yet been adopted in all sectors. The BC has developed supervisory tools and methods, but the collected information and data do not allow for a holistic understanding and identification of ML/TF risks. The intensity and frequency of ML/TF inspections by the BC/GSBC are not fully based on ML/TF risks. National supervisory authorities have started taking supervisory action in the foreign exchange and small DFS sectors. However, this action remains limited, in view of the risks emanating from these activities. Sanctions do not reflect the severity of the identified shortcomings, and as a result, do not have the intended impact on the compliance level of FIs.

**49. Self-regulatory bodies (SRBs) have been designated for lawyers, notaries, public accountants, judicial officers, and justice commissioners towards the end of the on-site visit but had not commenced their operations.** Supervisory authorities for other DNFs (namely, real estate agents and brokers, DPMS, casinos and gaming establishments, business agents (*agents d'affaires*), service providers to corporations and trusts, and auditors) have not been assigned yet. Efforts by the authorities to raise awareness among DNFs are commendable but are still at the embryonic stages. Business agents are not subject to AML/CFT obligations.

**50. There are active VASPs in Côte d'Ivoire.** However, they are neither licensed, nor regulated, nor supervised, in the absence of a relevant legal framework.

**Transparency of legal persons and arrangements (Chapter 7 – IO. 5; R.24-25)**

**51. The authorities' understanding of risks associated with legal persons remains quite limited and fragmented, despite the frequent use of legal persons for the concealment of criminal proceeds.** Côte d'Ivoire has not undertaken an assessment of ML/TF risks associated with the various categories of legal persons.

**52. Basic information that is easily accessible and searchable remains fragmentary, in an economy where the informal sector plays a significant role.** Resources available to the Trade and Personal Property Credit Register (RCCM) do not allow it to perform proper inspections and ensure that such basic information is accurate and up to date.

**53. The General Tax Directorate (DGI) provides, upon demand and in a timely manner, BO information kept in the legal persons registers.** However, record-keeping in legal persons is not subject to regular and sufficient audits. Since 2020, the DGI also collects information on the BO of legal persons at the time of their creation but has not demonstrated to what extent this facilitates access to such information. Moreover, there is no mechanism ensuring regular updates.

Authorities cannot rely on FIs and DNFBNs in accessing timely, accurate, and updated BO information.

**54. The RCCM is not equipped to sanction any natural or legal person that fails to provide basic information on a legal person or keep such information up to date.** Tax authorities indicated that they have imposed ad hoc sanctions against legal persons that failed to fulfill their BO requirements. However, it could not be established that such sanctions are of an effective, proportionate, and dissuasive nature.

#### ***International Cooperation (Chapter 8 – IO. 2; R.36-40)***

**55. Judicial authorities rarely request MLA, despite the great threat posed by transnational crime to the country.** When they receive such requests, they do not provide constructive and timely mutual legal assistance. Beyond MLA, with the exception of the FIU, competent authorities rarely cooperate with their foreign counterparts. The proactive use of this kind of cooperation is insufficient, considering the transnational nature of most predicate offenses. Only rarely do authorities exchange BO information with their foreign partners.

#### **Priority Actions**

Côte d'Ivoire should:

- Strengthen its legal framework, particularly with regard to preventive measures, the criminalization of TF, TFS in relation to TF, confiscation, and international cooperation.
- Deepen the understanding of ML/TF risks by authorities and reporting entities, including risks associated with legal persons. Major threats such as corruption and TF, and vulnerabilities in the real estate and non-profit sectors, as well as cross-border flows and the informal economy, must receive special attention.
- Implement effective supervision for FIs and DNFBNs, in collaboration with supranational authorities where necessary. Supervisory strategies, controls, and sanctions must be based on a deeper understanding of the risks within various sectors and reporting entities. The designation of supervisory authorities or SRBs for all DNFBNs is necessary.
- Take measures aimed at mitigating ML risks emanating from corruption, including effective BO identification, as well as risk management measures in relation to PEPs. Make better use of financial intelligence and other information in judicial investigations, including information which can be obtained from foreign counterparts.
- Update the FIU's IT system and provide it with adequate human resources and analytical tools, in order to allow it to produce operational and strategic analyses, higher in number and sophistication. Issue guidelines, typologies, and targeted red flags in order to improve the reporting by covered entities, particularly in sectors where inherent ML/TF risk is high. Furthermore, the FIU should provide feedback to reporting entities.

- Develop an overall criminal justice policy which gives priority to the countering of ML and confiscation as the main tools for countering all forms of serious crime and promote the international aspect of criminal investigations and the recovery of assets held abroad, through international cooperation, both formal and informal.
- In order to promote complex ML investigations linked to major threats (corruption, organized crime, etc.), ensure timely access by authorities to up to date and accurate information on legal persons and their beneficial owners.
- Integrate CFT into the counter-terrorism policy, and significantly increase the number of TF investigations, prosecutions, and convictions, mainly by building the capacities of investigative authorities. TFS under UNSCR 1267 must be implemented without delay, and authorities must consider imposing TFS at the national level. A national authority should be designated for maintaining a dedicated NPO register and monitor the latter with regards to TF issues in order to apply risk-based measures to NPOs at risk of being abused for TF and undertake appropriate supervision in this regard.
- Put in place an operational follow-up mechanism for the effective processing and prioritization of MLA requests, in order to provide and request constructive, timely cooperation, and promote the capacity of the relevant authorities in general.
- Reinforce recent efforts in relation to the collection of statistics, particularly through the establishment of the national AML/CFT/CPF statistics service.

### Effectiveness and Technical Compliance Ratings

*Effectiveness level ratings (high, substantial, moderate, or low)*

<b>IO.1 –</b> Risk, policy, and coordination	<b>IO.2 –</b> International cooperation	<b>IO.3 –</b> Supervision	<b>IO.4 –</b> Preventive measures	<b>IO.5 –</b> Legal persons and arrangements	<b>IO.6 –</b> Financial intelligence
<b>Moderate</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>
<b>IO.7 –</b> ML investigation and prosecution	<b>IO.8 –</b> Confiscation	<b>IO.9 –</b> TF investigation and prosecution	<b>IO.10 –</b> TF preventive measures and financial sanctions	<b>IO.11 –</b> PF financial sanctions	
<b>Moderate</b>	<b>Moderate</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	

Level of Technical Compliance (C—Compliant, LC—Largely Compliant, PC—Partially Compliant, NC—Non-Compliant)

<b>R.1 –</b> Assessing risks and applying and risk-based approach	<b>R.2 –</b> National cooperation and coordination	<b>R.3 –</b> Money laundering offense	<b>R.4 –</b> Confiscation and provisional measures	<b>R.5 –</b> Terrorist financing offense	<b>R.6 –</b> Targeted financial sanctions related to terrorism & terrorist financing
<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>NC</b>
<b>R.7 –</b> Targeted financial sanctions related to proliferation	<b>R.8 –</b> Non-profit organizations	<b>R.9 –</b> Financial institution secrecy laws	<b>R.10 –</b> Customer due diligence	<b>R.11 –</b> Record-keeping	<b>R.12 –</b> Politically exposed persons
<b>NC</b>	<b>NC</b>	<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>
<b>R.13 –</b> Correspondent banking	<b>R.14 –</b> Money or value transfer services	<b>R.15 –</b> New technologies	<b>R.16 –</b> Wire transfers	<b>R.17 –</b> Reliance on third parties	<b>R.18 –</b> Internal controls and foreign branches and subsidiaries
<b>LC</b>	<b>PC</b>	<b>NC</b>	<b>PC</b>	<b>NC</b>	<b>PC</b>

Level of Technical Compliance (C—Compliant, LC—Largely Compliant, PC—Partially Compliant, NC—Non-Compliant)

<b>R.19 –</b> Higher-risk countries	<b>R.20 –</b> Reporting of suspicious transactions	<b>R.21 –</b> Tipping-off and confidentiality	<b>R.22 –</b> DNFBPs: customer due diligence	<b>R.23 –</b> DNFBPs: other measures	<b>R.24 –</b> Transparency and beneficial ownership of legal persons
<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>
<b>R.25 –</b> Transparency and beneficial ownership of legal arrangements	<b>R.26 –</b> Regulation and supervision of financial institutions	<b>R.27 –</b> Powers of supervisors	<b>R.28 –</b> Regulation and supervision of DNFBPs	<b>R.29 –</b> Financial intelligence units	<b>R.30 –</b> Responsibilities of law enforcement and investigative authorities
<b>NC</b>	<b>PC</b>	<b>PC</b>	<b>NC</b>	<b>LC</b>	<b>C</b>
<b>R.31 –</b> Powers of law enforcement and investigative authorities	<b>R.32 –</b> Cash couriers	<b>R.33 –</b> Statistics	<b>R.34 –</b> Guidance and feedback	<b>R.35 –</b> Sanctions	<b>R.36 –</b> International instruments
<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>
<b>R.37 –</b> Mutual legal assistance	<b>R.38 –</b> Mutual legal assistance: freezing and confiscation	<b>R.39 –</b> Extradition	<b>R.40 –</b> Other forms of international cooperation		
<b>LC</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>		

## DETAILED EVALUATION REPORT

### Preface

**56. This report summarizes the AML/CFT measures in place at the time of the on-site visit.** The report analyzes Côte d'Ivoire's level of compliance with the FATF 40 Recommendations and the effectiveness level of the AML/CFT system and recommends how the system could be strengthened.

**57. This assessment is based on the 2012 FATF Recommendations and has been drafted using the 2013 Methodology.** The assessment was conducted based on information provided by the country's authorities ("the authorities") and collected by the assessment team during its on-site visit between 6 and 24 June 2022.

**58. The assessment was undertaken by a team consisting of:**

1. Arz El Murr, senior financial sector expert, IMF (team leader);
2. Pierre Bardin, financial sector expert, IMF (financial sector expert);
3. Lia Umans, consultant, (FIU expert);
4. Jean-François Thony, consultant (legal expert);
5. Jean Anade, GIABA Secretariat (law enforcement authorities' expert);
6. Fadma Bouharchich, consultant (financial sector expert);<sup>2</sup>
7. Olivier Kraft, consultant (Risks and AML/CFT strategy expert);
8. Jason Purcell, consultant (NPO and TFS expert); and
9. André Kahn, analyst, IMF (risk and context).

**59. The report was reviewed by Mamadou Ciré BALDE (Guinea), Modibo SACKO (Mali), as well as by the FATF and GIABA secretariats, and IMF personnel.**

**60. Côte d'Ivoire was previously subject to a mutual evaluation by GIABA in 2012, conducted under the 2004 Methodology.**

**61. The mutual evaluation concluded that the country was not fully compliant with any Recommendation, but largely compliant with six Recommendations, partially compliant with 18, non-compliant with 24, and not applicable for one Recommendation.** Côte d'Ivoire

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<sup>2</sup> During the assessment period prior to the onsite visit, Fadma Bouharchich participated as a legal expert at the French Prudential Supervision and Resolution Authority, France.

was rated “compliant” or “largely compliant” for three of the 16 key and core Recommendations and was placed under the accelerated regular follow-up process.

## MONEY LAUNDERING AND TERRORIST FINANCING (ML/TF) RISKS AND CONTEXT

**62. The Republic of Côte d'Ivoire gained independence on August 7, 1960.** With a surface area of 322,462 km<sup>2</sup>, the country's coast stretches approximately 500 km along the Atlantic Ocean. The Port of Abidjan, the largest in West Africa, constitutes a major commercial platform for Côte d'Ivoire and many other countries in the region. Côte d'Ivoire shares land borders with Mali (532 km), Burkina Faso (584 km), Ghana (668 km), Liberia (716 km), and Guinea (610 km). Côte d'Ivoire is divided into 14 districts, 31 administrative regions, 109 departments, and 201 communes. The country's political and administrative capital is Yamoussoukro. Meanwhile, almost all institutions are situated in Abidjan, the country's main economic center. Other heavily populated cities include Bouaké and Daloa. At the end of 2020, Côte d'Ivoire had an estimated total population of 27 million.<sup>3</sup>

**63. Côte d'Ivoire is a lower middle-income country.** Despite the impact of the Covid-19 pandemic, the Ivorian economy proved to be resilient, and managed to recover in 2021, recording a growth rate of approximately 7 percent, comparable to the 2017-2020 average.<sup>4</sup> Nevertheless, rising food prices led to an increase in inflation to about 4.2 percent in late 2020, and could reach 5.5 percent in 2022, according to IMF projections.<sup>5</sup> On the other hand, social policies implemented since 2011 have resulted in a decrease in poverty rate, from 44.4 percent in 2015 to 39.4 percent in 2018.<sup>6</sup> At the end of 2020, the GDP per capita had increased to USD 2,279, and the nominal GDP to 35,311.4 billion XOF (USD 57 billion).<sup>7</sup>

<sup>3</sup> Staff Report for the 2022 Article IV Consultation, May 31, 2022,

<https://www.imf.org/en/Publications/CR/Issues/2022/07/01/Cte-divoire-2022-Article-IV-Consultation-Press-Release-and-Staff-Report-520258>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Staff Report for the 2021 Article IV Consultation, July 6, 2021,

<https://www.imf.org/en/Publications/CR/Issues/2021/07/28/Cte-divoire-2021-Article-IV-Consultation-Press-Release-Staff-Report-Informational-Annex-462924>

<sup>7</sup> Staff Report for the 2022 Article IV Consultation, May 31, 2022,

<https://www.imf.org/en/Publications/CR/Issues/2022/07/01/Cte-divoire-2022-Article-IV-Consultation-Press-Release-and-Staff-Report-520258>

**64. Côte d'Ivoire is a member of the West African Economic and Monetary Union<sup>8</sup> (WAEMU) and the West African Monetary Union (WAMU).** The national currency in Côte d'Ivoire is the CFA Franc (XOF),<sup>9</sup> which it shares with the seven other WAMU member States. The WAMU's main institutions include the Conference of Heads of State and Government, which is the Union's highest authority, the Council of Ministers (CM), which ensures the implementation of the general guidance issued by the Conference of Heads of State and Government, the Central Bank of West African States (BCEAO), in charge of issuing the aforementioned currency, and the Banking Commission (BC), in charge of monitoring banking activity in the Union. These institutions have drafted several Union-wide legal texts, particularly the Uniform AML/CFT Law, adopted by the Union's Council of Ministers under Decision No. 26/02/07/2015CM/UMOA on the July 2, 2015. Linkage between this Union-wide framework and the national legal framework for Ivorian institutions, is discussed in more detail below (see para. 92–95 below). Côte d'Ivoire, the leading economy in the WAEMU zone, is also a member of the Economic Community of West African States (ECOWAS), which comprises 15 members.<sup>10</sup>

**65. The Ivorian Constitution establishes a presidential regime, and enshrines the separation of executive, legislative, and judicial powers within the State.** Executive power is held by the President of the Republic, elected by direct popular vote for a five-year term. The 2016 Constitution – which established the Third Republic – introduced the position of Vice President, who is appointed by the President with the approval of the Parliament and acts as interim President in the latter's absence. The President also appoints the Prime Minister, who serves as the head of government. Legislative power is bicameral, comprising both the National Assembly and the Senate. As for the Constitutional Council, according to Article 126 of the 2016 Constitution, it is the body that regulates the functioning of public authorities, monitors compliance of the law with the constitutional framework, and oversees the presidential and parliamentary elections. Finally, the 2016 Constitution, as revised in 2020, stipulates that the judiciary shall be headed by the Court of Cassation as the highest judicial court, and the Council of State as the highest administrative court, and both courts have been operational since late 2020. The Court of Audit, meanwhile, is the supreme State Audit institution. Below these courts of the highest level, Article 143 of the Constitution stipulates that throughout the national territory, justice shall be delivered by the courts of appeal, courts of first instance, administrative courts, and regional Chambers of Audit.

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<sup>8</sup> WAEMU is a subregional West African organization, established on the 10<sup>th</sup> of January 1994, with the mission of achieving economic integration among its member States. The organization comprises eight member States as follows: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. The treaty establishing the WAEMU is aimed at strengthening, but not replacing, the treaty establishing the WAMU, signed 12 May 1962. The two treaties coexist, and the WAMU treaty still serves as a legal basis for strictly monetary aspects.

<sup>9</sup> At the time of the onsite visit, the exchange rate was 1 XOF = 0.0016 USD.

<sup>10</sup> Namely, in addition to WAEMU member States, Cape Verde, Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone.

**66. Hierarchy in Ivorian law is established as follows:**

- The constitution
- Duly ratified conventions and treaties
- Laws and ordinances
- Decrees
- Orders
- Circulars
- Memoranda

**A. ML/TF Risks and Preliminary Identification of Higher-Risk Areas****ML/TF Risks*****ML/TF Threats***

**67. Major predicate offenses to ML in Côte d'Ivoire, as identified by independent public sources, are corruption, followed by environmental crimes, drug trafficking, counterfeiting, counterfeit medicine, fraud, and scams.** The latter offenses are also often facilitated by corruption, the level of which is high in the country. Corruption manifests itself both at the 'daily' level (namely, corruption affecting citizens during routine administrative procedures or controls) and at the higher levels (misappropriation of public funds, for example). According to estimates by the Ministry of Good Governance and the Fight against Corruption, corruption costs Côte d'Ivoire approximately 1,300 billion XOF (USD 2.1 billion) per year, the equivalent of 4 percent of its GDP.<sup>11</sup> Environmental crimes primarily include illegal gold mining, exploitation of protected forests, and trafficking in protected wildlife. In addition to the local production and consumption of cannabis and methamphetamines, Côte d'Ivoire has also become a major transit country for transnational drug trafficking, specifically cocaine trafficking. A significant portion of criminal proceeds linked to these offenses appear to be laundered in Côte d'Ivoire. As for fraud and scams, they take different forms and mainly include tax, customs, and document fraud, insurance fraud, identity fraud, forgery, and use of forged documents, and quite notably, cybercrime.

**68. Côte d'Ivoire's geographical position, importance in the regional economy, and developed and open financial sector, all render it particularly exposed to ML/TF risks.** The country shares significant cross-border commercial, and financial flows with its regional partners, as well as international financial centers in Europe and Asia. It serves as a financial center for the

<sup>11</sup> <https://www.7info.ci/corruption-voici-le-montant-que-la-cote-divoire-perd-chaque-anne/> (accessed on 21/11/2022).

WAEMU region, mainly due to the prominence of its banking and financial sectors. ML/TF risks are exacerbated by the free movement of persons and goods in the WAEMU zone. Furthermore, several major predicate offenses identified in Côte d'Ivoire, including environmental crimes, drug trafficking, counterfeiting, counterfeit medicine, and online scams, have an international dimension.

**69. Côte d'Ivoire is faced by a growing terrorist threat, particularly in northern regions close to the Burkina Faso border.** Apart from the 2016 attack at the Grand-Bassam tourist site near Abidjan, this threat has translated into multiple attacks targeting security forces in the border region in 2020 and 2021. With regard to the TF threat, terrorist groups such as the Macina Liberation Front, affiliated with Jama'at Nasr al-Islam wal Muslimin (JNIM), the Islamic State, or even the Islamic State in West Africa Province (ISWAP), which is active in Mali and Burkina Faso, make regular incursions into Côte d'Ivoire, and have demonstrated their ability to exploit the economy, particularly the informal economy, in these border regions.<sup>12</sup> These trends are added to other threats relating to possible links between TF on one hand and certain predicate offenses, particularly drug trafficking and illegal gold mining, on the other.

#### ***ML/TF Vulnerabilities***

**70. Côte d'Ivoire suffers from a shortage of human, material, and financial resources in its national AML/CFT capabilities,<sup>13</sup> notably those identified by the NRA, notably in relation to certain key structures such as the FIU and the AML/CFT Coordination Committee.**

Corruption within investigative and prosecution authorities is yet another obstacle to an effective AML/CFT system. Moreover, porous borders and lacking customs controls are considered as a major vulnerability to ML risks, considering the frequency of terrorist activity in the region, to TF risks as well.

**71. Sectors with an increased vulnerability to ML/TF risks include the real estate sector, the agricultural sector (the coffee-cocoa subsector in particular), the mining sector, and the banking sector.<sup>14</sup>** With regard to the banking sector, inadequately implemented preventive measures, and ineffective risk-based supervision, are considered as fundamental vulnerabilities in this context. Gaps in the authorities' understanding of risks, as well as the infrequent dissemination of typology information, significantly impact the effectiveness of measures taken by FIs.

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<sup>12</sup> See in particular Mathieu Pellerin, *Border countries in West Africa. New lands for the expansion of Sahel jihadist groups?* IFRI, February 2022, available at [https://www.ifri.org/sites/default/files/atoms/files/pellerin\\_afrique\\_ouest\\_djihadisme\\_sahel\\_2022\\_0.pdf](https://www.ifri.org/sites/default/files/atoms/files/pellerin_afrique_ouest_djihadisme_sahel_2022_0.pdf) (accessed on 15/09/2022), and Lassina Diarra, *Radicalization and perception of terrorist threats in northernmost Côte d'Ivoire, the case of Bounkani*, Timbuktu Institute, African Center for Peace Studies, available at <https://africacenter.org/fr/security-article/radicalisation-et-perception-de-la-menace-terroriste-dans-lextreme-nord-de-la-cote-divoire-le-cas-de-bounkani/> (accessed on 15/09/2022).

<sup>13</sup> As noted by the NRA, specifically p. 16-17.

<sup>14</sup> See NRA, p. 17.

**72. The large size of the informal economy in Côte d'Ivoire, which constitutes 35 to 40 percent of the GDP, and the relatively low banking rate - of around 26 percent in 2021, though it was higher than the average rate in the WAEMU region which was of 21.8 percent for the same year<sup>15</sup> - are considered as vulnerability factors, considering that a significant proportion of transactions are made in cash, sometimes involving large amounts, including in the real estate sector, which is particularly prone to ML risks.**

## Country Risk Assessment and Identification of Higher-Risk Areas

### Country Risk Assessment

**73. Côte d'Ivoire completed its NRA in May 2020, with technical assistance by the World Bank.** ML/TF risk was assessed according to threats and vulnerabilities. Main sources of information used in the assessment included STRs and information from ML investigations, as well as expert opinions. External threats were mainly determined based on cases in which Côte d'Ivoire made or received requests in the framework of formal international cooperation.

**74. Major internal ML threats identified by the NRA include corruption and bribery, illicit trafficking in drugs and psychotropic substances, tax offenses, environmental offenses, and cybercrime.** Other offenses identified as having increased threats are the illicit trafficking and counterfeiting of medicine and stolen property (livestock in particular), breach of trust, theft, smuggling, extortion, scams, and forgery and use of forged documents. The following sectors and activities, considered to be the most exposed to ML threats, were subject to a sectoral assessment: notaries, chartered accountants, real estate agents and developers, and the coffee-cocoa subsector. Finally, NPO vulnerabilities are also examined by the NRA. Ratings given to the various sectors are summarized in the below table:

**Table 1.1. Côte d'Ivoire: Sectoral ML Risk Ratings**

Sector	Risk Rating
Banks	Medium- high
Shares and securities	Medium- high
Insurance	Medium to low
Other financial institutions	High
Notaries	Medium- high
Chartered accountants	Medium- high
Real estate agents and developers	High
Coffee-cocoa subsector	High
NPOs	Medium- high

**75. The NRA also includes an assessment of Côte d'Ivoire's level of exposure to TF risks, which concludes that the level is high.** Main TF risk factors identified by the NRA are linked to

<sup>15</sup> BCEAO, *Rapport sur la situation de l'inclusion financière dans l'UEMOA au cours de l'année 2021*, published in July 2022.

the country's geographical proximity to Mali and Burkina Faso, where terrorist groups are active since the 2010s. This threat is exacerbated by internal factors in Côte d'Ivoire such as corruption, poverty, unemployment, and the large volume of funds generated by informal activities. Through the analysis of STRs, the NRA identified the main non-criminal sources of TF as commercial activities and donations by religious NPOs, and criminal sources of TF as the misappropriation of public funds, the smuggling of agricultural and various other products (cigarettes, oil, or motorcycles for example), while recognizing that not all financing sources are identified.

**76. The NRA conducted by authorities clearly highlights the intensive efforts which have led to its drafting, and the assessment team shares many of the NRA's findings.<sup>16</sup>**

However, several factors are likely to negatively impact Ivorian authorities' understanding of ML/TF risks in the country. For example, the NRA does not examine in detail financial and commercial flows linked to corruption, nor cross-border financial and commercial flows. The analysis of such flows is especially important since several criminal activities – such as environmental crimes, drug trafficking, and online scams – committed in Côte d'Ivoire, have an international dimension. Moreover, the analysis is based on limited data (low number of STRs and financial investigations, for example), particularly with regard to TF risks, which are not sufficiently distinguished from terrorism risks.

***Identification of Higher-Risk Areas***

**77. The assessment team sought to determine the extent to which authorities have demonstrated a good understanding of risks and implemented a risk-based AML/CFT policy.** More particularly, the team examined financial and commercial flows linked to corruption, cross-border financial and commercial flows, and the authorities' level of understanding of such risks.

**78. ML resulting from corruption was also the subject of a thorough review. In this context, the assessment team specifically focused its analysis on the main methods used for laundering** corruption proceeds in Côte d'Ivoire, as well as the strategy and tangible measures taken by Ivorian authorities and reporting entities to address these risks.

**79. The assessment team gave special attention to both commercial and financial cross-border flows and examined the extent to which they are linked to ML and the relevant predicate offenses, as well as TF.** These flows are of particular importance, considering the weight Côte d'Ivoire holds in the regional economy – in fact, the country accommodates the largest number of banks in the WAEMU region after Senegal, the largest number of bank accounts, and has the region's largest economy.

**80. The assessment team also looked into the level of implementation of AML legislation by supervisory and law enforcement authorities. In this regard, the team noted the relatively low number of ML convictions – despite the recent increase – and**

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<sup>16</sup> See Chapter 2.

**international cooperation requests submitted by Côte d'Ivoire, as well as AML financial sanctions issued in the banking sector.** Thus, the assessment team wished to examine in detail the factors responsible for the shortcomings in the implementation of these AML/CFT provisions.

**81. TF risks were also given particular attention, notably the correlation between growing terrorist threats,** and the established or suspected presence of terrorist groups in northern border regions in Côte d'Ivoire, in addition to the methods of financing used and the relevant response by authorities.

**82. Finally, the assessment team took into consideration the large size of the informal sector and cash transactions in the Ivorian economy** and examined the extent to which this sector is exploited for ML/TF purposes, as well as the measures taken to address these risks.

### ***Identification of Lower-Risk Areas***

**83. Due to the limited available information on the financial sector and DNFBPs, it is difficult to identify lower-risk sectors.** Nevertheless, the analysis of information provided by authorities allows for identifying reinsurance, micro-insurance, and to a certain extent, accountants, as the sectors and activities which pose lower ML/TF risks in Côte d'Ivoire.

### ***Materiality***

**84. Côte d'Ivoire is characterized by an informal economy which constitutes more than 35 percent of the GDP.** The Ivorian economy is also marked by a significant volume of cash transactions, with a banking rate of only 26 percent. Nevertheless, the banking sector, which encompasses 31 licensed Credit Institutions (CIs) and 7 financial companies,<sup>17</sup> is a major player in the financial sector. The total amount of CIs' capitals reached 599.7 billion XOF (USD 959 million) at the end of 2021. During the aforementioned time-period, of the 10 biggest banks in the WAEMU subregion in terms of balance sheet size, six were Ivorian.

**85. In June 2022, Côte d'Ivoire had 46 licensed DFSs.<sup>18</sup>** The outstanding credit of the microfinance sector reached 440.8 billion XOF (USD 682 million), while the outstanding amount of deposits reached 450 billion XOF (USD 696.5 million). If DFSs continue to develop, they remain of medium significance in the Ivorian financial system. However, DFS activity has been on an upward

<sup>17</sup> Including 29 banks and 2 banking financial institutions. Among these CIs, 23 are foreign, 5 of which are affiliated with international groups, and 18 with regional groups. According to the provisions of Article 4 of the law on banking regulation and its implementing Instruction, banking financial institutions are reporting entities which conduct activities based on the nature of their license. Such activities include loans, leasing or lease-to-buy, factoring, bonds, and payments.

<sup>18</sup> According to the law regulating decentralized financial systems (DFSs), decentralized financial system refers to institutions whose main purpose is to provide financial services to individuals who generally do not have access to banking and credit institution transactions as defined by the law on banking regulation, with authorization by the law regulating DFSs to provide such services.

trend for the past four years, with outstanding deposits and credits having registered increases of 10.3 percent and 4.78 percent respectively, from 2019 to 2020.

**86. Mobile money activity is growing in volume in the Ivorian economy. This activity is exercised by 13 institutions including five banks, seven EMLs, and one microfinance institution.** In 2020, the number of opened accounts reached approximately 37.6 million (around a third of which being active accounts), and the value of performed transactions reached 13,752 billion XOF (USD 22 billion). Furthermore, there are 24 fast money transfer services, 12 of which operate as subagents for banks and DFSs specifically licensed to provide this type of service (meaning, authorized intermediaries).

**87. The insurance market in Côte d'Ivoire ranks first in the Inter-African Conference on Insurance Markets (CIMA) zone, with 30 percent of market share, including 36.4 percent for life insurance.** In 2020, it registered a total revenue of 414.5 billion XOF (USD 663.7 million), 44.3 percent of which was for life insurance. In the context of the WAEMU capital market, Côte d'Ivoire holds the most developed market, with the amount of capital raised on the national primary market reaching 1,145.4 billion XOF (USD 1.8 billion) on 31 December 2021, while assets maintained by licensed actors reached 6,856.45 billion XOF (USD 11 billion) on the same date.

**88. While not recognized by the BCEAO, the virtual asset sector exists in Côte d'Ivoire.** The NRA reports six service points, concentrated in Abidjan, and identifies the facilitation of tax fraud, ML/TF, and other illegal activities as risks inherent to this non-regulated sector.

### Structural Elements

**89. Despite disruptive security and political events in the country between 2002 and 2011, particularly in the context of the 2010 presidential elections, Côte d'Ivoire enjoys a relatively stable political system today.** However, it is faced by a regional context of growing terrorist threat. The partial retreat of French troops operating in Mali as part of Operation Barkhane, as well as the arrival of foreign military trainers called upon by Malian authorities, constitute additional destabilizing factors in the region. More recently, several countries in the region – namely, neighboring Mali, Guinea, and Burkina Faso – have undergone military coups.

**90. At the national level, the Coordination Committee is the authority in charge of coordinating AML/CFT policies.** Part of the AML/CFT system involves WAMU Community institutions. As such, banking supervision falls within the scope of competence of the WAMU Banking Commission, while financial market supervision is assigned to the Regional Council for Public Savings and Capital markets (CREPMF).

### Other Contextual Elements

**91. Since the last assessment of its AML/CFT system, Côte d'Ivoire enacted a new relevant law, namely, Law No. 2016-992 of November 14, 2016, related to the countering ML and TF, pursuant to Directive No. 02/2015/CM/UEMOA of July 2, 2015.** This law

(hereafter “AML/CFT Law”) has considerably strengthened the AML/CFT legal framework by introducing new preventive measures for all covered entities, in accordance with the FATF’s 2012 Recommendations, although there remain many deficiencies (see Technical Compliance Annex – thereafter “TCA”). Furthermore, several enforcement instruments of the uniform Law were adopted by the different regional (BCEAO, CREPMF) and national supervisory authorities. The AML/CFT system is implemented in a context marked by the aforementioned vulnerabilities, notably the size of the informal sector (35–40 percent of the GDP), and the porous borders. Other noteworthy risk factors include corruption and the absence of an AML/CFT supervisory authority for NPOs and certain DNFBPs.

## **AML/CFT Strategy**

**92. Côte d’Ivoire laid out its national AML/CFT strategy for the first time in the document entitled 2020–2030 Strategy against money laundering and the financing of terrorism and proliferation of weapons of mass destruction.** This strategy highlights the following objectives: the review of Community-wide legislation pertaining to preventive measures, in order to ensure their compliance with the new FATF standards; the management of migratory flows (persons and goods) by combining security cooperation and intelligence; the adoption of an integrated information exchange system among all structures involved in AML/CFT; the designation of the authority (or authorities) responsible for the AML/CFT supervision of DNFBPs, NPOs, and certain financial institutions (FIs); and ensuring the implementation of confiscation sanctions through the effective enforcement of court decisions.

## **Legal and Institutional Framework**

### ***Community-Wide Institutions***

**93. The legal and institutional AML/CFT framework in Côte d’Ivoire consists of Community-wide and national instruments.** The WAMU has the authority to issue supranational AML/CFT standards, applicable in all of its member States. The adopted standards (WAMU uniform laws, regulations, and directives, BCEAO instructions, Banking Commission circulars, and CREPMF instructions) are all binding, whether directly – in the form of regulations – or by transposition into national law – in the form of directives and other Community-wide instruments. Similarly, uniform laws, including the 2015 Uniform Law for the countering money laundering and terrorist financing in WAMU member States, require transposition into national law in order for them to become applicable in the member States. This transposition of the uniform law in Côte d’Ivoire has thus led to the adoption of the AML/CFT Law of 2016.<sup>19</sup> From a hierarchal standpoint, Community-wide legislation supersedes national standards.

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<sup>19</sup> See Directive No. 02/CM/WAEMU and Article 2 of Decision No. 26 of 02/07/2015/CM/WAMU on the adoption of the uniform draft law for the combating of money laundering and terrorist financing in West African Monetary Union (WAMU) member States.

**94. The AML/CFT responsibilities of major WAEMU bodies can be summarized as follows:**

- The **WAMU Council of Ministers** adopts Community-wide standards, more specifically, regulations directly applicable in member States, and directives which must be transposed into national law in every member State before entering into force.
- The **Central Bank of West African States** drafts supranational, Community-wide directives and standards (notably, the Banking Law and the Uniform AML/CFT Law) and issues instructions and circulars applicable to FIs, specifically banks, financial establishments, and DFSs operational throughout Union territory. The bank ensures, jointly with the WAMU BC/GSBC, the supervision of the aforementioned institutions, in addition to EMIs and FX bureaus. In practice, however, the WAMU BC ensures the supervision of reporting entities (financial companies, banks, banking financial institutions, large DFSs, and EMIs). The BC is also responsible for imposing administrative sanctions against financial sector reporting entities.
- The **WAMU Banking Commission (BC)** (particularly through the **General Secretariat of the Banking Commission, GSBC**) is responsible for regulating, supervising, and issuing administrative and disciplinary sanctions against financial companies, banks, banking financial institutions, EMIs, and large DFSs.
- The **Inter-African Conference on Insurance Markets (CIMA)**, responsible for AML/CFT regulation in the insurance sector, has drafted CIMA Regulation No. 0001/CIMA/PCMA/PCE/SG/2021 in relation to AML/CFT in the insurance sector.
- The **CIMA Regional Commission for Insurance Supervision (CRCA)** is responsible for the supervision and control of the insurance and reinsurance sectors: supervision and issuing of administrative and disciplinary sanctions.
- The **Regional Council for Public Savings and Financial Markets (CREPMF)**,<sup>20</sup> **WAMU body responsible for the regulation of capital markets**, issues instructions applicable to capital market actors. The CREPMF holds sanctioning powers ensured by the relevant legal texts.

**95. The main national AML/CFT/CPF competent authorities are listed below.**

***Coordination Body***

**96.** The **AML/CFT Policy Coordination Committee** is the designated authority for coordinating national AML/CFT/CPF policies.

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<sup>20</sup> The CREPMF has been renamed to The WAMU Financial Market Authority (AMF-UMOA), as of October 1<sup>st</sup>, 2022, by virtue of a WAMU Council of Ministers decision in its session held on 30 September 2022. For clarity purposes, its name at the time of the onsite visit has been maintained in this report.

## **Ministries**

### **97. There are several ministries with AML/CFT prerogatives:**

- The **Ministry of Economy and Finance (MEF)** oversees the FIU and the AML/CFT Policy Coordination Committee, ensures follow-up on AML/CFT policies (NRA, National Strategy), and spearheads economic governance, foreign financial relations, and monetary policy.
- The **Ministry of the Interior and Security** is responsible for the protection of persons and property, institutional security, compliance with the law, and maintenance of peace and public order. It is also in charge of supervising associations in general, which NPOs are part of, and recognizing public welfare associations.
- The **Ministry of Justice and Human Rights** ensures the implementation and follow-up of government policy in relation to justice and human rights. It receives mutual legal assistance requests through its Directorate of Civil and Criminal Affairs (DACP).
- The **Ministry of Mines and Geology** grants licenses for the search and exploitation of mineral resources and coordinates the response to Mining Code violations.
- The **Ministry of Defense** serves as an umbrella for the CROAT, which produces intelligence in the framework of combating terrorism and terrorist financing, as well as for the research unit at the National Gendarmerie. Finally, it may solicit the MEF for all freezing requests in relation to the countering TF and PF.
- The **Ministry of Construction, Housing, and Urban Planning**, upon recommendation by the licensing commission for real estate sellers and developers, grants licenses which allow for exercising the profession of real estate developer or seller of property to be constructed.
- The **Ministry for the Promotion of Good Governance, Capacity Building, and the Fight against Corruption** is mainly tasked with promoting a culture of transparency and the denial of corrupt practices, including through a whistleblowing platform for reporting corrupt practices, launched in April 2022.

### **Operational and Criminal Justice Agencies**

- The **National Financial Intelligence Unit**, or CENTIF (FIU) is Côte d'Ivoire's financial intelligence unit. The FIU's mandate is to receive and analyze STRs and other information related to ML and TF and disseminate the results of their analysis.
- Among investigative and judicial police authorities, the **Economic and Financial Police Directorate (DPEF)** is tasked with seeking and recording offenses of economic and financial nature; centralizing information related to any event of illegal nature in the economic and financial areas; and centralizing all information related to trafficking and smuggling of all

forms, with the exception of child and drug trafficking. The **Criminal Police Directorate (DPC)** is tasked with organizing, coordinating, and supervising judicial police activities; combating serious and transnational crime; and contributing to the strengthening of police cooperation at the judicial police level. As for the **Narcotic and Drug Police Directorate (DPSD)**, it is tasked with investigating and identifying violations of the legislation on narcotics and drugs. Finally, the **Forest Police and Water Directorate** investigates and confirms offenses related to forestry, wildlife, and water resources, as determined by various dedicated laws, and the **Anti-Mining Code Violations Squad (BRICM)** is tasked with combating illegal gold mining and various violations of the Mining Code. The **Task Force to Combat Illegal Gold Mining (GS-LOI)**, established in July 2021 to further repress mining code offenses, carries out operations aimed at dismantling illegal gold mining sites throughout the national territory.

- Within the **National Gendarmerie, the Research Unit**'s mission is to identify criminal law violations, gather evidence and search for perpetrators, but also to carry out tasks delegated by investigative courts and comply with their instructions.
- The **High Authority for Good Governance (HABG)** conducts investigations into corruption and similar offenses. While it is not a law enforcement authority, its agents enjoy the same prerogatives and means of investigation as Judicial Police Officers (JPOs).
- Established in July 2021, the **Airport Counter-Trafficking Unit (CAAT)** provides competent authorities with information necessary for the drafting of strategies and policies for the countering drug trafficking, human trafficking, and the trafficking in precious metals and stones, currency, documents, protected animal and plant species, transnational organized crime, terrorism, and all other forms of illicit trafficking.
- The **Directorate of Information Technology and Technological Tracing (DITT)** and the **Counter-Cybercrime Platform (PLCC)** are tasked with combating specific offenses linked to new technologies, and offenses the commission of which is facilitated by using such technologies; assisting national police, gendarmerie, customs, and FIU services, with the extraction and analysis of digital evidence that they discover; and contributing to the adoption of IT systems required for the activities of the national police and the Ministry of the Interior and Security.
- The **General Directorate of Maritime and Port Affairs** organizes maritime and inland waterway transport policy; ensures maritime and port security and safety (ships, port facilities, and offshore platforms) and seaside policing; and handles maritime cooperation and coordinates coast guard activities at the regional level.
- The **Counter Transnational Crime Unit (UCT)**, a special investigation and examination unit for the countering transnational organized crime, affiliated with the Ministry of the Interior, is tasked with investigating offenses in relation to illicit drug trafficking, human trafficking,

trafficking in diamonds and protected species, organized transnational crime, and all other forms of illicit trafficking, with the aim of gathering evidence as part of judicial proceedings.

### ***Law Enforcement Authorities***

- The **Economic and Financial Crimes Tribunal (PPEF)**, operational since October 2020 and strengthened by the creation of a **special financial crimes Court** in May 2021, is a specialized judicial body, dedicated to the investigation and prosecution of economic and financial offenses, including ML, of particular seriousness and complexity, mainly due to their transnational nature, or to the large size of the relevant financial flows and the ensuing consequences.
- The **Special Unit for Enquiries, Investigations, and Combating Terrorism (CSEILT-LCT)** is exclusively tasked with preliminary investigations and judicial procedures into cases of terrorist acts.
- The **General Tax Directorate (DGI)** is tasked with drafting and implementing tax legislation. The **Audits and Investigations Directorate** is responsible for tax audits and the implementation of the strategy for combating tax fraud and evasion within the DGI. The **General Customs Directorate (DGD)**, through the **Customs Regulation Directorate** and the **Customs Investigations Directorate**, is tasked with the drafting and implementation of customs legislation, collection of relevant taxes and duties, and implementation of customs instruments ratified by Côte d'Ivoire. The **State Judicial Agency (AJE)** was in charge of the recovery and management of criminal assets at the time of the on-site visit. However, it is expected to be replaced for these duties by the **Agency for the Management and Recovery of Criminal Assets (AGRAC)**, established by virtue of a June 1, 2022, decree.<sup>21</sup> and placed under the authority of the Ministry of Justice, and imbued with broad powers in relation to the recovery and management of criminal assets, and relevant international cooperation.

### ***Financial Sector Competent Authorities***

- The **General Directorate of the Treasury and Public Accounting (DGTCP)** is responsible for organizing and performing the financial supervision of public institutions, State owned companies, and State funds.
- The **Directorate of Monetary and Financial Affairs** is in charge of the supervision of banks and financial institutions, and follow-up on matters related to currency, credit, and foreign exchange.

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<sup>21</sup> However, AGRAC was not operational at the time of the onsite visit.

- The **Directorate of Insurance** ensures the implementation of CIMA Code provisions, and the drafting and implementation of all other legislative, regulatory, and administrative provisions in the insurance sector, as well as follow up with insurance cooperation bodies.
- The **Directorate for the Regulation and Supervision of Decentralized Financial Systems (DRSSFD)** oversees the implementation of regulations governing decentralized financial systems, examines licensing requests for the exercise of activity as DFS, provides institutional support, and monitors microfinance institutions.
- The **Directorate of Credit Institutions and External Finance (DECFinEx)** shares prerogatives with the BCEAO with regard to the issuing of licenses and the supervision of FIs. In practice, its main AML/CFT responsibility is the supervision of FX bureaus.
- The **Deposits and Consignments Fund (CDCI)** is tasked with the secure storage and management of public and private funds.

#### ***Inter-Ministerial and Other Coordination Bodies***

- The **Inter-Ministerial Anti-Drug Committee (CILAD)** is in charge of coordinating all actions by agencies involved in the countering narcotics.
- The **Inter-Ministerial Committee for State Action at Sea** is responsible for coordinating all missions carried out by State Administrations at sea and in inland waters (Armed Forces, National Gendarmerie, National Police, Customs, DGAMP, National Civil Protection Office, Ivorian Anti-Pollution Center, Directorate of Aquaculture and Fisheries, Directorates of the Abidjan and San Pedro Ports), and proposing, drafting, implementing, and evaluating the effectiveness of the national strategy for the sea.
- The **National Anti-Human Trafficking Committee (CNLTP)** is responsible for the countering human trafficking and the illicit trafficking of migrants on national territory.
- The **National Anti-Counterfeiting Committee (CNLC)** is tasked with combating counterfeiting on national territory, and preventing the introduction of pirated or counterfeit goods, or goods likely to be in violation of intellectual property rights.
- The **National Anti-Small Arms Committee** is in charge of combating the illicit proliferation and circulation of small arms and light weapons and implementing the national policy against the proliferation of such arms.
- The **National Central Bureau – INTERPOL** is tasked with coordinating INTERPOL activities at the national level.
- The **Consultative Commission on Administrative Freezing (CCGA)** is in charge of identifying designation targets in the framework of the implementation of targeted financial sanctions under the relevant United Nations Security Council Resolutions.

## Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs) and Virtual Asset Service Providers (VASPs)

### *Financial Institutions*

**98. The financial sector consists of credit institutions (CIs) (banks and banking financial institutions),** financial companies, insurance companies and brokers, decentralized financial systems, capital market actors, licensed foreign exchange bureaus, and EMLs. MVTSS are provided by banks and DFSs which can, on the basis of partnership agreements, use the technical platforms of foreign money transfer companies (which are not licensed and only provide such platforms).

**99. As of June 2022, Côte d'Ivoire's financial center comprised 29 banks and two financial establishments, including five subsidiaries of banks established outside the African continent, 18 subsidiaries of subregional banks and four national banks.** The total amount of CI capital reached 599.7 billion XOF (USD 959 million), 96 percent of which is owned by natural persons (of which 1.2 percent are non-nationals) and 4 percent by legal persons (of which 0.8 percent are foreign).<sup>22</sup> Meanwhile, the balance sheet total for CIs reach 18,657 billion XOF (approximately USD 30 billion), equivalent to around 52 percent of Côte d'Ivoire's GDP. The five international banks controlled approximately 28 percent of banking sector assets, followed by subsidiaries of regional banking groups (25 percent) and local private banks (20 percent). At the WAEMU zone level, six out of the ten biggest banks in terms of balance sheet in 2021 were Ivorian, with the top two being subsidiaries of international banks. Furthermore, there were seven financial companies in Côte d'Ivoire as of June 2022.

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<sup>22</sup> These statistics – except for the number of banks – are those compiled as of December 31, 2021, as shown in the 2021 Annual Report by the WAMU Banking Commission <https://www.bceao.int/sites/default/files/2022-08/Rapport%20annuel%202021%20de%20la%20Commission%20Bancaire.pdf>

Table 1.2. Côte d'Ivoire: Financial Institutions in Côte d'Ivoire<sup>1/</sup>

Financial Institutions	Number	Total Balance sheet (in billions of XOF, June 2022)	Total Balance sheet (in billions of USD, June 2022)	Subject to AML/CFT supervision	AML/CFT supervisory authority
Banks	29	19,713.008	31.7	Yes	BCEAO/MEF <sup>2/</sup>
Financial establishments	2	0.085 <sup>3/</sup>	0.000136 <sup>4/</sup>	Yes	BCEAO/MEF
Licensed foreign exchange bureaus	109	Not available	Not available	Yes	MEF (TREASURY/DEC FinEX) - BCEAO
Fast money transfer companies	21	18.8 ( <i>received transfers</i> ) 2,3 ( <i>sent transfers</i> )	0.3 ( <i>received transfers</i> ) 0,04 ( <i>sent transfers</i> )	Yes	MEF (TREASURY/DEC FinEX) - BCEAO
Decentralized financial systems	46 <sup>5/</sup>	640.8 <sup>6/</sup>	1.02	Yes	MEF (DRSSFD) / BCEAO
Life insurance	12	205	0.3	Yes	CIMA
Mobile money institutions	7	13,751.8 ( <i>issuance</i> ) 835, 3 M <i>transactions</i>	22 ( <i>issuance</i> )	Yes	BCEAO/MEF
Management and intermediation companies	14	Not Provided (NP)	NP	Yes	CREPMF
UCITS	12	NP	NP	Yes	CREPMF
Business introducers	12	NP	NP	Yes	CREPMF
Custodian banks	7	NP	NP	Yes	CREPMF
Debt securitization mutual funds	2	NP	NP	Yes	CREPMF
Wealth management companies	1	NP	NP	Yes	CREPMF
Stock market investment advisors	1	NF	NF	Yes	CREPMF

1/ As of June 2022, unless specified otherwise.  
2/ Ministry of Economy and Finance  
3/ As of 31 December 2021.  
4/ As of 31 December 2021.  
5/ Including 35 large DFSs subject to BCEAO supervision, while others are subject to DRSSFD supervision.  
6/ Approximate data since balance sheet is not available for some DFSs.

**100. According to the conclusions of the NRA, the banking sector has a moderately high ML/TF risk, although it is one of the most regulated sectors.** The financial sector is quite significant in terms of volume and the various products and services it offers, in addition to its international, regional, and subregional connections. It is thus given great importance in the context of this assessment.

**101. In spite of their relatively lower weight in the financial sector, foreign exchange and money transfer activities are poorly regulated and difficult to trace, considering the large volume of informal activity.** Therefore, they are considered important in the context of this assessment.

**102. The capital market in Côte d'Ivoire is the most developed in the WAEMU zone.** Actors in this sector perform various operations including the management of accounts and securities on behalf of third parties under a private and/or collective mandate, in addition to providing counsel and guidance to customers in the sale or purchase of securities. The country holds 49 actors including 14 management and intermediation companies (MICs), 12 undertakings for the collective investment in transferable securities (UCITS), 12 business providers, seven custodian banks, two mutual debts (securitization fund management companies, one asset management company (AMC), and one stock market investment advisor. Despite its development, the capital market remains of medium importance, with market capitalization amounts for both stocks and bonds still significantly lower than those of outstanding loans and deposits in banks and DFSs. Therefore, this sector is given moderate importance in the context of this assessment.

**103. The insurance market in Côte d'Ivoire ranks first in the CIMA zone, with a 30 percent share of the regional market, and a penetration rate of 1.58 percent.** In 2020, Côte d'Ivoire had 12 insurance companies offering life insurance and capitalization contracts, and 20 others offering property and liability insurance contracts. Considering the relatively low balance sheet total of this activity – approximately USD 300 million for life insurance – it is considered of low importance in the context of this assessment.

**104. Côte d'Ivoire had 46 licensed decentralized financial systems (DFSs) in 2021, with a total balance sheet of 640.8 billion XOF (approximately USD 1.02 billion).** This is a sector of medium importance, given that its institutions do not conduct international transfers, in addition to the simple nature of products, limited to the collection of deposits (relatively modest amounts).

**105. Mobile money services are provided by 13 institutions, including seven EMIs and five banks operating in partnership with telecommunications operators or technical service providers, as well as one DFS.** EMIs have around 40,753,792 opened accounts in the books as of 2021. The value of performed transactions reached 16,812 billion XOF (USD 27 billion) in the same year. Like DFSs, the mobile money subsector contributes to the promotion of financial inclusion. EMIs apply low thresholds to cumulative transactions, and the thresholds can be extended on demand after verification. However, the vulnerability level of this subsector was deemed moderately high at the time of the NRA, due to the insufficient training of agents who

do not comply with AML/CFT measures in place. Moreover, according to the NRA, customer identity checks are almost non-existent in transactions across many points of sale. In view of the nature of its activities (low amounts) which do not make it an attractive conduit for ML related to prevalent predicate offenses in Côte d'Ivoire, such as corruption, and of the limited evidence so far of its exposure to TF risks, this sector is considered of medium importance in the context of this assessment.

### ***DNFBPs***

**106. While it is difficult to establish a precise classification of the various DNFBP sectors in Côte d'Ivoire, given the lack of certain data on their respective materiality levels, discussions with authorities and the private sector, as well as public sources, have allowed for developing the following classification:**

1. Real estate agents and developers, notaries, and dealers in precious metals and stones, followed by gambling service providers, are deemed particularly important in the context of this assessment, given their large volume of activity, notably in cash, as well as the prevalent illegal practice of the DPMS and gambling service professions, and their acute exposure to ML/TF risks (see below and Chapters 2 and 6).
2. Lawyers, justice commissioners, legal representatives, as well as business agents and chartered accountants are considered less important than the above activity sectors, considering their lower volume of activity and/or their lower exposure to ML/TF risks, in the context of this assessment.

**107. The below table outlines the various types of DNFBPs in Côte d'Ivoire as of December 31, 2021, as well as their supervisory status and designated supervisory authorities (where necessary) at the time of the on-site visit:**

**Table 1.3 Côte d'Ivoire: Designated Non-Financial Businesses and Professions in Côte d'Ivoire**

Type	Number	Subject to AML/CFT Supervision	AML/CFT Supervisory Authority
Chartered accountants	217 chartered accountants and 134 firms	Yes	Council of the Order of Chartered Accountants
Notaries	249	Yes	Chamber of Notaries
Lawyers	550	Yes	Bar association
Justice commissioners	413	Yes	National Chamber of Justice Commissioners
Judicial representatives	NP	Yes	National Supervisory Commission for Judicial Representatives
Business Agents	500 (approx.)	No	No designated authority
Real estate companies, real estate agents, rental agents	195	No	No designated authority
Gambling service providers, casinos, gaming establishments, national lottery	1 gambling service provider, 4 casinos, 1 national lottery	No	No designated authority
Dealers in precious metals and stones	36 (including 27 purchasing offices and 9 authorization holders)	No	No designated authority
Real estate developers	157 <sup>1/</sup>	No	No designated authority
Corporate and trust consultancy providers	NP <sup>2/</sup>	No	No designated authority
Auditors	NP	No	No designated authority
1/ In 2017.			
2/ This activity (which is not a profession in itself) is mainly conducted by lawyers.			

**108. SRBs for lawyers, notaries, public accountants, justice commissioners, and court administrators, have been designated as the AML/CFT supervisory authorities.** This designation is the result of Ordinance No. 2022-237 of 30 March 2022, on the applicable AML/CFT/PF administrative sanctions regime, as well as the supervision of reporting entities, published in the official gazette on June 16, 2022, thus before the end of the on-site visit. However, these SRBs had not yet started their activities.

### **Non-Profit Organizations (NPOs)**

**109. NPOs, as defined by the AML/CFT Law, have the same legal form as associations, of which they are a sub-category. Associations are governed by Law No. 1960-315 of September 1960 on associations.** Associations that meet the definition of NPO are subject to the AML/CFT Law, which imposes a number of additional obligations they must meet. As of end-December 2020, the number of registered NPOs in Côte d'Ivoire reached 8,630. The NRA has concluded to a “very high” risk related to religious NPOs’ activities and their potential abuse for TF purposes, but neither the nature of the threats on NPOs emanating from terrorist entities nor the manner in which terrorist actors are susceptible to abuse them have been examined – and no proven case has been documented. NPOs are thus considered of moderate importance in the context of this assessment.

### **Preventive Measures**

**110. The AML/CFT Law is the main legal AML/CFT instrument in Côte d'Ivoire.** This Law nationally transposes Directive No. 02/2015/CM/UEMOA of July 2, 2015, related to AML/CFT. In terms of scope, this Law outlines the obligations of reporting entities, the preventive measures to be taken, as well as the sanctions to be imposed. In addition to the AML/CFT Law, competent regulatory or supervisory authorities have taken more specific measures, particularly regulations, instructions, and circulars, aimed at providing a more accurate framework for the implementation of AML/CFT activities within their field of competence. Furthermore, the BCEAO has drafted texts for credit institutions, DFSs, and EMLs, in particular, Instruction No. 007/09/2017 which sets out the rules of implementation of the Uniform AML/CFT Law by FIs in WAEMU member States, Instruction No. 008/09/2017 which sets out a threshold for the declaration of cash and bearer negotiable instruments (BNIs) transported across the border, whether incoming or outgoing, Instruction No. 009/09/2017 which sets the threshold for the payment of debt using cash or BNIs, and Instruction No. 010/09/2017 which sets a threshold amount for the reporting of cash transactions to the FIU, all dated 25 September 2017. Moreover, Ordinance No. 2009-385 of 1 December 2009 related to banking regulation, outlines the licensing requirements for FIs, with regard to their directors and officers. Finally, Regulation No. 09/2010/UEMOA of 1 October 2010 and its implementing instructions, in relation to the foreign financial relations of WAEMU member States, set the framework for transfer and foreign exchange operations.

**111. In the mobile money sector, the terms and conditions for exercising the activity of mobile money issuers are governed by Instruction No. 008-02-2015.** As for financial market actors, those are governed by Instruction No. 59/2019/CREPMF of 30 September 2019, while insurance sector actors are subject to Regulation No. 0001/CIMA/PCMA/PCE/SG/2021.

**112. The enforcement of targeted financial sanctions is governed by the AML/CFT Law, as well as Decree No. 2018-439 of May 3, 2018, related to the implementation of targeted sanctions linked to terrorism and proliferation, Order No. 2018-214 of May 9, 2018 on the responsibilities, composition, and functioning of the Consultative Commission on Administrative Freezing, and Inter-Ministerial Order No. 2022-278 of March 8, 2022, which**

**sets the terms for the dissemination of TFS linked to TF and WMD proliferation.** FIs under BCEAO supervision are governed by Regulation No. 14/2002/CM/UEMOA on the freezing of funds and other financial resources in the countering terrorist financing, specifically in the implementation of Resolution 1267.

## Legal Persons and Arrangements

**113. In Côte d'Ivoire, the categories of legal persons and arrangements that may be established are those set out in the revised OHADA Uniform Act, related to the commercial company and economic interest grouping Law of January 30, 2014.** Commercial companies or economic interest groupings (EIGs) may be created based on this Uniform Act. The former particularly includes general partnerships (SNC) and limited partnerships (SCS). These two types of companies are not required to have auditors unless they are of a certain size, namely: public limited liability companies (PLLC) whose share capital is set at a minimum of 10 million XOF (USD 16,000), simplified joint-stock companies (simplified JSCs) with a free and variable capital, and limited liability companies (LLC) with a capital of at least 1 million XOF (USD 1,600).

**114. It is worth noting that these three company categories (PLLC, Simplified JSC, LLC) can be formed by a single associate.** Even legal arrangements created abroad have legal effect and are subject to the AML/CFT Law as they can hold assets in Côte d'Ivoire. However, they are not listed by the authorities to this date. Where applicable, legal and accounting professionals subject to AML/CFT measures are required to identify the BOs and parties behind such legal arrangements, when managing these assets.

**115. The main categories of legal persons registered in Côte d'Ivoire are listed in the below table.**

**Table 1.4. Côte d'Ivoire: Main Categories of Legal Persons<sup>1/</sup>**

Type of Legal Person	Number
Partnerships	160,456
Commercial companies	60,422
Cooperatives	5,844
Joint-stock companies	2,900
Civil companies	1,053
<i>(Including real estate companies)</i>	773
Associations	834
NGOs	482
Joint ownerships	326

1/ As of 27 May 2022.

## Institutional Supervision and Control Mechanisms

### *FIs*

**116. The AML/CFT supervision of FIs is handled by several institutions, notably the WAMU Banking Commission.**

**117. The BCEAO, the BC/GSBC, and the MEF – by delegation – are in charge of supervising banks, financial companies, banking financial institutions, and EMIs. For banks, the BC is the main supervisory authority, as stipulated by Article 1 of the 2007 WAMU Convention.** Under Article 21 of the 2017 Annex to the same Convention, however, the BC may delegate the supervision of reporting entities to the Central Bank or to the MEF. FX bureaus are subject to BCEAO and MEF supervision, but no authority has AML/CFT jurisdiction.

**118. With regard to DFSs (financial institutions mainly aimed at providing financial services to individuals who generally have no access to bank operations – deposits, loans, and signed commitments),** under the provisions of Article 44 of the law regulating DFSs and Central Bank Instruction No. 007-06-2010, *“The Central Bank and the Banking Commission shall ensure, upon informing the Minister, the supervision of all decentralized financial systems with an activity level of two (2) billion XOF<sup>23</sup> in outstanding deposits or loans after two consecutive fiscal years”*. The MEF DRSSFD, in turn, oversees small DFSs.

**119. The CREPMF supervises capital market actors.**

**120. The CIMA, through the Regional Commission for Insurance Supervision (CRCA) and the MEF’s Insurance Department, supervises insurance companies and brokers.**

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<sup>23</sup> Equivalent to USD 3.2 million.

**Table 1.5. Côte d'Ivoire: Licensing, Regulatory, and Supervisory Authorities for FIs in Côte d'Ivoire**

Institution Type	Regulatory/Licensing Authorities	Supervisory/Monitoring Authorities
<b>Credit institutions</b>	BCEAO BC/GSBC	BC/GSBC BCEAO Minister of Finance
<b>Financial companies</b>	BCEAO CB/SGCB	BC/GSBC BCEAO Minister of Finance
<b>Capital market actors (brokers, traders, and portfolio managers)</b>	Minister of Finance CREPMF	Minister of Finance CREPMF
<b>Insurance (companies and brokers)</b>	Minister of Finance (DA) CRCA	Minister of Finance (Directorate of Insurance) (DA) CRCA
<b>Microfinance institutions (decentralized financial systems)</b>	Minister of Finance (DRSSFD) BCEAO	Minister of Finance (DRSSFD) BCEAO BC/GSBC
<b>Licensed foreign exchange bureaus</b>	Minister of Finance BCEAO	Minister of Finance BCEAO
<b>Fast money transfer companies</b>	Banks and DFSs (Mandate)	BCEAO Minister of Finance
<b>Mobile money institutions</b>	BCEAO	BCEAO BC/GSBC
<b>Postal financial services</b>	Ministry of Finance	Minister of Finance

***DNFBPs and NPOs***

**121. At the AML/CFT level, the supervision of DNFBPs is partially provided for since the adoption of Ordinance No. 2022-237 of March 30, 2022 (published in the official gazette on the June 16, 2022, thus before the end of the on-site visit) which addresses the applicable administrative sanctions regime in the countering ML/TF/PF and organizes the supervision of reporting entities.** This ordinance confers upon the self-regulatory bodies of DNFBPs (where available) the title of AML/CFT supervisory authority. Therefore, it covers lawyers, notaries, court administrators, judicial representatives, and chartered accountants. On the other hand, casinos and gaming establishments, real estate agents and developers, dealers in precious metals and stones, auditors, and company and trust consultancy providers, do not have an AML/CFT supervisory authority to this day.

**122. No competent authority had been designated by the end of the on-site visit for the supervision of NPOs, with the aim of combating TF.**

## International Cooperation

**123. The economy of Côte d'Ivoire ranks first in the WAEMU zone, with significant financial flows to and from WAEMU States, and outside the subregion.** To a lesser extent, it faces the threat of financial flows linked to other criminal activities such as scams, including online scams. From a TF perspective, Côte d'Ivoire has recently been under significant pressure from terrorist groups which are active in West Africa and seeking new sources of supply. France, Spain, and Mali are among the biggest international cooperation partners with Côte d'Ivoire.<sup>24</sup>

**124. Comments on international cooperation received from seven countries are generally positive with regard to the quality of provided information.** However, they do note that assistance provided by Ivorian authorities is often slow.

**125. Formal international cooperation is ensured through the Directorate of Civil and Criminal Affairs (DACP),** which is considered as the central authority within the Ministry of Justice in charge of receiving all requests before referring them to the competent agencies and centralizing all national requests or responses before referring them to the concerned countries. Informal international cooperation is ensured through central channels similar to those of INTERPOL, the FIU, or HABG.

## NATIONAL AML/CFT POLICIES AND COORDINATION

### A. Key Findings

- Authorities have a good understanding of the main ML/TF vulnerabilities, and generally share the same perception of major ML threats, including corruption and drug trafficking. Due to the lack of sufficient statistical data, however, this perception is not based upon a systematic analysis of the criminal activities in question, and the proceeds they generate. Subsequently, the actual level of the various ML threats cannot be estimated. Moreover, the authorities have an insufficient understanding of external ML threats, despite Côte d'Ivoire's central position in the regional economy.
- While certain ML typologies have been identified, such as those related to the real estate sector, authorities have not demonstrated an understanding of the materiality of money laundering methods used. This limitation relates to – inter alia – the role of legal persons, the financial sector, DNFBPs, and cross-border flows (both formal and informal) and constitutes an obstacle to the adoption of a risk-based approach.
- Authorities perceive the TF risk as high, considering the significant vulnerabilities, such as the porous borders and the large size of the informal economy. However, due to the lack of data on TF, this risk is not sufficiently distinguished from the terrorism risk, and knowledge of TF and self-financing methods remains limited. Moreover, analytical efforts by the authorities are

<sup>24</sup> Based on the analysis of the latest data on international letters rogatory.

almost exclusively focused on the financing of terrorist acts which the country has fallen victim to, and rarely account for other types of TF.

- The response to certain risks deemed high, particularly those related to corruption, the real estate sector, the porous borders, and the informal sector, is recent. The authorities have adopted a national AML/CFT strategy and action plan, some initial measures of which have been put in place. The establishment of the PPEF has also allowed for strengthening the enforcement component of AML/CFT, and targeted training on TF indicators has been provided to the representatives of sectors deemed vulnerable. To date, the risk assessment has neither been utilized to adapt the preventive measures that the accountable sectors are supposed to implement, nor to guide the supervisory activities. However, measures such as the recent designation of SRBs for certain DNFBPs (See IO.3), as well as the preliminary awareness-raising efforts for DNFBPs regarding their obligations, are designed to mitigate some of the vulnerabilities identified for these sectors. Other measures are also being developed.
- The Coordination Committee has managed to bring authorities together to address ML/TF at the strategic level, as shown by the work accomplished as part of the NRA. Operational ML coordination is facilitated by interactions between the FIU and the majority of authorities involved in AML/CFT or in sectors deemed vulnerable. However, authorities have not made full use of the available mechanisms, and coordination does not extend to all relevant actors, and supervisory authorities in particular.
- The NRA findings have been the subject of communications and several awareness-raising workshops directed at reporting entities. These activities have resulted in increased awareness in certain sectors, particularly among DNFBPs, of ML risks they are faced with. Their practical impact, however, is hampered by the absence of typology analyses in the NRA.

## B. Recommendations

Côte d'Ivoire should:

- Bolster recent efforts related to the collection of statistics, notably through the operationalization of the national AML/CFT/CPF statistics service, provided for by an Order dating from 2018.
- Develop an understanding of tangible ML risks through typological analyses which would allow for grasping the materiality of ML methods employed in Côte d'Ivoire. This analysis must specifically account for risks related to the central position that Côte d'Ivoire occupies in the regional economy, and to the business agents (*agents d'affaires*) sector. It can build upon the work achieved as part of the NRA and analytical work carried out by the PPEF and will strengthen future sectoral assessments.

- Integrate the analysis of financial flows and AML objectives into the strategies aimed at combating predicate offenses identified as ML threats (including illegal gold mining, drug trafficking, and corruption).
- Improve its understanding of TF risks, particularly by further leveraging counter-terrorism intelligence, and addressing other forms of TF, beyond the financing of terrorist acts targeting Côte d'Ivoire.
- Ensure implementation of the planned preventive measures in response to ML/TF priority risks, including risks linked to corruption.
- Strengthen measures aimed at mitigating ML risks in the real estate sector (particularly by designating a supervisory authority, and setting a ceiling for cash use), ML/TF risks in relation to the porous borders (for instance, through the computerization and linkage of border police stations) and the informal sector.
- Further involve supervisory authorities in national coordination efforts, mainly by ensuring more substantive exchanges between these authorities and the FIU with regard to the effectiveness of the suspicious activity reporting system
- Promote and increase cooperation and the collaborative approach recently initiated among the competent authorities involved in CFT (including intelligence services, investigative authorities, and criminal prosecution authorities).
- Leverage the understanding of risks in defining the scope of exemptions, simplified measures, and enhanced measures.

### C. Immediate Outcome 1 (Risk, Policy, and Coordination)

#### Country's Understanding of its ML/TF Risks

**126. The authorities adopted their first NRA in May 2020.** This was coordinated by the National Policy Coordination Committee for the Fight against ML, TF, and PF (Coordination Committee), created in 2014 with the mandate to identify, assess, understand, and mitigate relevant risks.

**127. The NRA is the result of an inclusive process, involving the majority of competent authorities as well as representatives of the private sector.** Certain authorities - such as the Registry of the Commercial Court of Abidjan or the Center for Development and Investment (CDI) - were not, however, involved in these efforts. Several representatives of reporting entities indicated that they had answered the questionnaire drawn up by the National Statistics Institute as part of the NRA. However, the overall response rate to the questionnaire was low due to the lack of sufficient quantitative data.

**128. More broadly, the understanding of risks suffers from the lack of data or estimates that would make it possible to quantify them and measure their developments.** Authorities have recognized the absence of systematic data as a shortcoming and have made some efforts to address it. Thus, a number of authorities were able to produce some figures on their recent activities pertaining to the aforementioned evaluation. Additionally, the Coordination Committee collaborated with the National Institute of Statistics to hold a series of workshops aimed at promoting statistic keeping in two high-risk areas: TF and environmental crime. Provided they are implemented and extended to other areas, these initiatives should improve the availability of reliable AML/CFT statistics, thus bolstering comparative analysis and the prioritization of risks.

### ***ML Risks***

**129. Authorities generally share a common perception of ML threats linked to the predicate offenses committed in Côte d'Ivoire (see Chapter 1).** Corruption and embezzlement, drug trafficking, tax offenses, cybercrime, and environmental offenses are viewed as the main threats. This observation corresponds to the results of the NRA and seems reasonable given the available information. However, it is not based on a systematic and statistical analysis of these offenses, the proceeds they generate, or their consequences for the country. As a result, the actual level of various ML threats cannot be estimated.

**130. Authorities have a limited understanding of external ML threats despite Côte d'Ivoire's prominent status in the regional economy.** The identification of external threats related to offenses committed abroad and the proceeds of which are likely to be laundered in Côte d'Ivoire is mainly based on requests received by the NCB - INTERPOL. These requests most often relate to theft, followed by fraud and breach of trust. However, this analysis is not complemented by other sources of information that would allow for a better understanding of the risks linked to predicate offenses committed in neighboring countries, given the porous borders and the free movement of goods and people within the region. For example, the threat posed by funds derived from corruption committed in countries of the subregion is not taken into account.

**131. Authorities have identified multiple relevant factors affecting their ability to deal with financial crime, pertaining in particular to the supervisory framework and the size of the informal sector.** They recognize the vulnerabilities posed by the potential corruption of public officials involved in the implementation of the AML/CFT system, particularly within investigative authorities and the judiciary. The majority of authorities are aware of this vulnerability and are able to outline in certain cases the measures undertaken to promote and monitor the integrity of their staff.

**132. Sectoral analyses have identified the risks posed by certain sectors, but risks related to other sectors seem to be underestimated given their relative importance.** It is particularly on the basis of the NRA that authorities indicated they have become aware of the high risks affecting the real estate sector. However, the method used to assess vulnerabilities places significant importance on the regulatory framework, even when its implementation is uneven.

Moreover, vulnerability analysis was not supplemented by an analysis of the materiality of each individual sector. Consequently, authorities seem to underestimate the risks associated with certain regulated sectors such as the banking sector, which represents a large volume of transactions and given its importance, offers possibilities for transferring funds both in the subregion and beyond which are likely to be used in ML or TF schemes.

**133. Authorities have also examined ML risks affecting sectors other than FIs and DNFBPs.** Thus, the coffee-cocoa sector and the transportation sector were selected given their importance in the Ivorian economy as well as the prevalence of cash payments. Furthermore, authorities identify factors that could expose the NPO sector, and foundations in particular, to the risk of exploitation by PEPs for ML purposes. The consideration of these sectors by the Coordination Committee should encourage a response to the risks in question, provided that they are supplemented in the future by a more detailed analysis of the employed ML methods. On the other hand, authorities have not identified ML risks relating to the business agents' sector, which constitutes a gap in the understanding of the risks. According to the texts governing this profession, business agents are entrusted with managing the property of others and facilitating transactions, including in the real estate sector. These activities expose them to greater ML risks seeing as their profession is not expressly subject to the AML/CFT Law.

**134. Although threats and vulnerabilities have been identified, authorities have not demonstrated an understanding of the materiality of the various laundering methods that are employed.** In other words, few details have been provided regarding how the proceeds of major threats are laundered, or the extent to which various vulnerabilities are exploited. This limitation concerns the role of legal persons, the financial sector, DNFBPs (particularly notaries), and cross-border flows (both formal and informal) to name but a few. Similarly, for the aforementioned sectors which are not subject to the AML/CFT Law, authorities have not gone so far as to identify the ML or TF mechanisms which are associated with these sectors and whose proceeds may flow in the banking and finance sectors.

**135. As far as corruption is concerned, authorities have identified the sectors exploited for ML purposes, but do not have a detailed understanding of the typologies.** According to authorities, the proceeds of corruption are mainly reinvested in the real estate sector. However, there does not seem to be a more complete understanding of the most frequent typologies which would make it possible to determine the types of transactions (purchase or construction), the stages of the flows - and therefore the most exposed reporting entities (banks, notaries, lawyers) -, the types of lands or buildings concerned (for example: registered or not, which determines the administrative procedures to be followed), etc. In addition, multiple individuals indicated that a portion of the corruption proceeds were likely to be channeled abroad but did not demonstrate knowledge of the methods used for this purpose.

**136. The same limitation can be observed for other types of predicate offenses generating significant profits in Côte d'Ivoire.** For example, authorities have not developed an understanding of financial flows associated with illegal gold-mining, even though they estimate that its turnover is probably close to that of the formal exploitation of gold resources.

**137. Generally speaking, the understanding of methods is not based on a systematic analysis of trends and typologies. Investigative authorities have an understanding of certain ML methods employed in their respective jurisdiction.** Thus, the PPEF carried out a preliminary study on the involvement of legal persons in the ML cases it handled. However, neither the STRs received by the FIU, nor the ML cases adjudicated have to date been the subject of a systematic and coordinated analysis that would make it possible to identify trends or typologies at the national level.

### ***TF Risks***

**138. The Ivorian authorities perceive the risk of TF as high.** This conclusion is chiefly based on several factors that may contribute to the risk of terrorism, such as inter-community conflicts, the circulation of arms as a result of the country's post-conflict situation, porous borders, and overcrowded prisons. As far as threats are concerned, authorities consider that terrorist groups that pose the most direct threat to Côte d'Ivoire are those belonging to Jama'at Nasr al-Islam wal Muslimin (JNIM), particularly AQIM and the Macina Liberation Front.

**139. Although the analysis of vulnerabilities and sources of threats seems reasonable, knowledge of concrete TF risks remains limited due to the lack of reliable data.** Available intelligence indicates that some terrorist actors are self-financing while others have resorted to theft and the sale of livestock, the significance of which, however, remains unknown beyond this specific case. A number of assumptions have been made by authorities regarding other TF methods (including illegal goldmining or the exploitation of NPOs) but could not be confirmed in practice.

**140. Finally, the authorities' analytical efforts are almost exclusively focused on the financing of terrorist acts that have targeted the country.** They do not sufficiently consider other types of TF, such as the financing of terrorist groups from Côte d'Ivoire - not just those posing a threat to national territory, but also those acting mainly abroad, including in neighboring countries.

### **National Policies to Address Identified ML/TF Risks**

**141. Following the NRA, the Coordination Committee drafted an ambitious National Strategy (NS) (see Chapter 1), the priorities of which are not, however, fully in line with the identified risks.** The strategy, which was backed by an action plan, covers a ten-year period, and includes an adaptation mechanism based on ML/TF trends. The timetable for the measures corresponds to the priority level of most of the risks identified. However, and although corruption has been identified as one of the most significant ML risks, efforts aimed at strengthening due diligence obligations applicable to family members of PEPs are only planned starting 2024. Moreover, measures aimed at addressing the lack of regulatory framework for virtual assets are only planned for 2026, which would not be commensurate with the potential risks of abuse for the aforementioned sector. The NRA indicates that crypto currencies "could facilitate tax evasion,

ML, TF and illegal trafficking of all types due to the anonymous nature of transactions and the lack of regulation”.

**142. As part of the implementation of the NS, a series of measures were taken to deal with the identified risks, and initial results have been encouraging.** The most significant measure as far as the fight against ML is concerned consists of the establishment of the PPEF – in operation since October 2020 - initially within the Court of First Instance of Abidjan. The PPEF is provided with the necessary budget to ensure its proper functioning and was bolstered by the creation of a trial Chamber specializing in financial crime, whose activities kicked off in October 2021. More recently, Law no. 2022-193 of March 11, 2022, enshrined the autonomy of the PPEF as a standalone court. The initial results of the PPEF are encouraging (see Chapter 3) and indicate that this new court responds to certain vulnerabilities of the criminal repression system identified in the NRA.

**143. Authorities have initiated measures in response to sectoral vulnerabilities identified for FX bureaus and DFSs.** The NRA had indeed noted the lack of AML/CFT knowledge among staff members in the aforementioned sectors, as well as the absence of AML/CFT supervision by their respective supervisory authorities. Thus AML/CFT training sessions were held for FX bureaus, DFSs, and, where applicable, their supervisory authorities with the support of the FIU and international partners. Following the training sessions, an AML/CFT standards compliance guide was developed for each of these sectors.

**144. Prior to the NRA, the authorities took a series of measures aimed at mitigating the risks identified in the online gaming and betting sector.** For instance, a legal reform reinforced the control and management monopoly granted to the National Lottery of Côte d'Ivoire (LONACI). As a result, online gambling sites are now prohibited from operating without first obtaining a license granted by LONACI, and online bettors must open non-anonymous accounts. In a parallel effort, the FIU had sensitized the FIs to ML risks in the online gaming and betting sector. Although the data provided does not allow the impact of these measures to be assessed, they nevertheless represent a positive example of a policy aimed at mitigating identified risks.

**145. Other measures taken since the NRA are primarily aimed at countering predicate offenses identified as significant threats, rather than the financial flows associated with the offenses in question.** These measures did not help improve the understanding of associated ML/TF risks but should help mitigate the ML risks by reducing the proceeds of crime generated in Côte d'Ivoire. This observation applies in particular to the Airport Counter-Trafficking Unit (CAAT) established in 2021 in order to provide competent authorities with the information required for the development of strategies and policies to combat drug trafficking, human trafficking, trafficking in precious stones and metals, currency, documents, protected animal and plant species, and combat transnational organized crime, terrorism, and all other forms of illicit traffic, and for the Task Force to Combat Illegal Goldmining (GS-LOI) set up in 2022.

**146. As far as the real estate sector is concerned, authorities have taken recent but incomplete initiatives whose effects could not be measured in practice to date.** Authorities have initiated efforts to raise awareness among the concerned professions and have drawn up relevant guidelines. Additionally, two so-called one-stop shops have been established; one for processing construction permit applications, and the other for land management, and the agents in charge of these new structures have also been made aware of the ML problem. These initiatives, however, are recent. Moreover, other measures remain essential to mitigate the risks. For example, although there is a law that sets a maximum ceiling for cash transactions, there is no implementing decree specifying the amount of this ceiling, and consequently, cash payments - sometimes of considerable amounts - remain frequent in the real estate sector, thus undermining AML efforts. Another issue is that no supervisory authority has been designated for real estate agents. This last observation also applies to other DNFBPs that do not have SRBs (casinos, dealers in precious stones, and dealers in precious metals).

**147. In spite of the positive results achieved by the PPEF, the measures taken in response to corruption risks do not appear to be sufficient,** despite its identification by the authorities as one of the main threats as well as a vulnerability, seeing as it affects the country's ability to effectively combat ML.

**148. The lack of clarity of the institutional framework and overlapping areas of competence are likely to undermine the effectiveness of the anti-corruption mechanism.** The establishment of the Ministry for the Promotion of Good Governance, Capacity Building, and the Fight against Corruption sends a strong message regarding the political will to curb corruption. Since its establishment in 2021, the Ministry has carried out a so-called "punch operation" which led to legal or disciplinary proceedings against 70 public officials accused of corruption in the health and transportation sectors. It also created a new platform allowing citizens to report corrupt activities anonymously. However, the relationship between this Ministry and the pre-existing institutional framework, including the High Authority for Good Governance - an independent administrative authority in charge of directing national efforts against corruption since 2013 - remains unclear.

**149. Other measures aimed at bolstering the fight against large-scale corruption have been dropped or not given priority in the action plan.** For example, a bill on whistleblowers - described as an important measure - had been the focus of workshops held in collaboration with civil society and international partners. The project was eventually abandoned due to an existing law being deemed sufficient. Nevertheless, existing protections were not demonstrated to have been effectively implemented and communicated to their potential beneficiaries. Finally, as previously indicated, other measures aimed at curbing ML risks relating to corruption were not prioritized in the action plan.

**150. In addition to the risks surrounding the real estate sector and corruption, other ML risks that were identified, such as those relating to porous borders and the informal sector, have not been sufficiently addressed by national policies or actions to this day.** However,

additional measures are currently being developed to help secure the border and encourage informal actors to adopt entrepreneurial status.

**151. TF risks have not been dealt with effectively to date given the limited understanding thereof. However, the authorities have undertaken a series of activities to improve the availability of information on the methods and magnitude of TF in Côte d'Ivoire.** Thus, and as per the NS, the Coordination Committee and the FIU held a training workshop on TF risk indicators for the benefit of EMIs, FX bureaus, and MVTs. Per the provided documents, the workshop notably included exchanges on practical cases. Additionally, one of the workshops held by the Coordination Committee in collaboration with the National Institute of Statistics focused on TF-related data. With proper follow-up, these activities could contribute to a better understanding of TF risks in the future.

### **Exemptions, Enhanced, and Simplified Measures**

**152. Authorities did not use the results of the NRA to justify exemptions or enhanced or simplified measures.**

**153. The legislation provides for a number of situations in which reporting entities are required to apply enhanced due diligence measures.** These situations are defined on the basis of FATF Recommendations (banking correspondence, business relationship with PEPs). On the other hand, the risk assessment was not used to enrich the list of situations requiring enhanced measures. Additionally, reporting entities are required to have policies, procedures, and controls in place to respond to the ML/FT/CPF risks identified at the national level (AML/CFT Law, art. 11, para. 3). However, this obligation was not supplemented by guidelines that specify the situations in which reinforced measures were necessary, in light of the understanding of the risks.

**154. As demonstrated by the examples below, the AML/CFT Law defines circumstances in which certain preventive measures do not apply.** However, these exemptions are not based on a risk assessment. Indeed, the AML/CFT Law predates the NRA, which therefore does not serve as a basis for exemptions.

**155. Certain exemptions are likely to promote financial inclusion.** In that sense, mobile money operators are authorized to offer limited services (particularly by virtue of a monthly ceiling) to customers who are not capable of identifying themselves. This exemption appears to be based on a low-risk assessment, even though authorities have not provided the assessment in question. The NS provides for the integration of simplified AML/CFT measures into the national financial inclusion strategy.

**156. On the other hand, other exemptions are extremely broadly defined and could not be linked to a risk assessment.** For example, covered entities are not subject to due diligence obligations provided for in Articles 19 and 20 (Ongoing due diligence obligations for the business relationship and all customer transactions) of the AML/CFT Law when there are no suspicions of ML or TF and that the customer - or, where applicable, the BO of the business relationship - is in

Côte d'Ivoire, another WAEMU Member State, or a third-party state imposing equivalent obligations to combat ML and TF. This exemption does not appear to be applied by FIs in practice. However, the confusion generated by its scope undermines the effectiveness of a risk-based approach and weakens supervisory and sanctioning mechanisms.

## **Objectives and Activities of Competent Authorities**

### ***Law Enforcement Authorities***

**157. The distribution of ML investigations largely reflects the threats identified by the NRA (see Chapter 3).** However, there is no criminal justice policy aimed at prioritizing the prosecution of offenses corresponding to the main threats and associated ML. As a result, ML-related to threats viewed as significant has resulted in few prosecutions or convictions, or even none in the case of environmental crime. The creation of the PPEF is intended to remedy this mismatch regarding corruption.

### ***Financial Intelligence Unit***

**158. The FIU's approach partly corresponds to the understanding of risks but does not sufficiently take certain major threats into account.** The FIU prioritizes STRs relating to TF, religious NPOs, public officials, PEPs, cybercrime, as well as individuals that have been the subject of at least two STRs. However, threats such as environmental crime and drug trafficking, or the vulnerabilities of certain sectors, notably the real estate sector or the agricultural sector, are not sufficiently considered.

**159. Little effort was made to improve the match between identified threats and STRs highlighted by reporting entities.** The FIU has recently undertaken a series of activities to make reporting entities aware of TF indicators (see Chapter 3). On the other hand, it has not published typologies on risks related to the majority of threats present in Côte d'Ivoire, particularly the threat of corruption, or even to certain vulnerable sectors. Such activities seem essential to ensure that the FIU's transmissions better match the country's risk profile in the future.

**160. Finally, the FIU does not make sufficient use of systematic cash transaction reports (CTRs)** even though the use of cash was deemed to be a major vulnerability to ML in sectors such as the real estate sector or the coffee-cocoa sector.

### ***Supervisory Authorities***

**161. In general terms, supervisory authorities do not take ML/TF risks into account sufficiently when defining their activities, whether in the prioritization of entities or in the choice of supervisory measures that need to be applied.** This observation is largely due to the lack of sufficient understanding and identification of these risks.

**162. However, following the NRA, authorities began making efforts to supervise FX bureaus and small DFSs - two vulnerable sectors - although the authority that took these**

**initiatives (DECFinEX) had not yet been clearly designated as the supervisory authority in charge of FX bureaus (see R.26. and Chapter 6).** Thus, supervisory procedures and guidelines were developed by DECFinEx in 2021. These were used for the supervision of 30 FX bureaus and 6 small DFSs in November 2021. However, the aforementioned DFSs and FX Bureaus were chosen based on their turnover and participation in awareness workshops, and not on their risk level.

### ***International Cooperation***

**163. Despite recent successes, the authorities' recourse to international cooperation is generally not in line with the transnational nature of the main threats that were identified.**

The FIU exchanges information with its foreign counterparts as part of its activities and has notably launched a joint operation in the field of environmental control, which was recognized by the Egmont Group in 2020. Additionally, investigative authorities have recorded recent successes in drug trafficking cases involving substantial international cooperation. However, the level of international cooperation is not in line with the transnational threats identified and reflects a limited understanding of external ML threats, despite Côte d'Ivoire's prominent status in the regional economy (see Chapter 1).

### **National Cooperation and Coordination**

**164. The Coordination Committee provides a permanent and adequate framework for consultations between all stakeholders at the strategic level (see R.2).** For instance, the Coordination Committee notably coordinated the NRA and the development of the NS, bringing together over 180 actors from different sectors. The work carried out within the framework of the NRA made it possible to unite authorities around the issue of AML/CFT/CPF and bolstered the efforts undertaken in this area. The Coordination Committee relies, in the execution of its activities, on technical support staff including economists, lawyers, and statisticians. The Coordination Committee also monitors the implementation of the NS priority action plan and has produced a summary document highlighting the status of each recommendation.

**165. Cooperation amongst investigative services is generally good, but coordination is not sufficient to respond to the risks of conflicts of jurisdictions amongst services.** For instance, friction has been noted between the Narcotic and Drug Police Directorate (NDPD) and the Counter Transnational Crime Unit (UCT), whose jurisdictions sometimes overlap. Coordination meetings between investigative services are held on an ad hoc basis around cases of great importance. However, the public prosecutor does not hold periodic meetings allowing for more systematic coordination between ML/TF investigative services (see Chapter 3).

**166. Operational coordination in AML matters is facilitated by bilateral exchanges between the FIU and the majority of authorities involved.** These exchanges are supported by a network of correspondents within the aforementioned authorities, even though the FIU does not seem to have made full use of this communication channel to date. Similarly, although investigative authorities have the power to request information from the FIU, the provided statistics indicate that they do not make sufficient use of it.

**167. The FIU also cooperates with other authorities responsible for sectors viewed as vulnerable, including the Ministry of Mines, Petroleum, and Energy.** Thus, the General Directorate of Mines and Geology (GDMG) asks the FIU to carry out financial investigations on applicants for authorization and licensing requests for the purchase and sale of gold and rough diamonds. Following the FIU's advice on 138 dossiers, 13 were rejected between 2019 and 2021. The GDMG recently decided to extend this consultation procedure to all licensing requests it receives. The FIU is also called upon by the Brigade for the Repression of Infractions of the Mining Code. On the other hand, it makes little use of the information it receives to advance its own analyses.

**168. The participation of supervisory authorities in national coordination is limited.** Despite the provision of the quarterly lists of received STRs and follow-up performed, the FIU and supervisory authorities do not exchange other information, particularly with regard to the quality of the STRs and implementation deficiencies as far as reporting suspicions is concerned. Moreover, there are no discussions between the FIU and the aforementioned authorities on emerging trends in ML and TF.

**169. Cooperation agreements between the FIU and the BCEAO, and between the FIU and the CREPMF, were signed at the beginning of 2022.** Furthermore, the DECFinEx, which supervises FX bureaus in practice, cooperates on an ad hoc basis with the customs authority in responding to ML risks linked to the use of cash, but this cooperation has not yet been formalized. Supervisory authorities cooperate with each other for certain aspects only, such as authorizations, but not to develop a better understanding of the risks. Operational cooperation in the fight against TF is less developed. Recent efforts have made it possible to bolster the financial aspect of anti-terrorism investigations; however, counter-terrorism intelligence is not fully exploited to support CFT efforts, including the designation of terrorists or the development of typologies by the FIU.

**170. The CCGA is the operational coordination mechanism for proposing designations for targeted financial sanctions.** This mechanism has only been used once in the context of TF and once in the context of PF, which does not allow to verify the effectiveness of the aforementioned coordination. Moreover, the two designations have not proven to be effective (see Chapter 4).

### **Private Sector's Awareness of Risks**

**171. The authorities communicated the results of the NRA to reporting entities via competent professional associations.** They also organized workshops aimed at providing an overview of the NRA findings to FIs and DNFBPs. The vast majority of the stakeholders took part in these workshops and are aware of the relevant conclusions. Other awareness sessions focused on areas identified as high risk, as indicated above.

**172. The authorities also held workshops targeting sectors identified as posing higher risks: foreign exchange bureaus, EMIs, and DFSs.** These workshops focused on the

vulnerabilities of each of the sectors concerned, the obligations of reporting entities, as well as AML/CFT management and internal control procedures.

**173. These awareness-raising activities have enabled certain sectors - particularly among DNFBPs - to become aware of the risks they face and of their AML/CFT obligations.** Due to the limitations of the NRA, such as the low number of typologies, for instance, the impact of the workshops seems more limited in sectors which already had a basic knowledge of major vulnerabilities and threats.

## D. Conclusions on IO. 1

**174. The authorities have identified high risk sectors and the major domestic ML/TF threats.** However, they did not demonstrate a detailed understanding of the money laundering and TF methods used in practice. This deficiency relates notably to cross-border financial flows, the financial sector, and corruption.

**175. The authorities have adopted an ambitious National Strategy in response to the risks identified and have already implemented some of its measures.** For instance, the PPEF was strengthened and has obtained encouraging results. Furthermore, the authorities have conducted outreach to several categories of DNFBPs which had a poor understanding of their AML/CFT obligations. On the other hand, the understanding of risk was not used to adapt the preventive measures that the reporting sectors are required to apply, nor to regulate the use of cash in the real estate sector. Furthermore, it did not guide the actions of the financial sector's supervisory authorities or SRBs (the latter having only been designated during the on-site visit). Significant improvements are therefore still required in order to implement a risk-based approach.

**176. Côte d'Ivoire is rated as having a Moderate level of effectiveness for IO.1.**

# LEGAL SYSTEM AND OPERATIONAL ISSUES

## A. Key Findings

### Immediate Outcome 6

- The timely production of financial intelligence by the FIU features several deficiencies due to: the uneven distribution and completeness of STRs, an entirely manual information collection and analysis process, an obsolete computer system, the absence of an analytical tool, and the lack of human resources.
- The PPEF and some investigative authorities use financial intelligence and other information appropriately to develop evidence and trace the proceeds of crime. Other investigative authorities, however, despite their strategic role in combating the main threats, make little use of financial intelligence and other relevant information to investigate ML, predicate offenses,

and TF cases. Generally speaking, the PPEF and investigative authorities make little use of the information they can proactively obtain from the FIU and their counterparts abroad to investigate ML, predicate offenses, and TF cases.

- The PPEF, which is the main recipient of disseminations by the FIU, views the latter as a valuable source of information, and the aforementioned disseminations have enabled it to deliver significant results in terms of ML convictions and confiscations. However, the absence of disseminations of financial intelligence relating to TF and other major threats in Côte d'Ivoire constitutes a strategic deficiency. Moreover, the financial analyses conducted by the FIU are generally not sophisticated enough to trigger or support complex ML investigations.
- The FIU produces limited elaborate strategic analyses. Furthermore, targeted typologies that can support the different categories of reporting entities in identifying suspicions, consistent with the ML/TF risks specific to their activities, are rare.
- The FIU pays special attention to the physical protection of its data, but its reception, communication, and dissemination channels are not specifically secured.

### **Immediate Outcome 7**

- A modern legal framework provides Côte d'Ivoire with a solid basis for prosecuting offenses, and since the PPEF was created in 2020, the ML offense has been prosecuted and judged in a more systematic manner within a court which now enjoys nation-wide jurisdiction for these offenses and for predicate offenses of particular seriousness or complexity. 270 ML cases have been filed at the PPEF, 52 sentencing decisions for ML have been imposed since 2020, and about as many are pending. However, the authorities responsible for public policies have not really played their role of defining and driving criminal justice policy on ML/TF.
- Out of a number of investigative services that have jurisdiction over ML investigations, it is the DPEF that is most often tasked with criminal investigations by the judicial authorities, as well as the UCT. These services have extensive judicial police powers but make very little use of the special investigative techniques authorized by law, with the exception of certain electronic surveillance operations.
- Statistics show a certain match between prosecuted cases and threats identified by the NRA; however, cases related to corruption have until recently given rise to very few prosecutions or convictions, despite the systemic nature of this crime. The establishment of the HABG, which is in charge of investigations in this area but has only referred nine cases to the prosecution since its establishment, has not had the expected effects. Other offenses identified as priority threats - such as those relating to environmental crime and tax evasion - are insufficiently prosecuted.
- The ML offense is now targeted in two thirds of the cases filed at the PPEF for profit-generating offenses but is prosecuted as a separate offense only in the case of reports from

the FIU, when the predicate offense could not be identified. The prosecution's public policy does not seek to open parallel investigations for ML, especially since the cases prosecuted are mostly self-laundering cases, i.e., cases where the perpetrator is also the perpetrator of the predicate offense. This policy, while understandable, may impact the effectiveness of prosecutions and the ability to pursue the financial and asset-related aspects of investigations.

- Investigations rarely look for international ramifications of ML offenses and predicate offenses or the existence of proceeds of crime abroad. Despite the existence of well-established transnational crime, the international aspects of the investigations are under-exploited, except in cases where investigations were initiated by foreign investigative services.
- The prosecution and sentencing rate is high, with a large majority of investigations launched in the PPEF leading to prosecutions, and the sentences issued by the PPEF's trial court are for the most part effective, proportionate, and dissuasive. On a number of occasions, the court issued ML convictions in cases where proof of the predicate offense could not be provided. Criminal proceedings were initiated against legal persons in 46 cases concerning 70 legal persons, and four convictions were handed down.

### **Immediate Outcome 8**

- Judicial authorities have well integrated the provisions relating to confiscation and have made confiscation a priority focus of their actions, by issuing such decisions in the vast majority of ML convictions. Confiscation orders of equivalent value and complex confiscation orders have been issued as well as confiscation of assets of legal persons. The confiscation orders issued target a wide variety of assets such as hotels, bank accounts, lands, a vessel and even insurance policies, and in some cases involve very large amounts.
- The establishment of the AGRAC and PPEF is a strong signal from government authorities. Although the latter have not made the seizure and confiscation of proceeds of crime a priority in their criminal justice policy, the judicial authorities, on the other hand, have made them the core of their action. The renewed legal framework of the AML/CFT Law broadly provides for seizure and confiscation. The possibility of confiscating the instruments of the offenses is limited to ML and predicate offenses identified as the most serious threats.
- The AGRAC, which was established at the beginning of the on-site visit, will be a valuable tool to support the efforts of judges and will promote the use of confiscation. Until 2021, this function was carried out by the Judicial Treasury Agency within the framework of the provisions regarding the fight against corruption, but it has not proved its effectiveness, with the number of cases managed by the aforementioned institution having remained limited when compared to the total number of seizures and confiscations.
- More systematic reliance on international cooperation in matters of confiscation would be likely to give a very broad scope to the action of the PPEF. Indeed, despite the transnational

nature of most cases entrusted to the PPEF, Côte d'Ivoire makes very little use of MLA in matters of seizure or confiscation of proceeds from ML or predicate offenses with a foreign element. This definitely impacts the efficiency of the judicial system given the limited duration of investigations in the event of pre-trial detention and the judges' lack of familiarity with formal and informal mechanisms of judicial cooperation.

- Cash confiscations at the border are not really proportionate to the risks associated with cash circulation in an economy largely geared towards cash payments, despite the large confiscations that were made occasionally.
- The confiscations ordered are commensurate with the major threats identified, apart from the proceeds of certain criminal activities that are rarely prosecuted, such as tax evasion, or environmental offenses, which are rarely the subject of confiscation orders.
- No confiscations have been issued on TF, given the absence of cases brought to trial, and therefore of convictions, in this area. Cases of corruption or similar offenses could give rise to higher confiscation amounts given the prevalence of these offenses.

## B. Recommendations

### Immediate Outcome 6

Côte d'Ivoire should:

- Conduct a comprehensive update of the FIU's IT system in order to fully secure the receipt of STRs, their processing - including the collection of information - and the dissemination of financial intelligence.
- Invest in analytical tools for the FIU and provide the unit with sufficient human resources to allow it to make up for the delay in processing STRs, improve the complexity of its financial analyses, and place a greater focus on strategic analysis.
- Ensure that all investigative authorities systematically prioritize the use of financial intelligence and other information in their investigations of ML, predicate offenses, and TF and better incorporate in their investigations financial intelligence that they may obtain from the FIU and their foreign counterparts including in the development of evidence, as well as the search for the proceeds of crime.
- Ensure that the FIU invests in feedback to reporting entities and develops guidelines, typologies, and targeted red flags to correct inequalities in the distribution and completeness of STRs, particularly for sectors where inherent ML/TF risk is high.
- Ensure that disseminations and exchanges by the FIU are carried out in a completely secure manner.

**Immediate Outcome 7**

Côte d'Ivoire should:

- Promote a comprehensive criminal justice policy to combat ML and ensure its consistent and systematic implementation by the Public Prosecutor for all offenses generating criminal profits identified by the NRA, particularly corruption, environmental offenses, and tax evasion. This policy must materialize through the development by both the Ministry of Justice and the Public Prosecutor of policy circulars, guidelines, or practical guides on the priorities, coordination, and supervision of investigative services, the legal aspects of investigation, prosecution, and sentences, and through a training policy for all actors.
- Develop and implement an ambitious and voluntary policy to prosecute and convict the perpetrators of corruption. This policy should better articulate the roles and responsibilities of various agencies and judicial authorities, make a more systematic use of parallel financial investigations, utilize the full spectrum of special investigative techniques to improve the search for evidence - such as image capture and electronic surveillance - and implement proactive investigative techniques. The policy should also seek to significantly promote the identification, investigation, prosecution, and conviction of ML-related proceeds of corruption.
- Place the ML offense at the heart of the fight against organized crime by making it the engine of investigations against profit-generating offenses, particularly by deepening the asset-related aspect of investigations, systematizing investigations and prosecutions against legal persons used for the commission of offenses and developing the use of independent ML investigations. Instructions must be given to investigative services in this sense, and the number of standalone investigations and parallel financial investigations must be increased.
- Allocate the necessary means to the investigation, prosecution, and adjudication authorities to allow them to deal with the extension of the PPEF's jurisdiction, and provide training, including related to parallel financial investigations, to all relevant actors. The number of PPEF judges and staff should be commensurate with the evolution of their workload, and suitable premises should be allocated to them. The training of investigative authorities on the legal aspects of ML and the implementation of special investigative techniques should also be reinforced.
- Make the coordination of investigative agencies more effective under the Public Prosecutor's authority. Regular meetings must be held in order to sensitize investigative bodies to the legal framework and provide feedback on investigation follow-up and the legal difficulties faced by the trial court due to investigation gaps. Criminal intelligence must be promoted through mechanisms allowing the systematic exchange and analysis of information between investigative services.

- Raise the awareness of PPEF magistrates and train them in international mutual criminal assistance in order to significantly increase the number of international investigations, through formal or informal international cooperation, by separating the case where necessary to launch a parallel financial investigation on international aspects.

### **Immediate Outcome 8**

Côte d'Ivoire should:

- Improve the legal framework to correct certain deficiencies identified in the provisions on confiscation and align the legal framework for seizure and confiscation as a whole with the AML/CFT Law in order to apply it to all profit-generating offenses, to extend it to the instrumentalities of the offense and clarify provisions on confiscation of corresponding value. The new law could, in order to provide Côte d'Ivoire with a robust framework, define the cases and conditions for the seizure of assets with a view to confiscation and include innovative provisional measures such as restraint or freezing orders. It could also provide for the possibility of post-conviction investigations to locate confiscated assets and follow up on MLA requests for the purpose of confiscation.
- Promote a comprehensive criminal justice policy to support the NRA's findings through a general circular on the implementation of these measures. The conditions for seizure and confiscation must be clarified in guidance intended for investigation, prosecution, and adjudication authorities to ensure their effective implementation. An ambitious training policy is also needed for the relevant actors with continuous updates.
- Increase the number of seizures and confiscations abroad by systematically seeking the existence of proceeds of crime outside the national territory in all investigations that give reason to believe that assets may be located abroad, by resorting to informal cooperation followed by requests for mutual legal assistance. Informal judicial cooperation must rely on the resources of the FIU, INTERPOL, the CARIN asset recovery network, or liaison judges, to enable targeted and effective mutual legal assistance requests. Requests addressed to Côte d'Ivoire must be processed without delay, and judges must be better trained in mutual legal assistance.
- Strengthen the management and recovery of criminal assets through the AGRAC. The judicial authority must entrust all seized and confiscated funds to this Agency. Funds from confiscations should be allocated on a priority basis towards bolstering the capabilities of investigation, prosecution, and adjudication agencies, as well as AGRAC. Furthermore, safeguards must be put in place to ensure that seized or confiscated assets allocated to State services are not subject to abuse or misappropriation.
- Strengthen cash confiscations at the border by relying on financial or criminal intelligence and the appropriate technical means. These efforts should extend to all air, land and sea borders, and data must be collected at the national level to ensure oversight and monitoring.

## C. Immediate Outcome 6 (Financial Intelligence)

### Use of Financial Intelligence and Other Information

#### *The FIU*

**177. The FIU has access to a wide range of information. The sources of information that are directly accessible are systematically consulted upon receipt of STRs and Currency Transaction Reports (CTRs).** However, the IT system does not allow the FIU to automatically integrate the received reports into its database or to consult directly accessible sources of information in a consolidated manner. The reception, collection, and processing of data are performed manually, which considerably increases the operational workload of the FIU and causes significant delays in the processing of received STRs. Between 2017 and 2021, the FIU received 2,303 STRs, disseminated 285, and had provisionally classified 490. By the end of 2021, 1,528 of the STRs that were received were still being analyzed, including 80 percent of STRs received in 2017, 70 percent of STRs received in 2018, 81.8 percent of STRs received in 2019, 35.3 percent of STRs received in 2020, and 67.4 percent of STRs received in 2021. It is concerning that the large majority of STRs received in 2017, 2018 and 2019 were still being analyzed by end-2021 and during the on-site visit in June 2022.

**Table 3.1. Côte d'Ivoire: Information Requests and Requisitions Submitted to Other Competent Authorities and Foreign Counterparts, and Information Requests Received by the FIU**

(Source: FIU)

Year	International information requests sent	National information requests sent	Requisitions sent to LEAs	Total national IRs and requisitions	Information requests received	
					International	National
2017	32	33	13	<b>46</b>	33	13
2018	13	20	14	<b>34</b>	24	10
2019	24	64	50	<b>114</b>	34	39
2020	37	92	60	<b>152</b>	15	55
2021	26	54	49	<b>103</b>	8	56
<b>Total</b>	<b>132</b>	<b>263</b>	<b>186</b>	<b>449</b>	<b>114</b>	<b>173</b>

**178. The FIU may obtain – upon request or requisition – information from law enforcement authorities (LEAs), the Treasury, the General Tax Directorate (DGI) and its Registration, Land Conservation, and Stamp Department (DECFT), the Côte d'Ivoire Telecommunications Regulatory Authority (ARTCI), the National Civil Status and Identification Office (ONECI), and commercial courts.** The above statistics show, however, that the number of requests and requisitions submitted to national authorities remains modest

compared to the number of received STRs. For instance, in addition to the information included in INTERPOL files, the FIU does not often request additional information from law enforcement to support its operational analyses, as demonstrated by the 186 requisitions sent to LEAs over a period of five years. This approach considerably limits the Unit's ability to identify ML, predicate offenses and TF. Furthermore, a majority of the 263 information requests submitted to administrative authorities were addressed to the DGI and DECFT, and the recourse to information from other agencies is limited. Although the authorities indicate that response times from national authorities can easily go up to one month, the 243 requests and requisitions (about 54.1 percent of requests and requisitions submitted) that remained pending at the time of the on-site visit suggest that the responses times can be much longer. However, in the event of an emergency, the FIU is able to obtain a response within a much shorter period (generally within 24 hours).

**179. The FIU also requested financial intelligence and other information from its foreign counterparts in order to enrich its analyses.** Over the past five years, the unit made 132 requests to its counterparts, 82 of which were made as part of the processing of STRs, while the other 50 were made at the request of other competent authorities.

### *The PPEF*

**180. Just like the FIU, the PPEF has access to a wealth of financial intelligence and other information. It has access - upon request or requisition - to information held by national authorities.** It can also use judicial warrants to obtain information held by private sector entities, which cooperate in a satisfactory manner with the PPEF as demonstrated by statistics. However, the collection of information from DNFBPs is almost non-existent.

**181. The PPEF relies on the FIU as an important source of financial intelligence.** Each dissemination from the FIU systematically leads to the opening of a ML investigation. By the end of May 2022, out of the 270 ML cases registered with the PPEF, 112 were opened following a dissemination by the FIU (see IO.7).<sup>25</sup>

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<sup>25</sup> The FIU has made 148 disseminations and has clarified that one dissemination can involve several STRs, and notably that 285 STRs have been disseminated. However, available data does not allow to ascertain whether the 112 cases recorded by the PPEF correspond to the 148 disseminations made by the FIU. It is possible that the PPEF did not receive all disseminations made by the FIU to the Public Prosecutor, before the PPEF started its activities in October 2020.

Total cases opened based on FIU disseminations	112
Cases being processed	38
Cases referred to Correctional Police (ORPC) including:	63
- Adjudicated cases	50
o Cases involving asset confiscation	40
o Cases under appeal	1
- Cases currently being adjudicated	13
Dismissed cases	11

**182. The FIU's disseminations generally include a summary or an overview of the main transactions on the accounts identified in the report and are often accompanied by account statements that are ready for use.** In addition, they contain information obtained from national authorities, which facilitates the collection of additional information, where necessary. As far as the other cases opened with the PPEF are concerned, access to information held by public authorities and FIs is almost systematic. Although the PPEF also has the power to liaise with the FIU in order to obtain information, the statistics of the latter do not indicate that this type of request has been made in practice.

### ***Investigative Authorities***

**183. Investigative authorities, for their part, do not all make use of financial intelligence for the purpose of identifying and locating assets.** Although statistics show that the DPEF and SRG regularly request financial intelligence and other information to support their investigations, other investigative authorities with a strategic role in combating the main ML/TF threats in Côte d'Ivoire, including the HABG and UCT, make little use of the financial intelligence that they can obtain (via judicial warrants) from the private sector.<sup>26</sup> The HABG and UCT have declared that they prefer sending requests for information to the FIU and asking the unit to collect information from FIs. However, investigative authorities made little use of their privileged power which allows them to request financial intelligence and other information from the FIU (see Table 3.1 above). Of the 173 requests for information sent by national authorities to the FIU between 2017 and 2021, 138 were sent to it by the DGMG as part of a DNFBP activity approval/authorization procedure (see Chapter 6).

<sup>26</sup> Over a period of five years (between 2017 and 2021), the HABG submitted a total of 54 requests to banks, while, while the UCT submitted 33.

**184. Despite the transnational nature of major threats, investigative authorities make little** proactive use of the exchange of information and financial intelligence with foreign counterparts (see CI.7.3 and Chapter 8).

**185. Additionally, the use of financial intelligence remains very limited in the fight against TF** and does not seem to be an integral part of the response to TF and terrorism, even though these threats are viewed as high (see NRA, Chapters 1, 2 and 4).

### ***Tax Authorities***

**186. Tax authorities use a wide range of financial intelligence to support their investigations into tax offenses.** The DGI relies on a service dedicated to the collection and analysis of financial intelligence which benefits from privileged access to banking information.<sup>27</sup> However, the DGI is only authorized to apply administrative measures and does not have the competence to deal with ML investigations related to tax offenses. Additionally, authorities consider that the levied administrative sanctions are sufficiently dissuasive, and that there is no need to refer the case to the Public Prosecutor in order to initiate parallel criminal proceedings in most cases. Consequently, the information is not used to support parallel financial investigations on potential ML cases connected with tax offenses. This also explains the limited number of ML investigations and prosecutions stemming from tax evasion (see IO.7).

### **STRs Received and Requested by Competent Authorities**

#### ***STRs and Information Received from Reporting Entities***

This analysis must be read in conjunction with the analysis of the implementation of reporting obligations in the event of suspicion (see Chapter 5).

**187. The FIU receives two types of reports from reporting entities: “subjective” reports (STRs) based on suspicions of ML and TF, and “objective” reports (CTRs) based on thresholds (see table 3.3 below).** All STRs and CTRs require manual entry into the FIU’s database. Since 2016, FIs are also obligated to submit information on fund transfers in cash or mobile money. However, due to the lack of a BCEAO instruction on the conditions and modalities for submitting such information, this requirement is still not implemented, which deprives the FIU from an important and relevant source of information.

**188. The implementation of the reporting obligation by FIs is still imperfect and almost non-existent for DNFBPs (see Table 5.1 on the number of STRs by type of reporting entity and Table 3.4).** The FIU has never received STRs from a large majority of FIs and nearly all DNFBPs. Despite improvements in bank reports observed in recent years (58.3 percent of STRs), the implementation of the obligation to declare suspicious transactions remains quite variable

<sup>27</sup> Banks and other financial institutions must provide the tax administration, on a quarterly basis and without prior request, with information on fund transfers exceeding 5 million XOF (Tax Procedures Book – LPF, art. 56).

and only partially corresponds to the ML/TF risks associated with the sector (see IO.4). In addition to the STRs submitted by the banking sector, almost all of the STRs received from the DFS sector (37.5 percent of STRs) were made by a single DFS. Authorities have also indicated that a large majority of these STRs were attributable to the reporting entity's lack of understanding of the difference between STRs and CTRs.

**Table 3.3. Côte d'Ivoire: Number of STRs and CTRs**

(Source: FIU)

Report type	Years					TOTAL
	2017	2018	2019	2020	2021	
<b>STRs</b>	234	364	631	506	568	2,303
<b>CTRs</b>	00	74	144.145	385.388	345.663	875.270

**189. The FIU considers that received STRs are of good quality and enable it to accomplish its mission.** However, some deficiencies should be noted, particularly their inadequacy to the main threats in Côte d'Ivoire. Very few STRs have thus been submitted in connection with predicate offenses such as drug trafficking, corruption (and similar offenses), and environmental crime. Furthermore, the number of STRs related to TF is very limited. This observation is indicative of a lack of understanding of ML/TF risks and the precise description of the suspected illegal activity by reporting entities (see Chapter 5).

**Table 3.4. Côte d'Ivoire: Number of Received STRs by Nature of Suspicion**

(Source: FIU)

Type of Suspicion	2017	2018	2019	2020	2021	TOTAL
Money laundering	139	34	50	198	163	654
Terrorist financing	3	3	3	2	1	12
Drug trafficking	0	1	3	1	1	6
Scamming	17	20	16	6	7	66
Tax fraud	3	17	22	26	103	171
Credit card fraud	0	0	1	0	0	1
Fraud	0	0	9	26	29	64
Corruption and embezzlement	0	1	3	0	6	10
Questionable bank guarantee	0	0	0	0	0	0
Cybercrime	32	35	71	16	18	172
Wildlife trafficking	0	2	0	1	0	3
Human trafficking	0	0	1	0	0	1
Unlawful recycling of funds into share capital	1	0	0	0	0	1
Unlawful recycling of funds in real estate	1	0	0	0	0	1
Sums or transactions resulting from an offense or misdemeanor	6	243	435	219	228	1,131
Questionable business practices	0	7	0	0	0	7
Forgery and use of false documents	4	1	10	11	6	32
Fraudulent financial arrangements	30	0	0	0	0	30
Misuse of corporate assets	0	0	7	1	6	14
Fraudulent checks	0	0	0	0	0	0
<b>Total</b>	<b>236</b>	<b>364</b>	<b>631</b>	<b>507</b>	<b>568</b>	<b>2,306</b>

**190. The authorities' commitment towards reporting entities to improve reporting activity has not proved sufficient.** Although the FIU carried out awareness-raising actions with reporting entities following the NRA and provided occasional feedback to certain FIs on the completeness of their STRs. The majority of reporting entities we met during the on-site visit voiced the need for more frequent and targeted engagement with the FIU. The FIU has not yet put in place a feedback strategy on the quality and usefulness of STRs, nor has it produced typologies specifically dedicated to supporting the various categories of reporting entities in the identification of suspicions that are specific to their activities, products, and services.

**191. Despite the limited feedback, the FIU often requests additional information from banks in order to support its own analyses and respond to requests from national and foreign authorities (see CI.6.1—Table 3.1 above), thus allowing to fill some of STR gaps identified above to some extent. Banks promptly provide the requested information (with a**

**one-week delay on average and even less in case of emergency).** The use of the Unit's legal power to liaise with DNFBPs is limited (36 requisitions between 2017 and 2021 out of a total 2,143 requisitions—see Table 3.4 below), despite the noted vulnerability of this sector (see NRA).

**Table 3.5. Côte d'Ivoire: Requisitions Sent by FIU to Reporting Entities**

(Source: FIU)

Year	Number of Requisitions
2017	330
2018	223
2019	414
2020	747
2021	429
<b>Total</b>	<b>2,143</b>

### ***Reports by Supervisory Authorities and the DGAT***

**192. Supervisory authorities do not make use of their ability to report to the FIU (see R.29), and therefore, do not contribute to the development of financial intelligence.**

Breaches of the obligation to report suspicions have not yet been communicated to the FIU.<sup>28</sup> Furthermore, the obligation imposed on the DGAT to report to the FIU certain donations in favor of an NPO has not yet been implemented.

### ***Reports Relating to the Cross-Border Transportation of Cash and BNIs***

**193. The FIU receives the data relating to the declarations of cross-border transportation of cash and bearer negotiable instruments (BNIs) made at the Abidjan airport in an automated and secure manner.** Although the DGD makes this information available to the FIU, the latter has not yet used it adequately to support its operational analysis of STRs or to conduct strategic analyses in this area, despite the risks of ML/TF linked to cross-border transportation of cash and BNIs (see Chapter 1). Furthermore, the data received does not extend to checkpoints other than that at the Abidjan airport.

<sup>28</sup> The AML/CFT Law, art. 75 para. 2, requires supervisory authorities and professional bodies when, in the performance of their functions, they discover facts likely to be linked to ML or TF, to inform the FIU which, where necessary, treats such information as STRs.

### **Reports Received by the DGI**

**194. The DGI receives quarterly information on international bank transfers with a value exceeding 5 million XOF (USD 8,000) and on all accounts opened by a legal person or an individual entrepreneur via FIs.** However, information on these transfers, which constitute a valuable source of information, is not used proactively to detect irregularities between these cross-border transfers and the provided justifications, nor to better understand the associated risks (see Chapter 2).

### **Operational Needs Supported by FIU Analysis and Dissemination**

**195. The processing of STRs, CTRs, and other information is completely manual due to the lack of an advanced IT system, analytical tools to facilitate operational and strategic analyses, and sufficient human resources.** The FIU is headed by a President who is assisted by five statutory members delegated by a number of competent Ivorian authorities who together form the Members' Commission. Statutory members are delegated by several competent Ivorian authorities, particularly the Ministries of Justice (one person), Security (two people), and Finance (one person), as well as the BCEAO (one person). From its workforce totaling 36 technical and administrative staff members, seven experienced employees are specifically dedicated to operational analyses (Analysis and National Cooperation Department - DACN) and investigations.<sup>29</sup> Additionally, two individuals from the Intelligence and Strategy Department (DRS) are dedicated to strategic analyses. The FIU receives STRs in Word/PDF format via encrypted e-mail and receives CTRs automatically.

### **Operational Analysis**

**196. The FIU is in no position to systematically develop financial intelligence in a timely manner.** Table 3.6 below shows that the Unit is facing significant delays as far as operational analysis is concerned (see also the analysis of CI.6.1).

**Table 3.6. Côte d'Ivoire: Number of STRs Received, Under Analysis, Classified, and Disseminated**

Reports	Years					TOTAL
	2017	2018	2019	2020	2021	
<b>Reports received</b>	234	364	631	506	568	2,303
<b>Reports under analysis</b>	189	261	516	179	383	1,528

<sup>29</sup> See organizational chart. The FIU is not an investigative authority (see R.30), and analyses and investigations constitute the analytical process in place for the production of financial intelligence (see R.29). Investigators are tasked with collecting information needed by analysts to carry out their operational analysis.

**Table 3.6. Côte d'Ivoire: Number of STRs Received, Under Analysis, Classified, and Disseminated (concluded)**

<b>Reports classified provisionally</b>	26	80	91	273	20	490
<b>Reports disseminated<sup>1/</sup> (STRs linked to such disseminations)</b>	19 (76)	24 (34)	30 (53)	55 (82)	20 (39)	148 (285)

1/ The number of disseminated reports and that of submitted STRs are not cumulative. A dissemination report is generally based on several STRs. For instance, in 2017, the FIU disseminated 19 reports (financial intelligence) related to 76 STRs.

**197. Since its creation, the FIU has set up a process to launch and conduct operational analyses.** This process is long and complicated with referrals between the various departments within the Unit. Additionally, the involvement of statutory members at each stage of the processing of a STR or other information (i.e., the prioritization of received STRs and requests, decisions on the collection of information, the examination of received information, etc.) weighs down the analytical process.

**198. The prioritization of STRs is made by the President and statutory members based upon criteria that are largely aligned with the main ML/TF threats (see NRA whose analysis was largely based on the STRs received by the FIU—see Chapters 1 and 2).** Thus, priority is given to STRs relating to TF, religious NPOs, public officials, PEPs, and cybercrime. Additionally, STRs relating to transactions whose execution is imminent or has been suspended are processed without delay. Priority is also given to STRs relating to persons and entities that have already been the subject of at least two reports).

**199. The FIU has access to a wide range of information (see. CI.6.1), but all requested information, whether provided by the private sector or by other authorities, is received in hard copy, thus significantly reducing the speed and efficiency of the analysis process.** Without a technical tool for data mining, CTRs are not adequately analyzed and used to maximize operational analysis and inform strategic analysis. Moreover, the FIU makes little use of the information included in information requests submitted by the DGMG to advance its own analyses (see Chapter 2).

**200. The FIU has made very effective use of its power to suspend the execution of a transaction for a maximum of 48 hours in order to allow prosecution authorities to take provisional measures.** Between 2017 and 2021, the FIU exercised this power 48 times. These objections were all associated with the dissemination of financial information, and each of them was followed by a sequestration at the judicial level. They have thus enabled the country to obtain results in terms of confiscations (see IO.8). Predicate offenses targeted by these 48

disseminations were illicit enrichment, scamming (including cybercrime), illicit betting over communication networks, and embezzlement of public funds, crimes which correspond to the priorities of authorities.

**201. Despite the significant challenges described above, the FIU was able to disseminate financial intelligence in 148 instances, and the number of convictions and associated confiscations is significant (see. 6.1).**<sup>30</sup> The PPEF considers that financial intelligence produced by the FIU constitutes a good basis for informing its investigations, and the obtained results testify to the usefulness of these disseminations, including in the search for the proceeds of crime. Additionally, the FIU received the Egmont Best Case Award for one of its disseminations, which proves that its added value is also appreciated at the international level (see IO.2).<sup>31</sup>

**202. With very few exceptions, dissemination reports consulted by the assessment mission do not highlight an elaborate financial analysis and are generally limited to a summary or an overview of the main transactions on the accounts of concerned parties without the identification of the counterparts of these transactions.** This observation is also reinforced by the fact that the FIU's disseminations do not appear to have triggered investigations of complex ML cases (see IO.7). Furthermore, the 148 disseminations of financial intelligence stemming from 285 STRs are only partially related to the main threats in Côte d'Ivoire (see Table 3.7). Most of this financial information was disseminated in relation to scamming (52 percent), which is viewed as a priority by the country and its authorities. Disseminations related to corruption and similar offenses<sup>32</sup> (8.8 percent) and those related to tax evasion (6 percent) remain very modest given the extent of these phenomena in Côte d'Ivoire. The proportion of disseminations for illicit drug trafficking (1.3 percent) is minimal, although this is one of the main threats facing Côte d'Ivoire. In addition, no disseminations submitted to the PPEF were linked to TF (see Chapter 4) or environmental crime - two offenses viewed as major threats.

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<sup>30</sup> Available data does not allow for distinguishing between spontaneous dissemination and dissemination upon the request of other authorities.

<sup>31</sup> [https://egmontgroup.org/wp-content/uploads/2022/01/2021-Financial.Analysis.Cases\\_2014-2020-3.pdf](https://egmontgroup.org/wp-content/uploads/2022/01/2021-Financial.Analysis.Cases_2014-2020-3.pdf) - Case 24)

<sup>32</sup> Illicit enrichment and misappropriation of public funds.

**Table 3.7. Côte d'Ivoire: Number of Dissemination Reports by Predicate Offense**

Offense	2017	2018	2019	2020	2021	Total
Money laundering	5	2	5	5	2	19
Scams	11	19	10	28	9	77
Tax fraud	2	0	3	1	3	9
Cybercrime	0	0	0	0	0	0
Unauthorized purchase and sale of raw gold	0	0	0	0	1	1
Illicit enrichment	0	3	2	3	3	11
Breach of trust	0	0	0	0	1	1
Misappropriation of public funds	0	0	0	0	1	1
Embezzlement	0	0	0	0	0	0
Corruption	1	0	0	0	0	1
Illegal betting over communication networks	0	0	9	16	0	25
Illicit drug trafficking	0	0	1	1	0	2
Forgery and use of forged items	0	0	0	0	0	
Illegal gambling bets	0	0	0	1	0	1
<b>Total</b>	19	24	30	55	20	148

**203. The FIU has also developed and disseminated financial intelligence at the request of other competent authorities.** Part of the Unit's responses to the 173 requests received from other competent authorities (see CI.6.1—Table 3.1) can be viewed as transmissions upon request even if they were not communicated to prosecution authorities. The DGMG—which is the main recipient of these on-demand disseminations—believes this financial information to be quite useful for informing its operational activities, particularly its licensing process (see Chapter 6).

### **Strategic Analysis**

**204. Given the lack of a data mining tool, STRs and CTRs are insufficiently exploited to adequately support strategic analysis.** The ad hoc production of strategic analysis does not really identify typologies. The analysis pertaining to the identification of ML/TF activities through legal persons was limited to quantitative analysis (statistics) and did not give rise to the production or dissemination of typologies and other indicators enabling authorities and reporting entities to better understand and identify ML/TF risks associated with legal persons (see IO.5).

Finally, ML-related memos dubbed “strategic” were essentially issued with a view to informing the national authorities on an ad hoc basis of large-scale fraud or scam schemes.

**205. The FIU has developed very few typologies to help FIs and DNFBPs identify suspicious transactions that correspond to the main ML/TF threats.** For instance, a memo addressed to EMIs informed these reporting entities that their financial services are likely to be used for TF purposes but did not contain any description of a modus operandi or concrete cases in order to help the aforementioned reporting entities detect potentially suspicious transactions. However, typologies, trends, and red flags would fill an important gap that weighs significantly on the effectiveness of preventive measures and prevents Côte d'Ivoire from taking full advantage of efforts made in recent years to raise private sector awareness on AML/CFT. It would also provide the FIU the opportunity to strengthen the effectiveness of its operational analyses (see above).

### **Cooperation and Exchange of Financial Information/Financial Intelligence; Confidentiality**

**206. There have been several initiatives that facilitate cooperation and continuous dialogue amongst competent authorities (see. Chapter 2),** and the FIU constitutes a driving force for coordination and cooperation on AML/CFT.

**207. The FIU collaborates with other competent authorities on a regular basis and has created a network of correspondents within these authorities.** Furthermore, the statutory members specialized in the fight against financial crime seconded to the FIU strengthen this cooperation and facilitate the Unit's access to information held by their original institutions, including informally (see CI.6.1). The FIU indicated that it did not encounter any difficulties in the exchange of information with other national authorities, and the latter said they were very satisfied with their cooperation with the unit. However, there are reasons to doubt the efficiency of such cooperation to support the FIU's analytical work, given that a majority of requests and requisitions submitted to the national authorities have remained unanswered (see CI. 6.2).

**208. At the time of the on-site visit, the FIU and supervisory authorities had not yet exchanged information on the quantity and usefulness of STRs, nor on the shortcomings identified in the implementation of the obligation to report suspicions.** Additionally, no discussion between the FIU and supervisory authorities on emerging ML and TF trends had taken place at the time of the on-site visit. In order to facilitate this type of exchange, cooperation agreements between the FIU and the BCEAO, and between the Unit and the CREPMF were signed in early 2022. Since then, the FIU and the BCEAO have exchanged information that was mainly relevant to the identification of bank accounts.

**209. The FIU pays special attention to the physical protection of data in its possession.** The Unit's offices are protected, its server is isolated in a highly secure room, and information and documents relating to STRs are kept in safes. The exchange of information with foreign FIUs takes place via the secure network of the Egmont Group. Similarly, a system for the secure transfer of data relating to reports on cross-border movements of cash and BNIs has recently been put in

place. However, exchange of information with competent authorities as well as the dissemination of financial intelligence to the Public Prosecutor are not carried out via dedicated and secure channels. Furthermore, the assessment team identified that certain memos related to scams seem to have been addressed to the Minister of Finance, including a memo including a request for instructions on possible objections to be made by the FIU. The assessment team understands the need for rapid action in the face of large-scale criminal phenomena to the detriment of the Ivorian population and the State, but it must be pointed out that a possible repetition of such action risks compromising the autonomy of the FIU.

## D. Conclusions on IO. 6

**210. The PPEF and some investigative authorities use financial intelligence and other information appropriately to develop evidence and trace the proceeds of crime.** Other investigative authorities with a strategic role in combating the main threats, however, make little use of financial intelligence and other information to investigate on ML, predicate offenses, and TF. In general, the PPEF and investigative authorities do not make sufficient use of financial intelligence that they could obtain from the FIU and foreign sources.

**211. The FIU's ability to conduct in-depth operational and strategic analyses in a timely manner is reduced due to: the uneven distribution and completeness of STRs, the limited recourse to national authorities to enrich its financial analyses, its obsolete IT system, as well as its entirely manual reporting, analysis, and dissemination practices, and insufficient human resources.** Despite the significant challenges it faces, the FIU has disseminated financial intelligence that was met with the appreciation of the PPEF and other competent authorities. This financial intelligence has enabled the PPEF to deliver notable results in terms of ML convictions and confiscations. However, these disseminations only partially correspond to major ML/TF threats in Côte d'Ivoire, and no TF-related financial intelligence was disseminated, which constitutes a strategic deficiency. Moreover, the FIU's disseminations do not include elaborate financial analysis, and have generally not triggered complex ML investigations. Additionally, the FIU's disseminations do not demonstrate an elaborate financial analysis and have generally not triggered investigations related to complex ML cases. Finally, the one-off production of strategic analysis does not really make it possible to establish useful typologies for the operational needs of competent authorities and reporting entities. This shortcoming weighs significantly on the implementation of preventive measures by reporting entities, including the identification of suspicions.

**212. Although the FIU plays an essential role in national cooperation and coordination, the fact that a majority of requests and requisitions it has submitted to national authorities have still remain pending raises doubts on the efficiency of its cooperation efforts to support the FIU's analytical work.** Moreover, at the time of the on-site visit, cooperation between the FIU and supervisory authorities remained very limited.

**213. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 6.**

## E. Immediate Outcome 7 (Money Laundering Investigations and Prosecutions)

**214. The modern legal framework resulting from the uniform law provides Côte d'Ivoire with a solid foundation for the prosecution of ML/TF offenses (see R.3).** The broad definition of offenses and criminal profits, in addition to extensive investigative powers and dissuasive sanctions, are important assets for an effective fight.

### ML Identification and Investigations

**215. The number of ML cases identified each year is relatively low, however, compared to the number of profit-generating offenses,<sup>33</sup> but a very clear positive trend has been noted in recent years. 270 ML cases have been opened since 2017, averaging around 50 per year.**

In most cases, these cases follow an investigation into a predicate offense, and do not give rise to a parallel financial investigation. The only cases in which a case of money laundering has been detected autonomously (14) are the investigations opened following a report from the FIU or a confiscation of cash whose origin is unknown. Certain predicate offenses, particularly on drug trafficking, have been identified thanks to information provided by foreign investigative agencies. Authorities did not report any ML cases identified thanks to international cooperation with foreign investigative agencies, apart from cooperation between financial intelligence units.

<b>Table 3.8. Côte d'Ivoire: Statistics on Cases Prosecuted before the PPEF for ML and Predicate Offenses</b>	
Number of cases opened at the PPEF as of May 27, 2022	404
<b>ML/TF cases opened (out of the above)</b>	<b>270</b>
Number of cases referred to court	163
Number of cases that have been the subject of a dismissal order	37
<i>Prosecution rate (referred cases/number of cases closed)</i>	<i>81%</i>
Number of cases awaiting trial	41
Number of adjudicated cases	115
Number of cases in which an acquittal decision was ordered	9
<i>Conviction rate (number of convictions/total number of cases)</i>	<i>92%</i>

**216. Investigations initiated by the PPEF rely mainly on information disseminated by the FIU to identify cases of ML/TF. In statistical terms, even if the FIU only submits to the prosecution a limited number of reports, it remains the agency that has provided the majority of the 404 cases that were opened since 2017, along with the DPEF.** The PPEF entertains very close relations with the FIU, which is viewed as a privileged counterpart in the

<sup>33</sup> The NRA estimates the number of profit-generating offenses at 48,688 between 2013 and 2018, averaging out to around 10,000 per year. However, the vast majority of such offenses does not lead to laundering.

exchange of information. The prosecution ensures that the FIU is kept informed of investigation follow-up, even if this information needs to be more detailed.

**Table 3.9. Côte d'Ivoire: Origin of Cases Opened at the PPEF as of May 27, 2022**

Total number of cases opened at the PPEF	404
Cases received from the FIU	112
Cases received from the Economic and Financial Police Directorate	99
Complaints with civil action	75
Cases received from Criminal Police	31
Cases received from the Research Section	34
Cases received from the DITT	12
Cases received from the DPSD	11
Cases received from Customs	8
Cases received from the UCT	9
Cases received from the HABG	3

**217. The Public Prosecutor's Office plays a pivotal role in directing and conducting preliminary investigations.** The latter are conducted by judicial police officers (OPJ) under the supervision and direction of the Public Prosecutor (CPC, art. 23 and 25), who exercises effective control as long as a judicial investigation was not opened and entrusted to an investigating judge. In this case, this power of direction and control is exercised by the investigating judge who has more extensive prerogatives (CPC, art. 98). There are four courts of appeal in Côte d'Ivoire,<sup>34</sup> and 13 courts of first instance, including the Economic and Financial Crimes Tribunal (PPEF). As far as the Public Prosecutor is concerned, there are four attorney generals (one per appeal court) and 12 public prosecutors,<sup>35</sup> each of whom carries out their duties independently.

**218. The establishment of a specialized court for economic and financial crimes in October 2020 has enhanced the efficiency and coordination of ML/TF investigations and prosecutions.** These investigations, hitherto handled by each of the various territorial courts, have been grouped together within the PPEF, whose powers have been reinforced by Law No. 22-193 of March 11, 2022. The PPEF is made up of six magistrates, including five investigating judges and a vice president of the Abidjan court of first instance who oversees it, and its prosecution, headed by an assistant prosecutor from this same court, includes four substitutes. It is assisted by a team of clerks and administrative assistants.

**219. Since the March 2022 Law was issued, the PPEF has constituted an autonomous court with its own budget and national jurisdiction for all economic and financial offenses of particular gravity or complexity.** This jurisdiction is very extensive seeing as these offenses

<sup>34</sup> In addition to a commercial appeals court, which does not handle criminal cases.

<sup>35</sup> With the PPEF Public Prosecutor's Office under the direction of the Abidjan Public Prosecutor.

include, for instance, environmental crime or offenses relating to precious metals, and the definition of seriousness and particular complexity<sup>36</sup> gives it jurisdiction in very broad cases.

**220. The establishment of the PPEF allows for a more uniform implementation of criminal justice policy on AML/CFT by specialized magistrates experienced in these types of investigations. This increase in skill level will depend on the efforts that will continue to be made to offer targeted training to all members of the prosecution and the courts.** These training courses have so far been conducted as part of the UNODC's CRIMJUST project, the OCWAR-M project funded by the European Union, or the project led by Expertise France, and relate to the investigation of complex cases of ML/TF or corruption, or criminal asset seizure.

**221. The establishment of the PPEF has already had a very positive impact on the overall capacity of the country to investigate ML/TF cases.** At the time of its establishment in 2020, the PPEF had inherited a portfolio of 213 cases, some of which dated back to 2017. The portfolio of ongoing cases at the PPEF then doubled between 2020 and May 2022, rising to 404 cases as of May 27, 2022. The ML offense, which is now systematically targeted in the investigation of cases relating to profit-driven crime, represents two-thirds of the cases monitored by the PPEF. The specialization of magistrates allows them to deal with more complex cases, hence launching more prosecutions against legal persons or "autonomous" money laundering cases.

**222. The Economic and Financial Police Directorate (DPEF) is, along with the Counter Transnational Crime Unit (UCT), the agency most involved in ML/TF investigations.** For investigations into ML offenses, the Directorate employs 13 investigators divided into three sections: the AML/CFT Section, the AML and Predicate Offenses Section, and the AML and Tax Fraud Section. These specialized investigators undergo regular training to hone their skills.

**223. Other specialized investigation agencies are involved in ML/TF investigations and predicate offenses, particularly the Directorate of Information Technology and Technological Tracing (DITT), the Research Section of the National Gendarmerie, the Drugs Unit of the National Gendarmerie, the Criminal Police Directorate, the Narcotic and Drug Police Directorate, the UCT,<sup>37</sup> the HABG, the Narcotic and Drug Brigade of the Ivorian Customs, the Customs Investigations Directorate, the Anti-Mining Code Violations Squad, and since August 2021, the GS-LOI (see Chapter 1 Risk and Context).** The choice of agency is up to the prosecutor depending on the nature and importance of the case, which ensures sound interaction among the various agencies.

**224. Cooperation among specialized investigative agencies is generally good, but the PPEF Prosecutor's Office does not sufficiently coordinate their action yet.** The close relations

<sup>36</sup> Art. 5 of the Law: plurality of perpetrators or victims, commission within the jurisdiction of more than one court, transnational nature of the offense, financial flows exceeding 100 million XOF, gravity of the consequences of the offenses, or significance of ensuing damages.

<sup>37</sup> The UCT, operational since 2017, is an inter-ministerial agency comprising one hundred police, Gendarmerie, Customs, Water and Forests, and maritime police officers. It is imbued with powers covering all cases related to organized transnational crime.

it maintains with the specialized units of investigative agencies (DPEF, gendarmerie, customs, HABG, etc.) are likely to improve coordination among services and the effectiveness of investigations. Each investigation department has a focal point among the prosecutors to whom it reports on cases. Meetings are organized on an ad hoc basis for the follow-up of investigations of particular importance, but the prosecutor does not hold regular meetings for the agencies to coordinate their action or present the public action priorities of the prosecution or the points of interest in their investigations, which may limit their effectiveness. Some investigative agencies have decried the lack of such coordination meetings, given the points of friction, or even conflicts of jurisdiction. On the other hand, in addition to direct relations with the heads of various agencies, the prosecutor visits the premises of investigative agencies to entertain exchanges and provide instructions for State action.

**225. Preliminary investigations, the average duration of which is approximately three months according to authorities, systematically give rise to the opening of judicial investigations.** To date, of the 404 cases opened, 200 are under consideration or investigation, 37 have been the subject of a dismissal order, and 163 have been referred to the criminal court, of which 115 have been adjudicated. The average duration of inquiry is 18 months according to authorities – a relatively short duration for generally complex cases, which is explained by the limited duration of pre-trial detention and the absence of thorough investigations in terms of asset identification.<sup>38</sup>

**226. The HABG has significant anti-corruption investigative powers. One of its missions is indeed to “investigate corrupt practices, identify the alleged perpetrators, and initiate proceedings”.** It is informed by means of complaints or reports but can also be informed ex officio. If the facts justify it, an investigation is opened, and the public prosecutor is informed. Following the investigation, the case is forwarded to the Public Prosecutor of the PPEF. If the facts are not likely to justify the opening of an investigation, the request is closed following consultations with the Public Prosecutor.

**227. The HABG has not, however, demonstrated the effectiveness of its system in terms of identification and investigation.** The HABG Investigations and Prosecutions Department has so far received 780 cases since 2017, which have resulted in the opening of 54 investigations. Since its establishment, only nine cases have been transmitted to the prosecution following fruitful investigations<sup>39</sup> – a rather meager result by a service operating since 2015.

**228. Specialized police departments open asset investigations in all cases, but these investigations are not separate from the main investigation in the form of parallel financial investigations.** The Public Prosecutor’s Office has chosen in principle to keep the investigation of the predicate offense and the financial investigation in the same case, which allows for supplying the entire file with elements collected in each aspect of the investigation. This approach has the

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<sup>38</sup> See below.

<sup>39</sup> For its part, the PPEF reports having received 3 cases, one of which was closed by virtue of a dismissal order. It would be beneficial to know the fate of the remaining cases.

advantage of giving more weight to proceedings, and has made it possible, for example, in a certain number of cases prosecuted before the PPEF, to have an ML defendant recognized as guilty, after being acquitted by the court for the predicate offense as sufficient evidence of this offense could not be collected.

**229. However, this approach limits their ability to identify and thoroughly investigate financing networks, particularly at the international level.**

**230. Due to a lack of resources and training, investigative agencies make little use of special investigation techniques, which undermines their ability to independently identify ML/TF cases.** Investigators have extensive powers (see R.30/31) but are unaccustomed to the use of technological means, electronic surveillance, image and sound capture, network infiltration, etc. and, therefore, vary rarely use these methods. However, authorities have used controlled delivery measures in at least three successful cases. They can rely on the technical support of the Directorate of Information Technology and Technological Tracing (DITT), an investigative service specializing in planting electronic surveillance equipment (geolocation, sound system, messaging).

**231. In conclusion, multiple efforts have been made to structure the agencies, with the establishment of sections or specialized services within investigative agencies, and the establishment of new structures such as the UCT and the Task Force to Combat Illegal Goldmining (GS-LOI) as well as the PPEF.** These efforts have made it possible to professionalize and specialize personnel. The figures also reflect a clear rise in the number of opened ML investigations, with an excellent dynamic led by a PPEF which has found its place and has given new impetus to the fight against ML/TF. It remains to be seen whether this dynamic will continue in the long term, especially since the scope of powers conferred by the new law to the PPEF risks saturating it quickly, unless there is a rapid and significant increase in its resources.

### **Consistency of ML Investigations and Prosecutions with Threats and Risk Profile, and National AML Policies**

**232. The authorities have not set national priorities in terms of criminal justice policy to combat financial crime and ML/TF.** In order to harmonize criminal response and ensure the implementation of the government's criminal justice policy, the Minister of Justice may issue instructions via circulars to attorney generals and public prosecutors. No criminal justice policy circulars have been issued on AML/CFT. There is therefore no impetus at the political level of criminal justice policy in this area. The Attorney General and the Prosecutor of Abidjan, the only competent individuals henceforth at the national level for the aforementioned investigations, are therefore responsible for determining the priority that should be assigned to this area.

**233. The absence of criminal justice policy guidelines to identify and implement criminal justice priorities is likely to undermine the effectiveness of investigations and prosecutions and their consistency with the country's risk profile.** Investigators and magistrates do not have the tools to support the action of the agencies, such as practical guides on asset

investigations. Better coordination of investigation services by the Public Prosecutor's Office through periodic public action meetings, and awareness of the legal and procedural aspects of ML/TF investigations, should help bolster the effectiveness of their actions.

**234. The establishment of the PPEF has, however, improved the consistency of investigations and prosecutions with the threats and risk profile of the country.** At the time of its establishment in 2020, the PPEF portfolio, inherited from the previous situation, hardly reflected the reality of the threats (there were no records of corruption or environmental crime, for instance). As of May 2022, on the other hand, the PPEF had been tasked with a total of 404 cases, including 86 cases of corruption and similar offenses,<sup>40</sup> 244 economic offenses (fraud, breach of trust, etc.), 68 cybercrime cases, 21 drug trafficking cases, and eight environmental crime cases (illegal goldmining). Of all these cases, 273 cases included ML, while five cases included TF. These figures are more in line with the threats identified in the NRA, and the number of prosecutions targeting legal persons (46 since 2020 concerning 70 legal persons) displays a significant change.

#### Box 1. Case Study: Example of an Investigation into a Pyramid Scheme

- a) Between 2016 and 2017, a number of individuals separately created companies claiming to be specialized in agricultural activities and offered the population "turnkey" plantations. People paid a certain amount of money into accounts opened in most commercial banks in Côte d'Ivoire, expecting to receive a return on investment of around 200 to 500 percent of their down payment. These companies made customers believe that they had enough arable land to carry out these activities and an international commercial circuit to buy back their entire production and guarantee customers satisfactory remuneration.
- b) The investigation consisted of interviewing certain managers and staff members of the companies in question, as well as customers. It also gave rise to field investigations to assess the existence of said companies and the reality of the activities announced, and to collect information from public and private entities (Banks, Land Registry, QUIPUX, SICTA, etc.) in order to identify bank accounts and assets linked to the companies and managers in question.
- c) The investigation showed that the agribusiness companies did not operate large plots and had no distribution network. The companies remunerated the first subscribers with the funds paid by the following subscribers, in the manner of a PONZI pyramid and, the point of non-payment was reached as soon as the number of subscribers had radically decreased.
- d) Managing Directors and managers of these companies were prosecuted for fraud and money laundering. Several defendants were arrested and referred to the Public Prosecutor's Office at the Court of First Instance of Abidjan Plateau.
- e) The procedure also allowed for the seizure of agricultural equipment and products and a sum of just over 24,000,000,000 XOF (USD 38.4 million) placed under judicial control.
- f) Two of the managers who were questioned were sentenced to 20 years in prison and fines of 24 billion and 142 billion XOF respectively. Additionally, the court ordered the confiscation of several properties, bank accounts, and vehicles, and ordered the dissolution of two companies and the closure of their premises.

<sup>40</sup> Illicit enrichment, misappropriation, etc.

**235. However, the nature of the investigations and prosecutions does not reflect all the identified threats.** Thus, all of the cases of environmental crime prosecuted by the PPEF relate to illegal goldmining. However, other forms of environmental crime that are likely to generate significant profits, such as the trafficking of endangered species and illegal logging, are predominant in the country. As such, 28 cases of trafficking in protected species have been identified by authorities in various jurisdictions in the country, including two since the on-site visit, but none were the subject of an ML investigation, and have therefore not been entrusted to the PPEF.

Category of Offense	Number of Cases
Total cases of ML/TF and predicate offenses	273
Cases of ordinary economic offenses (breach of trust, fraud, theft, forgery, and use of forged items, etc.)	167
Cybercrime cases	50
Cases of corruption and related offenses	27
Drug trafficking cases	20
Cases of embezzlement of public funds	10
Cases of breaches of the financial relations regulations of WAEMU member States	8
Exploitation of mineral substances without a mining title, prospecting, research, exploitation, illegal marketing of precious stones and metals, and extraction of quarry materials without authorization	8
Terrorist financing cases	3
Procuring (pimping) cases	2
Unfair competition cases	1
Human trafficking cases	1

**236. No tax fraud laundering cases – a threat identified at the national level – have been referred to the Public Prosecutor's Office by tax authorities since 2017.** Tax authorities seem to favor tax transactions or adjustments rather than criminal proceedings. However, referral to the criminal justice system in cases of significant tax fraud would be likely to reinforce the dissuasive nature and transparency of action in the fight against tax evasion and enable the public prosecutor to fully play their role in this matter.

**237. Regarding the fight against corruption, which constitutes the number one threat in the country, the number of investigations is clearly insufficient despite the noted improvement.** No corruption cases are mentioned in statistics published by the DPEF or the DPC for the same period. The HABG has forwarded nine cases to the prosecution since its creation, four of which relate to acts of corruption. Finally, out of the 404 cases that were followed up at the PPEF, two corruption cases concluded with a final conviction. These findings are corroborated by the NRA which noted that, out of the 48,688 cases tied to predicate offenses that were investigated, only 125 are related to corruption or misappropriation cases, i.e., 0.25 percent of the

total effort. The latest PPEF statistics, however, show 26 cases<sup>41</sup> that were opened on account of corruption, and a total of 86 ongoing cases pertaining to corruption “and other similar offenses”, which represents a marked improvement.

Table 3.11. Côte d’Ivoire: Number of Corruption Cases Opened Annually at the PPEF		
2020	2021	2022 (until May 27)
6	14	6

**238. The lack of adequate criminal justice response to corruption, despite the creation of the HABG, poses several questions.** It is widely acknowledged that proving corruption offenses is always difficult, which may explain the low number of prosecutions (but not the absence of investigations). In this respect, the existence of an illicit enrichment offense is likely to lighten the burden of proof, and statistics show that it is more often targeted in investigations.

**239. Special investigative techniques are rarely used by investigative agencies to overcome the difficulties of proof in corruption cases.** However, the legal arsenal would make it possible to systematize proactive investigations and the use of special investigative techniques (audio equipment, video recording, undercover investigations, etc.).

**240. The absence of an adequate criminal justice response to corruption has a cascading effect on the effectiveness of all mechanisms implemented to investigate and prosecute ML.** The prevalence of this criminal phenomenon can have a direct impact on the authorities’ overall ability to effectively combat ML. This concerns both preventive and monitoring measures, as well as investigations, prosecutions, convictions, and confiscations.

### Types of ML Cases Pursued

**241. Third-party money laundering cases represent a minority of investigated and prosecuted cases.** The study of the 270 ML cases opened at the PPEF shows that 255 are self-laundering cases, and that in 15 cases, the laundering operations were carried out by third parties not involved in the commission of the original offense. These are usually cases of corruption or drug trafficking. According to authorities, the perpetrators of the offense are members of the family circle into whose accounts the proceeds are deposited, with or without their knowledge. This does not necessarily seem to give them the status of “third-party launderer”, with the laundering process being carried out by the perpetrator of the predicate offense.

**242. Investigations of ML as a standalone offense are quite rare, with most offenses coming to light during a predicate offense investigation.** 14 cases were opened solely on ML offenses, with no connection to predicate offenses. These examples relate to cases in which suspicious or illicit financial flows have been identified without it being possible to identify the origin of illicit proceeds, which necessarily makes them more complex cases to deal with. We are

<sup>41</sup> Including 13 from the Gendarmerie, 8 from the police, 3 from the HABG, 1 from the FIU, and 1 from GS-LOI.

mainly talking about cases that were opened following reports from the FIU, and more rarely following a cash confiscation. This situation probably reflects the fact that the fight against money laundering is not always considered as a response in its own right to organized crime, but as incidental to the fight against predicate offenses.

**243. According to figures provided by authorities, 71 cases handled by the PPEF relate to cases in which the predicate offense was committed at least in part abroad.** This corresponds to 16 percent of the cases pursued by the PPEF and seems low in view of the nature of the offenses presented to the court, which concerns serious crime that is transnational in nature, as are ML cases, whose foreign elements are frequent when they involve large amounts. It appears that only eleven cases were the subject of a continuation of the investigation by means of mutual legal assistance, which means that in the other cases, the international aspect was not dealt with, and only the acts committed on the national territory were prosecuted.

**244. 46 PPEF cases have been opened against legal persons, including 16 in 2020, 15 in 2021, and 15 in 2022.** These involve a total of 70 legal persons. They are prosecuted either concurrently with natural persons (44 cases), or as the main perpetrators (two cases). These companies were prosecuted in 32 cases for ML and predicate offenses, and in four cases for ML alone, with the other cases involving other types of offenses. Ten cases were dismissed, and four led to a conviction, with the others being either under investigation or awaiting judgment.

**245. The prosecution and conviction rate<sup>42</sup> in cases tried by the PPEF is high.** Nearly half of the cases referred to the PPEF since its establishment in October 2020 have been closed to date, i.e., 200 cases, including 133 on account of ML/TF, most of which have been referred to the criminal court (163, or 81 percent, including 119 on account of ML/TF), with the others having been dismissed. 104 cases have already been judged, of which 14 have been appealed, while 48 cases are still awaiting judgment. The court pronounced an acquittal in only nine cases, posting a conviction rate of 91 percent. In all the cases submitted to the court, 103 defendants had been the subject of a detention warrant, but 89 of them were provisionally released before trial, and 139 were placed under judicial supervision. The 52 cases judged on ML charges to date have resulted in 46 convictions, including 44 with confiscation of property, and ten cases were appealed.

### **Effectiveness, Proportionality, and Dissuasiveness of Sanctions**

**246. The review of conviction statistics shows that sentences handed down in ML cases are generally quite heavy and dissuasive.** Prison sentences range from 12 months to 20 years, and fines can amount to several billion CFA Francs, with the figure reaching 50 billion XOF (USD 80 million) in one particular case.

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<sup>42</sup> Number of cases subject to prosecution or resulting in a conviction, compared to the number of investigations opened.

**247. The proportionate nature of penalties results from the range of pronounced convictions.** Thus, the imposed prison sentences range from 12 months to 20 years of imprisonment depending on the severity of the offense. Fines also vary from case to case. For example, in a simple fraud and money laundering case involving a sum of 7 million XOF, the perpetrator was acquitted of the fraud charge but sentenced for money laundering to 3 years' imprisonment and a fine of 21 million XOF. In a case of participation in an association of cybercriminals and access to an information system involving a sum of 800 million XOF, the perpetrator was sentenced to 10 years' imprisonment and a fine of 2 billion XOF and was deprived of their civil rights.

**248. Confiscation decisions are ordered in most cases, reinforcing the dissuasive nature of the pronounced convictions.** In the 52 cases judged in which the ML offense was targeted, 44 confiscation decisions were issued. The confiscations involve cash in many cases but extend to bank accounts and many buildings and even a dam in one particular case as well.

**249. Out of the 46 prosecution cases against legal persons, only four led to sentencing, with fines to the civil party amounting to 1 billion XOF, 5 billion XOF, and 3 billion XOF respectively.** The PPEF also issued decisions on the dissolution of a company, confiscation of the credit balance of bank accounts, and permanent closure of establishments.

**250. The sentences handed down in ML cases against natural and legal persons thus appear to be effective, proportionate, and dissuasive, even though,** with regard to legal persons, they relate as it stands to a very limited number of convictions.

### Use of Alternative Measures

**251. Strictly speaking, there are no alternative measures intended to compensate for the impossibility of ML prosecutions or convictions.** At most, with ML investigations being carried out concurrently with investigations of predicate offenses, in the event of failure of the evidence pertaining to the ML offense, the prosecution can be supported by the predicate offense. Such case does not appear to have occurred among all money laundering convictions since 2017.

**252. On the other hand, authorities report at least two decisions in which defendants were acquitted of the predicate offense but convicted of ML.** It is therefore an "inverted" alternative measure, since it is the ML offense that came to support the prosecution given the difficulty of proving the predicate offense. These decisions validate the expected objectives of the fight against ML, which seeks to disrupt criminal systems through their financial activities, as an alternative to the fight against the criminal activity itself, which is often difficult to establish. These cases support the strategy of systematizing ML prosecutions in cases involving predicate offenses.

## F. Conclusions on IO. 7

**253. ML prosecutions have recently been strengthened through the AML/CFT Law and the establishment of the PPEF, which has helped improve the consistency of investigations**

**and prosecutions.** This agency saw very rapid development, and magistrates are well versed in the legal tools at their disposal. However, corruption undermines the efforts of prosecuting authorities and leaves this systemic predicate offense under-prosecuted, as well as certain forms of profit-making crime. The coordination of investigative agencies would benefit from being more effective, and investigations into ML as a stand-alone offense should be encouraged. The sentences handed down are effective, proportionate, and dissuasive, and the prosecution and conviction rate in cases where an investigation was launched is high.

**254. Côte d'Ivoire is rated as having a moderate level of effectiveness for IO. 7.**

## **G. Immediate Outcome 8 (Confiscation)**

### **Confiscation of Proceeds, Instrumentalities, and Property of equivalent Value as a Policy Objective**

**255. The AML/CFT Law has put in place a legal system facilitating the seizure and confiscation of assets, by providing a broad definition of assets liable to be confiscated, and instituting compulsory confiscation of the proceeds of crime, and an optional general confiscation system facilitating the proof of the origin of assets.** Some special laws provide for general confiscation of the convicted persons' assets for certain predicate offenses representing the major threats. The authorities have resolved certain deficiencies (see Recommendation 4), such as the notion of a bona fide third party or equivalent value confiscation, also impact the judicial authorities' ability to use the confiscation tool extensively.

**256. The priority given to confiscation policies is demonstrated according to the authorities, by the establishment of the illicit asset recovery unit within the AJE followed by the establishment of the Agency for the Management and Recovery of Criminal Assets (AGRAC).** The establishment of the PPEF is also seen as an element of this prioritization. While it is certain that the establishment of these two entities is a strong signal, this priority has not been concretized with an overall policy at the highest level of the State, and no action plan or inter-ministerial impetus seems to have been initiated. Investigative agencies or judicial authorities did not receive any circulars or criminal justice policy instructions to set out the seizure and confiscation policy or to ensure coordination, and the authorities have failed to provide actors with the tools to support them in the identification and confiscation of criminal assets, such as practical guides on seizure and confiscation available to investigators and magistrates. No initiative has been taken to date to modernize the legal framework of the Criminal Code<sup>43</sup> to extend the provisions of the AML/CFT Law to other profit-generating offenses.

<sup>43</sup> With the exception of the AML/CFT Law, which contains confiscation provisions which are in line with standards, but not applicable to predicate offenses.

## Confiscation of Proceeds from Foreign and Domestic Predicates, and Proceeds Located Abroad

**257. Despite the absence of a global political impetus on confiscation, judicial authorities have placed a very strong emphasis on the confiscation of criminal assets, which is ordered by judges in most cases.** Out of the 104 cases adjudicated by the PPEF since its establishment, more than half (56) have led to confiscation measures, being understood that not all cases entrusted to the PPEF may lead to seizures (bankruptcy, forgery and use of forged items do not, for instance). As far as ML cases are concerned, judges issued confiscation orders in 44 of the 52 cases adjudicated since 2020. No TF cases were adjudicated; however, and therefore, no confiscation orders were issued in that area. The amount of cash seizures by the PPEF rose between October 2020 (the date of its establishment) and October 2021 to over 8.5 billion XOF (USD 14 million), but nearly 4 billion XOF (USD 6 million) were subsequently returned, which limits the success of the seizures made.

**Table 3.12. Côte d'Ivoire: Summary of Seized Assets in PPEF Cases  
(as of October 31, 2021)**

- ✓ Land parcels: 15
- ✓ Real estate: 59 (including two rental buildings)
- ✓ Vehicles: 24 (including one tractor and one tractor-trailer)
- ✓ Vessel: one
- ✓ Speedboats: four
- ✓ Pirogues: eight
- ✓ 1 112 coins of gold ingot
- ✓ 962 coins of gold ingot (weight of 100 437.33 grams of gold)
- ✓ 3 317.08 grams of gold
- ✓ Bank accounts: 91
- ✓ Insurance policies: two
- ✓ Amount in XOF: 8 571 000 000 (or 13.7 million USD)
- ✓ Jewelry for a value of 174 968 264 FCFA (about 280,000 USD)
- ✓ Two business assets (pizza store and hotel)

**258. The confiscation of criminal assets is facilitated by the fact that, while Ivorian law does not have a civil or administrative non conviction-based confiscation regime in ML/TF matters,** the optional confiscation of all or part of the convicted person's assets – even those of lawful origins – is also possible in ML/TF matters as well as for some predicate offenses which represent the main threats (AML/CFT Law, art. 117, al. 9 and art. 122, al. 9, Criminal Code, art. 59), which meets the same objective of alleviating the burden of proof on the origin of assets.

**259. The PPEF trial court handles confiscation procedure well. Complex cases involving the confiscation of joint properties or plots of land have been noted, as well as insurance policies, and the confiscation of a hotel, business assets, a ship, and even a dam in one particular case.** Authorities report two cases in which the court ordered the confiscation of assets

of a value equivalent to that of the products seized in ML cases. Although the wording of Article 129 of the AML/CFT Law seems to limit the scope of value confiscation to TF cases only, jurisprudence seems to have extended the scope to ML offenses, which corrects this legislative imperfection.

### Box 2. Confiscation Case Study: The I.O.U. Case

In 2017, the police arrested street dealers as part of an operation to secure the city of Abidjan. The investigation revealed that the head of the network was an individual with the pseudonym "I.O.U." An investigation was opened with the investigating judge, and the investigation was entrusted to the UCT.

The UCT proceeded to arrest "I.O.U." as he was trying to leave the country. He was found in possession of 10 million XOF (USD 16,000) and foreign currency. The investigation, particularly the analysis of telephone calls, confirmed his pivotal role in the trafficking operation which consisted of supplying several "smoking rooms" in the capital, and made it possible to determine that he was the owner of a hotel, a personal residence, a 3-storey apartment building with 19 apartments, as well as numerous bank accounts and multiple cars.

He denied his involvement in the trafficking operation but admitted to having attempted to cross the border with the sum of 10 million XOF.

He appeared before the court and was sentenced to 20 years in prison and a fine of 100 million XOF. The court also ordered the confiscation of:

- A 50-room hotel

- His personal residence

- Two buildings

- Six vehicles

- As well as all the proceeds of the offense, the instruments of the offense, and the income derived from the assets generated from the offense.

He was also deprived of his civil rights for a period of 10 years and banned from the territory for a period of 5 years.

**260. An illicit asset recovery unit was set up in 2013 under the authority of the HABG and then the AJE, but since its establishment in 2017, the unit has handled only 14 cases, and criminal prosecution authorities have been impacted by its lack of effectiveness.** Apart from these cases, seized goods are stored when possible, and no management measures are taken, particularly for buildings. Confiscation measures are implemented according to the modalities provided for by the Criminal Procedure Code, and there is no procedure for restitution of confiscation proceeds to the victims, but only of the assets which they own.

**261. In order to improve the system for managing seized and confiscated assets, authorities have created the AGRAC by a decree of June 1, 2022, which constitutes a noteworthy step forward in view of the powers vested in it.** The Agency was placed under the authority of the Minister of Justice, and its mission will be to execute freezing, seizure, and confiscation orders issued by administrative or judicial authorities; to recover frozen, seized or confiscated property; and to cooperate with foreign authorities on the execution of foreign requests for the purposes of identifying or locating criminal assets. Finally, the Agency will be

responsible for centralizing all the seized sums and assigning seized assets to State services upon their request. As the agency had not yet been operationalized on the date of the evaluation, its real effectiveness cannot yet be assessed, even if it is likely that it will give a very strong impetus to the management of seized and confiscated assets and will facilitate the management of seizure and confiscation orders issued by the magistrates, or even by administrative authorities. Although the allocation of seized and confiscated property to State services is a good practice, safeguards should be put in place to prevent abuse or misappropriation.

**262. The lack of recourse to mutual legal assistance in seizure and confiscation matters constitutes an obstacle to effectiveness in a context where almost one in five cases has an international component.** The threats facing Côte d'Ivoire are largely linked to transnational crime, whether internal (cybercrime) or external (drug trafficking, environmental crime, etc.). However, authorities have indicated that only one request for mutual legal assistance has been sent by Côte d'Ivoire to a foreign country for the confiscation and repatriation of assets where necessary. No asset repatriation case had been processed on the date of the evaluation.

**263. There are no statistics or information provided by authorities on whether requests for MLA from foreign countries have been sent to Côte d'Ivoire with the aim of seizing or confiscating assets and/or ensuring their repatriation to the requesting country.** In its response to the questionnaire on international cooperation, a FATF member country mentioned – without specifying the number – that the requests submitted by its investigative services have remained unanswered. Other countries that responded to the questionnaire did not report any MLA requests in matters of seizure and confiscation.

**264. The lack of recourse to international mutual legal assistance in confiscation cases can be explained by the fact that the very short periods of pre-trial detention force judges to send detainees back to court even before all the elements of the original investigation have been brought together.** Aware of this constraint, investigating magistrates would hesitate to issue international letters rogatory which they fear will not be satisfied in time to be attached to the procedure. However, the partitioning of the case and the opening of a parallel financial investigation would make it possible to judge the perpetrator on the predicate offense within the time limits of the detention, and to continue the financial investigation on the identification of criminal assets.

**265. Beyond recourse to formal mutual legal assistance, magistrates indicate that they are in contact with the French liaison magistrate or have traveled in the context of a case to a foreign country for liaison meetings.** The use of informal cooperation methods to facilitate or accelerate mutual legal assistance remains rare, however, and judicial authorities have, for example, never requested the establishment of joint investigation teams, and do not use the informal relay of embassy liaison officers in the absence of a liaison magistrate. This situation probably results from a lack of familiarity with international procedures and these informal methods. Further training of the relevant magistrates in the area of mutual legal assistance would likely encourage recourse to international cooperation.

### **Confiscation of Falsely or Undeclared Cross-Border Transaction of Currency/BNI**

**266. The number of confiscations of cash<sup>44</sup> by the customs authorities at the Abidjan airport ranges between seven and 20 confiscations per year since 2017, mainly at the exit, with total amounts ranging between 26 million XOF (USD 41,000) and 3.1 billion XOF (USD 50 million), a record confiscation having taken place in 2019 in the amount of 3.9 million euros and USD 533,000 in one traveler's luggage.** In total, between 2017 and 2021, a total sum of 4.748 billion XOF (USD 7.6 million) was confiscated in CFA Francs and foreign currencies. These figures, though not insignificant, seem modest in an economy known for a strong informal component and a large circulation of cash. Certain destinations and means of transport are targeted by authorities as being "at risk" with regard to the illicit transfer of currencies.

**267. There are no statistics on confiscations of cash by the customs authorities at land or sea borders.** The porosity of land borders certainly explains the difficulties encountered by authorities in exercising effective control over the cross-border movement of cash in border areas and in having been able until recently to have a system allowing them to centralize information. However, these statistics are now collated using an IT tool (SYDEF) developed by the FIU and Customs, but the authorities have not been able to provide the statistics at the national level, and it is still too early to assess the effectiveness of this tool which was put in place a few weeks before the on-site visit. The low volume of confiscations may be explained by the use of "hawala" type informal transfer techniques, often described by authorities as a recurrent mode of international transfer of funds of criminal origin. This can also be explained by a method of capital evasion which consists in resorting to practices of false import declarations under the cover of an import-export company. A cross-check between the Customs databases and those of banks has thus raised suspicions about nearly 5,000 international transfers for which proof of actual imports has not yet been provided by importers. Checks initiated by the DGD to confirm or invalidate the hypothesis of tax evasion were still in progress at the time of the on-site visit.

### **Consistency of Confiscation Results with ML/TF Risks and National AML/CFT Policies and Priorities**

**268. Statistics show that some of the offenses that lead to a large number of seizures or confiscations (drug trafficking, fraud, corruption and related offenses) are consistent with the threats identified, although tax offenses and environmental crimes<sup>45</sup> are lacking.** NRA statistics covering the period 2013-2018 indicate that regarding the value of the assets seized and confiscated thereafter, the most important ones were tied to predicate offenses of embezzlement of public funds, corruption, and misappropriation (24 billion XOF, or USD 38 million), environmental offenses (22 million XOF, or USD 35,000), participation in a criminal group and smuggling (5 million XOF, or USD 8,000), and drug trafficking (2.3 million XOF, or USD 3,700). More recent statistics, however, show, regarding drug trafficking, cash confiscations totaling over

<sup>44</sup> The confiscations (at the border) mentioned in paragraphs 266 and 267 refer to those ordered by the customs administration in line with articles 293 to 299 of the Customs Code.

<sup>45</sup> Cybercrime only appears in one case, but several of such offenses may have been classified as scams.

one billion XOF (USD 1.6 million) as well as various assets for which there is no estimate (buildings, lands, luxury vehicles, jewelry, etc.). It is worth noting that tax offenses are not listed among the offenses that have led to confiscation.<sup>46</sup>

**269. Authorities have also supplied the evaluation team with a statistical table breaking down the value of seized or confiscated property by nature of the predicate offense, which shows that fraud** (35 cases) generates the greatest value of confiscated property, followed by illicit betting (17), corruption-related offenses<sup>47</sup> (11) and drug-related offenses. There has been a recent increase in seizures related to clandestine goldmining (three cases), but other offenses related to environmental crime (trafficking in protected species in particular) did not lead to any seizures or confiscations.

**270. Mutual criminal assistance in seizure or confiscation matters is not consistent with the** objectives of the AML/CFT policy, whereas the main threats identified by the NRA are by nature transnational, and mutual criminal assistance in this field is almost non-existent.<sup>48</sup>

## H. Conclusions on IO 8

**271. Recent efforts by the PPEF have resulted in a more systematic implementation of confiscation, which is ordered in a large majority of ML cases.** The PPEF trial court handles confiscation effectively, and complex confiscation cases have been noted, as well as equivalent in-kind confiscation orders. There is no doubt that the judicial authority has made confiscation a weapon of choice in the fight against organized crime and ML. However, these efforts must be backed up by an overall government policy to apply the provisions of the AML/CFT Law to all predicate offenses, and to ensure effective implementation by all State agencies. More systematic recourse to formal and informal international cooperation would likely strengthen the efforts of the judicial authorities to confiscate the proceeds of crime. Efforts to confiscate illegal cross-border cash movements should be significantly increased given the risk.

**272. Côte d'Ivoire is rated as having a moderate level of effectiveness for IO. 8.**

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<sup>46</sup> However, this may be explained by this existence of tax transaction and adjustment procedures.

<sup>47</sup> Corruption, illicit enrichment, misappropriation of public funds.

<sup>48</sup> See below, IO.2

# TERRORIST FINANCING AND PROLIFERATION

## FINANCING

### A. Key Findings

#### Immediate Outcome 9

- Côte d'Ivoire has launched nine proceedings for TF. Most of the prosecuted cases were opened following terrorist attacks that targeted the country. No case has been brought to trial to date, and therefore, no convictions have been obtained. This result does not correspond to the country's high TF risk profile.
- The investigations carried out by authorities have made it possible to identify a number of TF cases. However, the number of investigations into FT cases remains low. The identification of potential cases of financing from Côte d'Ivoire of organizations, individuals, or terrorist activities outside the country does not appear to be a priority for investigative authorities.
- Côte d'Ivoire does not have a national counter-terrorism strategy that includes TF investigations, but the implementation of a coordinated operational approach has resulted in the recent integration of TF investigations into those relating to terrorist attacks. This approach has contributed to the construction of TF prosecution cases before the courts.
- Due to the lack of judgments for TF, Côte d'Ivoire did not obtain any convictions, and therefore, could not pronounce any sanctions. The ability to effectively prosecute and sanction TF offenses is also limited by the non-criminalization of the financing of a terrorist organization for any purpose whatsoever.
- Authorities did not effectively use alternative measures when a TF conviction was not possible.

#### Immediate Outcome 10

- The regional legal framework to implement Targeted Financial Sanctions (TFS) under United Nations Security Council Resolution (UNSCR) 1267 only applies to banks and financial institutions. However, they are not implemented in Côte d'Ivoire due to a lack of decisions by the WAEMU Council of Ministers (CM).
- The 1267 List is nevertheless applied by the vast majority of banks – and a number of other FIs – on a voluntary basis. In contrast, there is no implementation of TFS by DNFbps who have at best only a basic understanding of UN and national sanctions regimes. Moreover, TFS are not implemented by the general public (including the informal financial and non-financial sectors).
- The adoption and implementation of TFS under UNSCR 1373 have not proven effective.

- Authorities have not yet identified all active NPOs in Côte d'Ivoire, and their identification of the most vulnerable NPOs suffers from the absence of an assessment of the nature of TF threats posed to NPOs and how they are exploited by terrorist actors. Dedicated outreach efforts are still nascent.
- Within the framework of Law No. 1960-315, authorities have implemented general supervisory activities over associations (of which NPOs constitute a sub-category), but these do not target the TF issue, and the supervisory authority for CFT has not yet been appointed.
- There is a will at the political and technical levels to combat all dimensions of terrorism generally, but at the operational level, no funds were frozen under TFS, and no funds were confiscated.
- Despite the proven threat posed by groups already designated by the UN and based in the subregion, Côte d'Ivoire has not proposed any designations to the 1267/1989 Committee and has not proposed joint national designations in this context or asked a third country to give effect to actions taken under its own freezing mechanisms. As a result, at the date of the assessment, the use of TFS in TF is not in line with the country's risk profile.

### **Immediate Outcome 11**

- With the exception of one entity designated in 2020, TFS linked to PF are not implemented due to the lack of decrees to transpose lists 1718 and 2231 into domestic law.
- These lists are nevertheless applied by the vast majority of banks – and a number of other FIs – on a voluntary basis. On the other hand, there is no implementation of TFS by DNFBPs, and even less by the general public.
- As far as TFS related to the fight against PF are concerned, no efforts were observed to identify and freeze the assets of targeted persons and entities. With the exception of a single case, authorities, including Customs, have not reported the seizure or freezing of funds and other assets as a result of the designation of a person or entity under UNSCRs 1718 or 2231.
- Banks and FIs that belong to international groups have a more mature understanding of PF sanctions stemming mainly from internal compliance policies. Conversely, other reporting entities, including the vast majority of DNFBPs, have a very limited understanding of these sanctions, despite some recent awareness-raising efforts.
- For the various reasons described below, reporting entities are not subject to supervision relating to the implementation of TFS pertaining to the fight against PF.

## **B. Recommendations**

### **Immediate Outcome 9**

Côte d'Ivoire should:

- Complete its legislation in order to criminalize all TF offenses, including the financing of a terrorist organization for any purpose, with a view to effectively prosecute all possible TF cases.
- Fully integrate TF investigations into its national counter-terrorism strategy.
- Strengthen the capacities of investigation and criminal prosecution authorities in general, and the CSEILT and the PPEF in particular, in terms of training as well as human, material, and technical resources, with the aim of enabling them to put together solid TF cases in order to prosecute and obtain convictions that correspond to the country's high TF risk level.
- Ensure that law enforcement authorities redirect their policies to also investigate and prosecute TF cases that are not tied to terrorist attacks suffered by Côte d'Ivoire and to identify potential instances of funding from Côte d'Ivoire to terrorist organizations, individuals or activities outside of Côte d'Ivoire consistent with the nature of TF threats faced by the country.
- Ensure that criminal prosecution authorities – particularly the CSEILT and the PPEF – prioritize and guarantee rapid action against the main threats identified in TF cases and impose effective, proportionate, and dissuasive sanctions upon convicted persons.
- Ensure that competent authorities, including intelligence services, criminal investigation and prosecution authorities and administrative freezing authorities, regularly coordinate and exchange information with a view to taking alternative measures to hinder TF when it is impossible to obtain criminal convictions for TF.

### **Immediate Outcome 10**

Acting at the national level and/or in collaboration with competent supranational authorities as necessary, Côte d'Ivoire should:

- Address the shortcomings identified under Recommendation 6, including by supplementing the uniform law so that the national level designation criteria and the scope of asset freezing are fully in line with FATF standards and by establishing a national legal framework to extend to non-bank FIs, DNFBPs and the general public the scope of TFS.
- Post the updates of the 1267 List and the national list on the FIU website in a timely manner, expand the FIU distribution list (to include all reporting entities), and adopt electronic dissemination.
- Issue guidelines regarding the implementation of TFS related to UNSCRs 1267 and 1373 and establish a mechanism to enable reporting entities and the general public to obtain relevant assistance in real time.

- Increase outreach efforts on the implementation of TFS, beginning with non-banking FIs and DNFBPs most at risk.
- Identify all associations that meet the FATF definition of NPOs, work with NPOs to draw up a list of specific risk indicators (of NPO exploitation for TF purposes), and a list of best practices that would help mitigate these risks – and integrate this analysis into its awareness-raising efforts.
- Designate the competent authority responsible for keeping a dedicated register of NPOs and monitor the same for TF matters, and then initiate appropriate CFT supervision, in accordance with Articles 41 to 43 of the AML/CFT Law.
- Ensure that the investigating and prosecuting authorities apprise the CCGA when a dismissal decision is made in a TF case (to the extent that they consider that there are reasonable grounds to suspect or believe that the concerned persons or entities meet the UN or national designation criteria).

### **Immediate Outcome 11**

Acting at the national level and/or in collaboration with competent supranational authorities as necessary, Côte d'Ivoire should:

- Address the shortcomings identified in Recommendation 7, including by supplementing the AML/CFT Law so that the scope of asset freezing is fully in line with FATF standards.
- Adopt Lists 1718 and 2231 and ensure the implementation of any future amendment without delay.
- Post updates to the 1718 and 2231 Lists on the FIU website in a timely manner, expand the FIU distribution list (to include all reporting entities), and adopt electronic dissemination.
- Issue guidelines regarding the implementation of TFS related to UNSCRs 1718 and 2231 and establish a mechanism to enable reporting entities and/or the general public to obtain relevant assistance in real time.
- Increase outreach efforts regarding the implementation of TFS, beginning with non-banking FIs and the DNFBPs most at risk.
- Ensure effective cooperation and coordination among the CCGA, supervisory authorities, SRBs, and other competent authorities, including Customs, in order to identify and seize or freeze the funds and other assets of persons and entities designated under the UNSCRs pertaining to the fight against PF.

- Ensure that supervisory authorities and SRBs systematically monitor and ensure the implementation of any obligations of reporting entities pertaining to the implementation of the TFS linked to UNSCRs 1718 and 2231.

## C. Immediate Outcome 9 (Terrorist Financing Investigations and Prosecutions)

### Prosecution/Conviction of Types of TF Activity Consistent with the Country's Risk-Profile

**273. The low number and inadequacy of TF prosecutions and the absence of convictions do not match the high-risk profile of the country.** At present, no TF case has gone to trial in Côte d'Ivoire to date.

**274. The risk of TF in Côte d'Ivoire suggests the possibility of financing of terrorist organizations operating in the subregion or in other geographical areas more distant from Côte d'Ivoire (for additional details, see the analysis of IO1 on TF risk in Côte d'Ivoire).** The majority of the threat facing Côte d'Ivoire is transnational. Indeed, the data produced by Côte d'Ivoire indicate that a group operating in the north of the country has set up its camps in the border area on the territory of neighboring countries, and that all its recruitment, training, logistics, and financing are carried out on both sides of the border. No prosecution action has to date targeted these transnational threats despite the risk.

**275. Authorities have opened nine judicial inquiries for TF.** Three cases have been closed, while six are still ongoing. The cases presented by authorities covered different types of activities including the collection and use of funds for terrorist purposes; one case related to the transport of funds suspected of being intended for TF. The use of foreign currencies and the transfer of funds through informal networks have been identified as possible means of TF in the aforementioned cases. A drug trafficking case included an indictment for TF acts and illegal possession of weapons. A lawsuit has also been launched for ML and TF in connection with a terrorist organization (Al Shabaab) and complicity in the aforementioned offenses following a fundraising campaign and the establishment of an illicit coal production company.

**276. Some of the initiated proceedings have resulted in dismissal orders issued by investigating offices.** Indeed, the lawsuit launched for ML and TF in connection with a terrorist organization (Al Shabaab) and complicity in the aforementioned offenses following a fundraising campaign and the establishment of an illicit coal production company, resulted in a dismissal order dated March 19, 2021. A second case, related to drug trafficking, led to the indictment of the defendants for TF and illegal possession of weapons in December 2018, but resulted in a partial dismissal for TF-related facts. A third case is characterized by the indictment for TF of people who engaged in the physical cross-border transportation of undeclared funds. This case also resulted in a partial dismissal of TF facts (see Box 3 below).

**277. The high rate of dismissals issued by investigating offices reveals the poor quality of TF cases and demonstrates that the TF offense referred to in these cases was not based on concrete material elements.** According to judicial authorities, this situation is due to the fact that investigative authorities do not gather enough evidence to characterize the TF offense.

**278. Prosecutorial actions still in progress are mainly directed towards the financing of terrorist acts that targeted the country.** They do not extend to the financing of the terrorist group behind these attacks and to TF which has no connection with the attacks in Côte d'Ivoire, which is not in line with the country's TF risk profile. This is all the more so since the group that poses the most immediate threat to Côte d'Ivoire is a well-identified group that could raise funds in the country to finance attacks in certain neighboring countries. Six cases were listed in this category, including two TF prosecution cases associated with those of terrorism offenses and four prosecution cases independent of the TF offense. The facts subject to prosecution were essentially the collection of funds, the sale of stolen cattle, kidnapping-for-ransom, and the transfer of funds by mobile money in order to finance terrorist acts and a terrorist organization. Additionally, authorities failed to register any convictions in these six cases which were still under investigation at the time of the on-site visit.

Table 4.1. Côte d'Ivoire: TF Prosecutions in Progress

Number	Year	Offenses	Case Status
1	2018	Terrorist financing, illegal possession of class 1 firearms	Procedure completed. Case pending communication to the Public Prosecutor's Office for final settlement
2	2019	Illegal possession of class 1 firearms and association of criminals with a view to preparing or committing terrorist acts	Ongoing inquiry, pending the execution of the international letter rogatory issued on 31/01/2020
3	2020	Acts of terrorism, affiliation with a terrorist group, terrorist financing, and kidnapping in BOUNA	Ongoing inquiry
4	During the year 2020	Terrorist acts, recruitment of persons to join an organized criminal group in order to participate in the commission of terrorist acts, provision or collection of funds in connection with terrorism, deliberate organization of travel for the purpose of participating in the commission, the organization, or the preparation of acts of terrorism, membership in an association or participation in an arrangement with a view to preparing or committing terrorist acts, provocation of a terrorist act or incitement of its commission	Ongoing inquiry
5	During the year 2021	Terrorist acts, recruitment of persons in order to participate in the commission of terrorist acts, collection of funds in connection with terrorism, membership in an association or participation in an arrangement with a view to preparing or committing terrorist acts, attempt and complicity in the aforementioned acts	Ongoing inquiry
6	2022	Collection of funds in connection with terrorism, deliberate organization of travel for the purpose of participating in the commission, the organization, or the preparation of acts of terrorism, membership in an association or participation in an arrangement with a view to preparing or committing terrorist acts, provoking a terrorist a or incite its commission	Ongoing inquiry

**279. As far as deadlines are concerned, it is noted that the proceedings initiated in 2018 and 2019 were still in progress in 2022; therefore, TF casefiles are not dealt with expeditiously, which reduces the (potential) effectiveness of law enforcement efforts.**

According to Ivorian authorities, these delays are due to a lack of human, material, and technical resources, or the skills of magistrates and investigators who do not receive sufficient specialized training. Indeed, before the NRA, there were no jurisdictions specifically dedicated to TF issues as is the case for terrorism (see the following paragraph on specialized jurisdiction in TF matters). The development of some of these files would, according to Ivorian authorities, be subject to the still-awaited responses of letters rogatory sent to a neighboring country. Since the conclusion of the NRA, the prosecution of TF offenses has not seen any new developments. There is no prioritization of TF cases guaranteeing rapid action against the main threats that are identified. Authorities did not send instructions, circulars, or dispatches in the fight against TF to investigative services and the prosecutor's offices and failed to provide sufficient training to investigators and magistrates. Nor have practical guidelines/guidance on the fight against TF been distributed to investigation services or prosecutors.

**280. To address these shortcomings, Côte d'Ivoire expanded the powers of the PPEF to include TF in March 2022.** The PPEF is responsible for investigating, prosecuting, and judging cases of TF and related offenses. However, this specialized court has not posted any results allowing us to assess its level of effectiveness in terms of TF.

### TF Identification and Investigation

**281. The number and quality of TF investigations are extremely low given the high risk of TF.** It was not possible to obtain consolidated statistics which would make it possible to know the precise number of TF investigations that were conducted, and to define what share of the investigations led to the identification of TF and the development of a prosecution file (clearance rate which cannot currently be determined). In any case, these investigations do not exceed a dozen in comparison with the number of proceedings initiated and already mentioned in the analysis of CI.9.1. As shown in the example given in the box below, several TF investigations forwarded to criminal prosecution authorities ended in dismissal due to insufficient evidence and poor qualification of the TF offense.

#### Box 3. Dismissal in a TF Procedure

Case study:

Legal proceedings were opened following the arrest of a foreign national by the airport unit. During a security check, Customs authorities noted the presence of inscriptions in Arabic on scraps of paper stuck on packages containing currencies in euros and dollars estimated at approximately 2,851,803,000 XOF (USD 4.6 million), all packed in suitcases destined for a foreign country. The arrest of the suspect led to investigations, and the investigating judge was alerted to the potential TF offense. In the pursuit of this case, a dismissal was issued over the TF facts, which demonstrates that the aforementioned facts had not been sufficiently identified during the investigation phase.

**282. Competent investigative authorities do not use special investigative tools and techniques (see R.31 in the TCA) at their disposal to identify and investigate TF cases.**

Authorities have set up coordination mechanisms through several structures and institutions, particularly Intelligence Coordination, CROAT, and CSEI-LCT, which allow intelligence services as well as investigative and criminal prosecution authorities to work together on TF cases. The effectiveness of these mechanisms has not been demonstrated, however. In fact, the positive impact of these coordination mechanisms on the identification of TF cases could not be demonstrated.

**283. Competent authorities do not make use of relevant financial intelligence and other information at their disposal in a relevant and timely manner to identify cases of TF (see analyses on IO6).** In Côte d'Ivoire, TF cases can, among other things, be identified thanks to STRs received by the FIU and investigations conducted by various investigative authorities. However, the FIU has not yet disseminated a case relating to TF to the Public Prosecutor for lack of serious clues. Out of eight STRs received between 2014 and 2018, five were processed and closed, while three are still being processed, which shows a lack of speed in their processing (see analyses on IO6). It appears that detection capacities through STRs have not been strengthened since the end of the NRA and the implementation of its action plan.

**284. As far as investigative authorities are concerned, several investigations have been conducted and have resulted in the elaboration of several cases transmitted to criminal prosecution authorities.** Nearly all TF investigations were opened following terrorist attacks or as part of interceptive activities against an armed terrorist group affiliated with the Macina Liberation Front, which has already targeted Côte d'Ivoire. Any other potential TF cases that are not related to the two aforementioned situations are non-existent.

**285. The National Gendarmerie initiated most of the TF investigations which resulted in cases being sent to prosecution authorities.** Some investigations have followed the sale of livestock that was stolen or that belongs to individuals suspected of being members of the Katiba terrorist organization affiliated with JNIM. Other investigations relate to kidnapping-for-ransom cases involving children or employees of a road resurfacing company in the north of the country. In these cases, the investigation revealed links between the accused and a terrorist organization known to be very active on the northern border of the country and in the subregion. This is a group that depends on the Macina Liberation Front, which is affiliated with JNIM.

**286. In view of the above, Côte d'Ivoire identifies very few TF cases and therefore conducts very few investigations into these cases.** This low number of identified cases can be explained by a variety of factors, including the recency of the collaborative approach by competent authorities and their limited understanding of the TF risk. The low number of investigations is explained by the low identification rate of TF cases, a lack of understanding of the legal framework, a low capacity for building cases by investigating authorities, and their insufficient recourse to international cooperation. We must also highlight the difficulty in identifying the specific TF methods of groups operating in remote areas of the country in which the informal economy is particularly common.

**287. Identifying and then investigating potential cases of financing of organizations, individuals, or terrorist activities outside Côte d'Ivoire does not appear to be a priority for investigative authorities.** The low number of surveys is symptomatic of a lack of resources (material, human, and technical) or skills, seeing as the specialized training received by the relevant personnel was insufficient. Sufficient measures, particularly in terms of policy orientation and definition of priorities, do not appear to have been taken to reduce the country's vulnerability since the end of the NRA.

**288. In some cases, the investigations that were carried out have identified TF schemes and the specific role of certain persons who appear to be financing terrorism, but all of these cases are still ongoing, and their effectiveness remains to be confirmed by sentences or designations (i.e., designations on national or UN sanctions lists).** Investigations have essentially highlighted self-financing and revealed that the funds linked to the financing of this terrorist group circulate through the channels of cross-border physical transport, informal transfers, and mobile money.

### **TF Investigation Integrated with –and Supportive of- National Strategies**

**289. Côte d'Ivoire has provided information indicating that it has a document outlining its counter-terrorism strategy.**<sup>49</sup> Based on the information provided by the country, it appears that TF investigations and prosecutions have not been integrated into this official strategy as a means of combating terrorism. In practice, TF investigations have been integrated into national counter-terrorism investigations only very recently and incompletely. Côte d'Ivoire has been the victim of several terrorist attacks including that of Grand-Bassam in May 2016 and several others since 2020. As far as the Grand-Bassam terrorist attack is concerned, no TF investigation was integrated into the main investigation by authorities.

**290. Since the attacks in the north-east of the country in July 2020, law enforcement authorities have adopted a new approach which consists of associating TF investigations and prosecutions with terrorism investigations and prosecutions.** Data provided by the country actually shows that TF has been linked to two terrorism prosecutions in connection with the attacks in the northeast of the country. In this process, competent authorities identify terrorists, terrorist organizations, and terrorist support networks. Some funding mechanisms of an armed terrorist group operating in the north of the country have been uncovered (funding received from the Katiba Liberation Front, and funding through the sale of cattle owned by the families of certain terrorist individuals). Competent Ivorian authorities have even adopted a proactive approach by using TF investigations as an effective means of hindering the activities of the armed terrorist group that directly threatens Côte d'Ivoire. Two seizures of livestock owned by individuals suspected of being part of the terrorist organization were carried out. However, the recency and low number of TF investigations as a terrorism mitigation strategy hinder the effectiveness of the fight against terrorism.

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<sup>49</sup> This document could not be reviewed by the assessment team.

**291. Apart from reporting and denunciation obligations, Côte d'Ivoire does not have cooperation mechanisms between investigative authorities and the private sector in the context of investigations and prosecutions of terrorism and TF.** As part of the national fight against TF, Côte d'Ivoire has not reported any cases where investigative authorities and intelligence services proactively exchanged information with FIs to encourage them to spontaneously provide information on certain types of operations or certain individuals who may be tied to TF (see Chapter 3).

### **Effectiveness, Proportionality, and Dissuasiveness of Sanctions**

**292. The Ivorian legal framework provides for sanctions that are theoretically effective and** dissuasive, even if their proportionality can be questioned as far as the minimum sentence of 10 years in prison does not sufficiently take into account the least serious TF cases (see R.5).

**293. Nine TF cases were prosecuted, three of which were dismissed, while the rest are still under investigation.** Therefore, Côte d'Ivoire did not obtain any convictions for TF. As a result, no sanctions were pronounced.

### **Alternative Measures used where TF Conviction is not Possible (e.g., Disruption)**

**294. Of the three cases that resulted in charges being dismissed, Côte d'Ivoire only took alternative measures to hinder TF activities in one case** (conviction for another offense committed when it was impossible or difficult to convict for TF, deportation of suspects or denied residency, etc.).

**295. Côte d'Ivoire has not yet effectively used designations at the national level as an alternative measure when a conviction for TF has not been possible.** In fact, in one particular situation where a case was dismissed, competent authorities launched a procedure for designation on the national list of sanctions. However, the procedure was extremely slow and was not completed until two years after the case was dismissed, which rendered the decision ineffective seeing as the concerned individuals had had the time to leave the country and dispose of their assets (see 10.1 and 10.3).

**296. With the exception of the case cited in the previous paragraph, Côte d'Ivoire has not resorted to alternative measures when it has not been possible to obtain a conviction for TF,** whether revoking the association status of an NPO that has been used for TF purposes, banning travel/adding names to no-fly lists, barring individuals from entering or obtaining residency within the jurisdiction, or using extradition powers.

**297. As part of the sensitization and rehabilitation measures implemented to prevent high risk individuals from becoming terrorists, terrorist sympathizers, or terrorist financiers, Côte d'Ivoire** indicated that it has kickstarted a social plan for the development of the northern and north-eastern regions and the socio-professional integration of youth, in order to counter all attempts to expand terrorism. The plan is endowed with the sum of 32 billion XOF

(USD 51 million), which will be invested over 3 years for thousands of young people in these regions categorized as areas prone to terrorism. The plan was launched in January 2022 and includes an awareness component. However, this initiative looks much more like a general preventive measure than a targeted deradicalization program targeting high-risk individuals.

**298. Overall, no concrete or effective measures are implemented to disrupt TF when a conviction cannot be obtained.**

## D. Conclusions on IO. 9

**299. Ivorian authorities have recently made efforts to identify, investigate, and prosecute TF cases.** However, they have yet to obtain a conviction for TF, and the initiated investigations and prosecutions remain very weak and do not correspond to the country's TF risk profile. In the absence of a conviction, the penalties provided for by law have never been pronounced, which renders it impossible to assess their proportionate or dissuasive nature.

**300. TF investigations are not systematically integrated into national counter-terrorism efforts.** Alternative measures are not used consistently and effectively to disrupt TF when it is not possible to obtain a conviction for TF.

**301. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 9.**

## E. Immediate Outcome 10 (Preventive Measures and Financial Sanctions in relation to Terrorist Financing)

### Implementation of Relevant Targeted Financial Sanctions for TF without Delay

**302. Ivorian banks and financial institutions are required to implement TFS under UNSCR 1267 and its subsequent resolutions (hereinafter "UNSCR 1267") only following and on the basis of the action of the WAEMU Council of Ministers (CM), which is responsible for drawing up the list of persons and entities whose funds must be frozen pursuant to this Resolution.** The Ivorian legal framework allows the Minister of Finance to designate at the national level (i.e., to register on a list of national sanctions) any individual or entity that "is a terrorist" or that finances terrorism by virtue of a decision made upon the CCGA's suggestion. The CCGA is also responsible for suggesting names for possible inclusion on the 1267 List, examining requests for the easing of freezing measures, and carrying out due diligence with a view to the publication and dissemination of any decision to freeze or release in this context. The FIU, whose president is a member of the CCGA, is also responsible for distributing the lists of individuals and entities whose funds and other assets must be frozen and receives declarations of the freezing of assets.

### ***Implementation of TF-Related TFS without Delay***

**303. The implementation of TF-related TFS is not effective, suffering from a lack of action at the regional level as well as shortcomings inherent to the applicable legal framework.** Despite the high risk of terrorism in the subregion, this framework does not guarantee the immediate implementation of UNSCR 1267 and its subsequent resolutions.

**304. The WAEMU CM does not appear to be taking any action to implement UN TFS related to terrorism or TF at the community level.** The CM is responsible for determining the list of individuals and entities whose funds must be frozen by Ivorian banks and financial institutions in application of UNSCR 1267, but the existence of such orders has not been demonstrated. Indeed, Ivorian authorities have not reported any relevant action by the CM, and no copy or list of orders (which may have been) issued by the CM to meet its obligations in this area has been provided. Therefore, it appears that the CM does not (or no longer) issue(s) the orders necessary to implement TFS in accordance with the provisions of UNSCR 1267 or to “modify or supplement” the list of individuals and entities whose funds must be frozen.

**305. Any orders issued by the CM to implement terrorism-related TFS – whether in the past or in the future – would not apply to certain natural and legal persons in Côte d’Ivoire, namely non-banking FIs, DNFBPs, and the general public, including the informal financial and non-financial sectors (see Chapter 3).** In this context, it should be recalled that, according to recent trends, terrorists operating in the subregion collect funds in cash and use informal channels to transfer them (see general conclusions).

**306. Côte d’Ivoire has not outlined a national legal framework or mechanism to fill the gaps described above or address the shortcomings of the community-wide legal framework.** Additionally, Ivorian authorities have not yet attempted to use any alternative procedure whatsoever (for example, designation on the National List of persons and entities appearing on the 1267 List) in application of UN TFS related to terrorism.

### ***Communication Mechanisms and Timeframes***

**307. The CCGA and FIU are however responsible for disseminating at the national level the lists of individuals and entities that are the subject of TFS in accordance with UNSCR 1267.** This action imposed on national institutions is independent of that existing at the community level, which means that it can be carried out despite the inaction of the WAEMU CM. The FIU has provided such disseminations to Ivorian FIs – both on its own behalf and on behalf of the CCGA – since 2018, although quite sporadically. However, these communications relating to UN designations are non-binding, seeing as the obligation to freeze stems exclusively from orders adopted by the WAEMU CM (with regard to List 1267) and/or decisions made by the Minister of Finance (as far as the National List is concerned). Additionally, they only reach FIs (via physical mail), and they do not occur within 24 hours of each update to the 1267 List.

**308. Given the above, it is safe to say that in Côte d'Ivoire, any implementation of TFS in accordance with UNSCR 1267 is in fact voluntary, and does not rest, *stricto sensu*, upon any legal basis, but rather on efforts that may be dubbed "autonomous" to manage the risks.**

With the exception of FX bureaus and a few insurance companies, FIs all seem to have filtering software to automate the identification of customers, both regular and occasional, likely to present high risks, such as those who are subject to UN TFS and alert compliance officers to any transactions in which these customers may be involved. It is at this stage that a decision could be made – based either on the FI's global policy or on the manager's best judgment, on a case-by-case basis – to reject a customer or an operation. For most FIs with such software, this is real-time filtering; but for others, including a few banks and insurance companies, the screening rate is daily or even monthly, which significantly reduces the effectiveness of these tools. In any case, the effectiveness of these efforts remains to be demonstrated.

**309. Despite the high risk of TF in Côte d'Ivoire, FIs did not report any proven cases concerning the 1267 List, except for cases of homonymy that they dealt with internally.**

Authorities have not yet become aware of the application of freezing measures or of a continuing prohibition applicable to the assets or operations of a person or entity designated as part of the fight against terrorism.

**310. Contrary to the efforts of FIs, there is no evidence of voluntary implementation of TFS by DNFBPs – let alone the general public.** This is perhaps not surprising; DNFBPs are not subject to Regulation No. 14/2002/CM/UEMOA and are not currently recipients of communications from the FIU. Some DNFBPs have not yet become aware of the existence of UN or national sanctions regimes, whether in the fight against TF or the fight against PF. Others, including real estate agents and developers and chartered accountants, who have benefited from recent sensitization sessions organized by the FIU, say they are willing to implement the TFS but, at the date of the evaluation, were still awaiting the dissemination of the applicable lists which they intended to print and consult as soon as they were received. Regulation No. 14/2002/CM/WAEMU also does not apply to the general public, including the informal financial and non-financial sectors, which, although widespread in Côte d'Ivoire, have never been subject to an awareness-raising effort in terms of TFS implementation.

### ***National Designations***

**311. The legal framework for national designation is insufficiently used.** The only cases of national designations – as well as one case in which a request for designation from a third country was rejected – are summarized in the box below.

### Box 4. National Designation Cases

#### Case 1

On May 27, 2020, a third country provided the CCGA with information regarding Amir Muhammad Sa'id Abdal-Rahman al-Salbi, alias al-Mawla, then the leader of Daesh, who had been designated on the 1267 List the previous week. The FIU conducted an analysis of this information and presented its conclusions to the CCGA, which issued an advisory opinion favorable to the designation of al-Mawla on September 24, 2020. The Minister of Finance issued Order No. 236 (2022) to designate al-Mawla nationally on June 17, 2022.

#### Case 2

In 2020, after an investigating judge dismissed an investigation into 11 Somali nationals who were allegedly involved in the financing of Al Shabaab through the production and illicit export of biological charcoal in Cote d' Ivoire, his cabinet informed the FIU. The latter disseminated to the Ministry of Economy and Finance the information gathered during the judicial investigation on March 19, 2020. This ministry then informed the CCGA, which issued an advisory opinion in favor of the designation of the concerned individuals on September 24, 2020. The Minister of Finance issued Order No. 236 (2022) to designate them at the national level on June 17, 2022.

#### Case 3

In 2020, a third country requested the designation of an individual residing in Côte d'Ivoire. The CCGA, having collected all available information regarding the designation target, concluded that he was a political opponent with no ties to terrorism. The CCGA issued an advisory opinion against the designation of the individual concerned on November 06, 2020.

**312. As confirmed by the cases above, Côte d'Ivoire has the will and ability to impose TFS at the national level.** CCGA members are aware of the possibility of making designations under UNSCR 1373, including in a situation where other approaches to suppressing TF do not seem viable. They assume their role in the evaluation of designation proposals, whether of national or foreign origin, and understand the criteria of proof that the Minister of Finance is required to apply.

**313. The national designations made to date, however, have not been implemented without delay and have not proven to be effective.** The person who was the subject of the first national designation (the former leader of Daesh, who was already listed on the 1267 List) died during the nearly two-year delay between the issuance of a favorable advisory opinion on the part of the CCGA and the signing of the June 17, 2022, decree by the Minister of Finance. Moreover, this decree was not posted online, and had not been the subject of any dissemination or notification to reporting entities in the week following its issuance. Apart from the names of the designated individuals, no other identifying elements – such as the date of birth or the country of nationality – are specified in the decree relating to cases 1 and 2 above. Côte d'Ivoire has not yet asked another country to give effect to actions taken under its own freezing mechanisms.

**314. The awareness campaign launched by authorities only targets reporting entities and remains nascent.** No guidelines regarding the implementation of TFS related to UNSCRs 1267

and 1373 have been issued, and no consideration has been given to setting up a hotline or other mechanism to enable reporting entities, financial and non-financial informal sectors, and/or the general public to obtain relevant assistance in real time.

### **Targeted Approach, Outreach, and Oversight of at-risk Non-Profit Organizations**

**315. All associations existing in Côte d'Ivoire are governed by Law No. 1960-315. This Law defines the mandatory declaration procedures (to the prefecture or the administrative district where the association is headquartered) as well as the optional procedures that are followed to request public utility recognition (at the national level).** NPOs, as defined in Article 1 of the AML/CFT Law, take the legal form of associations, of which they constitute a sub-category. The definition of NPOs is consistent with that of the FATF, and NPOs are designated as reporting entities to the AML/CFT Law, which imposes a number of additional obligations upon them. NPOs do not yet have a designated CFT supervisory authority, but those that are declared are subject - depending on the nature of their activities - to the general supervision of the DGAT or the General Directorate of Religious Affairs (DGC), both of which fall under the Ministry of Interior and Security.

**316. Côte d'Ivoire has not identified all the NPOs operating on its national territory. In accordance with the provisions of the AML/CFT Law,** NPOs are required to register on a dedicated national register managed by a competent authority - in other words, to identify themselves formally - but this authority has not yet been designated, and therefore, the register is currently non-existent.

**317. Authorities do not yet have a reliable estimate of the number of NPOs operating in Côte d'Ivoire.** During the development of the NRA, the DGAT - which is planned to be designated as the competent authority, and therefore, as the CFT supervisory authority for NPOs - calculated that there were 8,630 associations declared in Côte d'Ivoire, including 16 recognized as being of public utility in accordance with the provisions of Law No. 1960-315. The number of NPOs in the country could therefore be higher or lower, as this figure includes associations that do not meet the FATF definition of NPOs and/or no longer exist - and excludes newly established NPOs as well as those operating informally (indeed, it seems that a decent number of entities that could be described as associations have never made a declaration to the prefecture or the relevant administrative district). Moreover, it is highly likely that a significant proportion of the filed declarations are no longer accurate and up to date.

**318. A baseline analysis of the risks of abuse of NPOs for TF purposes has been conducted as part of the NRA.** Competent authorities and sector representatives, including the two main professional associations and several specific NPOs that have been identified by authorities as leaders in terms of financial integrity, were involved in this exercise. However, the analysis is based on very little information: eight STRs (submitted mainly by banks), three exchanges of information (between the FIU and its counterparts abroad over the period 2014-2018), and two regional studies that have become somewhat outdated (one carried out in 2013 by GIABA and FATF, and the other carried out by GABAC in collaboration with FATF in 2016). As

mentioned in Annex I, the NRA indicates that donations from religious (or cultural) NPOs – including, in some cases, NPOs “with a link to high-risk or non-cooperative jurisdictions” – are among the non-criminal sources of TF in Côte d’Ivoire.

**319. The NRA concluded that there is a “very high” risk associated with the activities of cultural NPOs regarding exploitation for TF purposes, without providing an in-depth analysis.** The NRA did not address the risks posed by different categories of religious NPOs – such as charities and religious schools – so as to encourage a more targeted approach. In more general terms, the nature of the threats posed by terrorist entities to NPOs and the manner in which terrorist actors might exploit them (intentionally or unintentionally) have also not been examined and no proven cases have yet been identified. Both authorities and NPOs mentioned that associations that lack resources – for example, those which do not benefit from State subsidies – receive significant funding from private donors so far unidentified. They consider that these donors could then aspire to exercise control over the beneficiary associations for uncertain ends.

**320. To date, there is no list of risk indicators for the abuse of NPOs for TF purposes or a list of best practices used to respond to these risks.** The DGAT and the DGC indicated that the absence of concrete cases prevented them from developing – and working with NPOs to develop – a list of specific risk indicators, and even less, a list of best practices that would mitigate TF risks. Nor have they relied on available international sources to develop such lists. Nevertheless, the admittedly small number of NPOs that have been associated with the NRA or sensitized in the recent past (see details below) express a strong desire to cooperate with competent authorities, including the FIU, with a view to thwart any exploitation of the sector for malicious purposes.

**321. Within the limits of the analysis carried out in the framework of the NRA, authorities have started to raise awareness among NPOs, although much remains to be done in this regard.** More specifically, various organizations and authorities, including the FIU, have organized awareness-raising workshops for NPOs on five occasions only, specifically: (i) July 25, 2016 (training on the AML/CFT Law); (ii) August 20 to 22, 2019 (presentation of AML/CFT standards and their impact in West Africa); (iii) December 21, 2019 (training on the involvement of youth associations in AML/CFT); (iv) July 27, 2021 (training of four associations, including two professional associations and one potentially high-risk NPO, on ML/TF and suspicious transaction reporting); and (v) December 22, 2021 (capacity building of civil society organizations on FATF Recommendations). In addition, awareness-raising workshops have been organized on five occasions for the benefit of DNFBPs in a more general way, but the aforementioned workshops saw the participation of NPOs: (vi) September 13 to 15, 2018 (training on the methods of referral to the FIU); (vii) February 8, 2020 (sharing of NRA results); (viii) November 22, 2021 (popularization of the legislative, regulatory, and institutional framework relating to TF); (ix) January 18 to 20, 2022 (adoption of NRA results); and (x) May 17 to 18, 2022 (presentation of TF/PF risk indicators). About 33 associations in total – including the two main professional associations each of which comprises hundreds of individual associations – participated in these

ten workshops. Additionally, the FIU held a meeting with the DGC on March 21, 2022, in order to draw its attention to the category of NPOs that the NRA has identified as being at high risk.

**322. CFT supervision of NPOs does not occur in practice.** In accordance with the provisions of the AML/CFT Law, any NPO is supposed to be subject to “appropriate supervision” by a competent authority which is empowered to lay down the rules intended to ensure that the funds of NPOs are not used for TF purposes. However, no authority has been designated, and guidelines concerning the CFT obligations of NPOs have not yet been formulated or issued. This means that registered associations – including those that meet the definition of NPO – are only subject to general supervision under Law No. 1960-315. This supervision is entrusted to the decentralized structures of the relevant directorates of the Ministry of Interior and Security, such as the DGAT and the DGC, which ensure the correct use of all support provided by the State, monitor the activity of reporting entities, correct “dysfunctions” in the sector, and settle conflicts among associations. Of course, unregistered associations, including NPOs that operate informally, are not subject to any supervision.

**323. The lack of CFT supervision of associations contributes to non-compliance by NPOs with obligations in this area.** The supervision measures implemented to date by the DGAT and the DGC under Law No. 1960-315, which particularly include monitoring of events organized by associations, have not targeted the TF issue. Given the absence of CFT oversight, the lack of awareness, and the failure to designate the competent authority, it is hardly surprising that authorities report a very low level of compliance by NPOs with the obligations that are specifically incumbent upon them under the AML/CFT Law, such as the obligations to: (i) update and inform the competent authority on the object and purpose of their activities; (ii) annually publish their financial statements with a breakdown of their income and expenditure; (iii) to equip themselves with mechanisms capable of helping them in the countering ML/TF; and (iv) to record in the (future) national register all donations of an amount equal to or greater than 500,000 XOF, or approximately USD 875. No NPOs have submitted an STR to the FIU yet (see Chapter 3).

**324. No administrative or criminal sanctions have been imposed upon NPOs for breach of obligations (even indirectly) related to CFT.** Indeed, as mentioned above, the competent authority has not been designated, which means that no supervisory authority is currently able to impose administrative sanctions in response to a violation committed by an NPO in this domain.

**325. As a first step to fill these technical and practical deficiencies, authorities plan to amend and complete the legal framework.** Authorities are considering amending Law No. 1960-315 – viewed as obsolete by some private actors – in order to adapt it to the current context. Additionally, authorities have drawn up a draft ordinance on the designation, attributions, and powers of the AML/CFT supervisory authorities in charge of NPOs. Which is in the process of being adopted.

## Deprivation of TF Assets and Instrumentalities

**326. No funds or other assets have been frozen in Côte d'Ivoire as a result of TFS related to terrorism or TF.** Authorities have not yet been informed of the implementation of freezing measures or a continued prohibition of the assets or operations of a designated individual or entity in accordance with the provisions of UNSCR 1267 or 1373, and therefore no requests for the easing of the freezing measures have been presented to them. However, it cannot be ruled out that at the FI level, some individuals targeted by TFS in the context of terrorism or TF have seen their requests to open bank (or Mobile Money) accounts and transfer funds denied without these actions having been declared in accordance with the laws, decrees, orders, and regulations in force. Additionally, the FIU has not received any STRs directly or indirectly linked to freezing measures.

**327. In the context of criminal proceedings, investigative authorities and judges have only seized a few instrumentalities linked to the commission of TF offenses, including firearms, a vehicle, and cell phones.** However, no TF cases have gone to trial to date, and as a result, no convictions were obtained, and no TF-related confiscations have been issued – a result that does not match the risk profile of the country (see CI.9.1). Moreover, authorities reported only one military or intelligence operation that led to depriving terrorists and their sympathizers of financial or economic resources. On August 28, 2021, the use of military intelligence by CROAT enabled field teams to seize livestock at the Port Bouet slaughterhouse owned by individuals linked to an identified terrorist group.

**328. The fact that parallel financial investigations are not systematically carried out when opening terrorism-related investigations (see CI.9.3) can largely explain the scarcity of seizures.** This stems from the absence of a clear policy in this area as well as a lack of human resources within the concerned investigative authorities. As noted by the NRA, authorities do not have sufficient human and financial resources to effectively investigate TF more generally (see CI.9.2) – let alone to identify and ensure the deprivation of assets and instrumentalities related to TF activities.

**329. The efforts made by authorities to make the borders less permeable are to be lauded, even if they have not contributed to the deprivation of assets and instrumentalities related to TF.** The porosity of Côte d'Ivoire's borders as well as major shortcomings in the implementation of the obligation to declare cross-border transports of cash and BNIs (see Chapters 2 and 3) constitute major vulnerabilities that haven't been sufficiently addressed to date. This means that, in view of the terrorist acts perpetrated near and inside the country, it is likely that the collection, movement, and use of funds by foreign nationals have taken place in Côte d'Ivoire despite the efforts of authorities. Nevertheless, some signs of progress could be noted, such as, for instance, the strengthening of patrols in border areas targeted by terrorist acts.

## Consistency of Measures with Overall TF Risk Profile

**330. Côte d'Ivoire has been the victim of terrorist violence several times, and the NRA indicates that the overall TF risk is high.** Therefore, authorities take the terrorist threat very seriously, and have made significant efforts in the security area.

**331. Authorities' efforts to employ TFS within the CFT framework do not appear to be consistent with the country's risk profile.** Insufficient efforts at community level to implement UN sanctions on TF, coupled with the inapplicability of Regulation No. 14/2002/CM/ WAEMU to non-banking FIs, DNFBPs, and the general public (including informal financial and non-financial sectors), constitute very significant gaps, but Ivorian authorities have not put in place a national system to fill these gaps. Moreover, they have never proposed designations to the UN 1267 Committee, although the individuals posing the most immediate threat to the security of Côte d'Ivoire are suspected of being members of groups already designated at the UN level. Finally, Ivorian authorities believe that the territories of neighboring countries serve as bases for these terrorist groups, but they have not yet considered joint national designations with the aforementioned countries or asked a third country to give effect to the actions undertaken within the framework of its own freezing mechanisms.

**332. The deficiencies identified with regard to NPOs are not in line with the country's risk profile.** As explained above, the identification, awareness, and control efforts of NPOs in CFT matters are all insufficient given the increased perceived risk of their exploitation for TF purposes.

**333. There is no ongoing legal investigation into the abuse of an NPO for TF purposes.** The absence of any investigation – and of any CFT control program – highlights the insufficient efforts by authorities considering the risk profile of Côte d'Ivoire.

## F. Conclusions on IO. 10

**334. Apart from two recent cases, CFT TFS are not implemented in Côte d'Ivoire, and TF risks in the non-profit sector are not effectively mitigated.** The 1267 List is not implemented, although it is applied by some FIs on a "voluntary" basis. Côte d'Ivoire has never proposed any designations to the 1267/1989 Committee. Additionally, the legal framework for national designation is insufficiently used, and the few practical cases have not proven effective. Côte d'Ivoire has not yet asked a third country to give effect to actions taken under its own freezing mechanisms. To date, no funds or other assets have been frozen under terrorism or TF-related TFS, and investigative authorities have made only a few seizures of instrumentalities linked to the commission of TF offenses.

**335. As for the non-profit sector, authorities have not yet identified all the NPOs existing in Côte d'Ivoire, nor the nature of the threats that terrorist entities pose to NPOs, or the way in which terrorist actors exploit them.** Dedicated outreach efforts are still nascent, and no CFT oversight is occurring in the sector. Therefore, with respect to IO.10, neither the authorities' efforts nor the results obtained so far are in line with the country's risk profile.

**336. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 10.**

## **G. Immediate Outcome 11 (Financial Sanctions for Proliferation Financing)**

**337. Trade relations between Côte d'Ivoire and Iran are modest, while trade relations between Côte d'Ivoire and North Korea are almost non-existent.** Côte d'Ivoire maintains diplomatic relations with both countries, but there is no North Korean embassy in Côte d'Ivoire or an Ivorian embassy in North Korea.

### **Implementation of Targeted Financial Sanctions Related to Proliferation Financing without Delay**

**338. None of the UN TFS pertaining to the countering PF are implemented – and therefore implemented without delay – in Côte d'Ivoire.** As indicated in Annex I, the Minister of Finance is required to order, by decision, “the freezing without delay of the assets, funds, and other financial resources of individuals or entities designated by the United Nations Security Council, under the Resolutions relating to the countering PF”. However, authorities have reported only one decision made by the minister in this area: an order issued in 2020 which had the effect of designating a North Korean company on the National List three years after its designation on the 1718 List. This case is summarized in the box below.

#### **Box 5. The Mansudae Case**

On August 5, 2017, Mansudae Overseas Project Group, a Korean company, was designated on the 1718 List. In 2019, the panel of experts under the relevant UN sanctions committee informed Côte d'Ivoire that a company operating on its territory was in business with Mansudae. As a result, the FIU launched an investigation into Mansudae as well as the Ivorian company identified by the panel of experts and asked the Central Bank to check its register of bank accounts in the WAEMU zone. Although the FIU could not establish specific links between the target company and Mansudae, the Central Bank's research revealed the existence of an account in the name of the latter in a local bank. In response, the FIU exercised its power to block any movement of funds on this account for a period of 48 hours and sent a report to the Ministry of Economy and Finance, which then informed the CCGA. On June 11, 2020, the CCGA issued an advisory opinion recommending the designation of Mansudae and its director, Mr. HAN Hun Il. Two months later, on August 19, 2020, the Minister of Finance signed an order to designate Mansudae and Mr. HAN Hun Il on the National List. By virtue of this order, the aforementioned bank froze 4,760,885 XOF (approximately USD 7,600) in Mansudae's account.

**339. The FIU is not specifically responsible for disseminating the 1718 and 2231 Lists, and it has never done so.** However, this dissemination would only be for information purposes given that the freezing action only becomes legally enforceable on the basis of a decision by the Minister of Finance, which is officially notified to liable persons and the general public (including the informal financial and non-financial sectors).

**340. Given the above, one can conclude that in Côte d'Ivoire, any implementation of TFS under UNSCRs 1718 and 2231 is in fact voluntary, and not resting, *stricto sensu*, on any legal basis.** With the exception of FX bureaus and a few insurance companies, all FIs are making what could be described as “autonomous” efforts to implement TFS in the fight against PF (see CI.10.1). The effectiveness of these efforts remains to be demonstrated. Strictly speaking, the amount of 4,760,885 XOF (approximately 7,600 USD) which should have been frozen in 2017 (when the 1718 List was updated), was only frozen in 2020, when Mansudae and its director were designated on the National List, and no funds or other assets have been frozen to date under UNSCR 2231. FIs have not reported any (other) proven cases relating to the 1718 and 2231 Lists – apart from cases of disambiguation that they have dealt with internally – and authorities are yet to receive a report attesting to the application of a continuing prohibition of assets or transactions of an individual or entity designated as part of the fight against PF. There is no evidence of voluntary implementation of TFS by Ivorian DNFBNs, let alone the general public, including the informal financial and non-financial sectors (see CI.10.1).

### **Identification of Assets and Funds Held by Designated Persons/Entities and Prohibitions**

**341. Efforts devoted to identifying the funds or other assets of designated persons and entities – as well as the effectiveness of these efforts – vary according to reporting entities.** With the exception of FX bureaus and a few insurance companies, all FIs seem to operate filtering software that incorporates the 1718 and 2231 Lists among others (US/OFAC, EU, etc.) to mitigate their international compliance and reputational risks. When processing requested transactions, this software makes it possible to detect transactions that could be prohibited or suspicious in connection with PF. On the other hand, the vast majority of reporting entities, such as FX bureaus, some insurance companies, and DNFBNs, do not operate filtering software, and as a result, all monitoring of their customers and transactions is done manually. In any case, it appears that this filtering does not occur outside the formal financial sector.

**342. The procedure for receiving and processing a report evidencing the freezing of assets pursuant to a designation is fairly well understood by authorities.** Following the identification of the funds or other assets of a designated person or entity (including under UNSCR 1718 or 2231), the person or entity holding the funds or other relevant assets shall freeze them and make a report to the FIU. (In principle, this would be a special report – a declaration of the freezing of assets – but in practice, it seems to be an STR given the lack of a specific form for TFS.) Based on this report, the FIU informs the CCGA and conducts an analysis aimed at: (i) determining whether the frozen funds could be of illicit origin; and (ii) identify additional funds and other assets that may be seized or frozen.

**343. The effectiveness of systems and mechanisms employed to identify and manage the assets of designated persons and entities remains to be demonstrated in practice.** Apart from the Mansudae case, authorities, including the DGD, have not reported the seizure or freezing of funds and other assets following the designation of a person or entity under UNSCR 1718 or 2231. Additionally, the only national mechanism for operational coordination in this area

– the CCGA – does not include supervisory authorities or the DGD among its members and does not regularly exercise its functions in the fight against PF (see description of the CCGA provided in Chapter 1).

**344. The existence of a single concrete case and the results obtained in this case are in line with the country's risk profile which emanates from the NRA.** The NRA concludes that the risk of PF is low, but it is clear that the related analysis is based on an overly positive assessment of the adequacy of the Ivorian legal framework to implement TFS in this context.

### **FIs, DNFBPs, and VASPs' Understanding of and Compliance with Obligations**

**345. An awareness campaign that tackles the implementation of TFS among other AML/CFT obligations has been launched, but it remains nascent (see CI.10.1).** Authorities notably highlighted the participation of FX bureaus, EMIs, DNFBPs (including real estate agents and developers and chartered accountants), and NPOs. This campaign has not reached the majority of FIs to date, and even less so the majority of reporting entities.

**346. FIs other than FX bureaus and few insurance companies seem to have a good understanding of their obligations to implement TFS.** Notwithstanding the recent and nascent nature of outreach efforts, large FIs have sufficient understanding of the concept – and process – of freezing assets as well as imposing continued bans. They are also aware of the obligation to report all frozen assets in application of the TFS related to the countering PF. However, they do not know who to contact for real-time assistance with the implementation of TFS, but they assume that the FIU (and not the CCGA or the General Secretariat of the BC (GSBC)) would be able to advise them in this regard.

**347. Other reporting entities, such as DNFBPs, FX bureaus, and a number of insurance companies, do not seem to understand their obligations in this regard.** Some actors in each of these categories could not cite the CPF obligations incumbent upon them, while others confuse freezing (in application of the TFS) with seizure (in application of an order issued by an investigating judge, for instance) and enhanced due diligence measures (for example, countries examined by the FATF). In general terms, DNFBPs and FX bureaus say they are waiting for the dissemination of the “blacklist(s)” that they would be required to consult. They are not sufficiently aware of the obligation to declare all frozen assets and, like FIs, would not know who to contact for real-time assistance in implementing TFS.

### **Competent Authorities Ensuring and Monitoring Compliance**

**348. The supervisory authority for the banking sector and large DFSs (the BC) does not ensure the implementation of TFS under UNSCRs 1718 and 2231.** The GSBC has a detailed methodology to ensure compliance by credit institutions with their obligations in this area, but in practice, this methodology is not applied in Côte d'Ivoire because, apart from Order No. 124 (2020) designating Mansudae and Mr. HAN Hun Il (which was not forwarded to the BC for lack of action on the part of Ivorian authorities), no list of persons and entities targeted by the TFS in

connection with the fight against PF is in force in the country. Moreover, the GSBC has not indicated that its inspectors have received training on this specific issue.

**349. Non-banking FIs are subject to AML/CFT supervision (of varying intensity) (see Chapter 6), but this does not cover the implementation of TFS related to the countering PF.**

Outside of the banking sector, FI supervisory authorities, such as CIMA, CREPMF, DECFinEX, and DRSSFD, appear to have only a basic understanding of TFS, which they sometimes confuse with orders from the FIU and/or seizures issued by a judge. Furthermore, these supervisory authorities consider that they are not currently in a position to monitor and ensure the implementation of the lists of sanctions that they have never received and which they do not know how to access directly.

**350. With AML/CFT supervisory authorities of certain DNFBPs (namely court administrators, lawyers, chartered accountants, legal representatives, and notaries) having only been designated at the time of the on-site visit, no supervisory measures appear to have been taken, and, therefore, they could not be assessed for these sectors.**

No supervisory authority has been designated for the other DNFBPs (business agents, real estate agents and developers, casinos and gaming establishments, and dealers in precious metals and stones) (see Chapter 6 and IO.10). VASPs are active in Côte d'Ivoire but are not licensed, regulated, or supervised due to the lack of a legal framework.

## H. Conclusions on IO. 11

**351. With the exception of a single case going back to 2020, proliferation-related TFS are not implemented in Côte d'Ivoire, and reporting entities are not subject to relevant supervision.**

Nevertheless, the 1718 and 2231 Lists are applied by certain FIs on a voluntary basis. The effectiveness of efforts to identify the funds or other assets of designated persons and entities, if any, varies among reporting entities, which receive no support from the CCGA in this area. Notwithstanding the insufficient outreach efforts, only the assets of a single entity in Côte d'Ivoire designated in accordance with the provisions of UNSCR 1718 have been frozen. This (relatively modest) result could be viewed as consistent with the country's context, although some aspects of the related methodology could be questioned in this specific area.

**352. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 11.**

## PREVENTIVE MEASURES

### A. Key Findings

- The importance of the informal sector, in which due diligence measures are not implemented, affects the overall effectiveness of ML/TF prevention in Côte d'Ivoire.
- FIs have a limited understanding of ML risks and an even more limited awareness of the TF risks they are exposed to. FIs that are part of international or regional groups are aware of the

vulnerabilities resulting from the prevalence of cash and associated with some sectors (the real estate sector for instance), yet due to the lack of understanding of ML techniques, financial institutions are unable to implement effective de-risking measures. Other FIs do not understand ML risks. They are aware of the presence of TF risks in the country yet do not understand these risks and do not take measures to mitigate them.

- FIs that are part of an international or regional group (banks, regional capital market actors, and large DFSs) and national banks implement customer identification and identity verification measures. The implementation of such measures is less successful in other categories of FIs (e-money issuers, FX bureaus, and small DFSs).
- To identify BOs, FIs do not implement measures to detect forms of control other than direct or indirect capital ownership or voting rights. Furthermore, the update of BO-related information during the business relationship does not happen systematically.
- The majority of FIs use commercial lists to identify PEPs. However, these lists mainly include foreign PEPs rather than national ones. The quasi-exclusive use of such lists is a considerable limitation to the effectiveness of enhanced due diligence measures implemented on PEPs. The aforementioned gaps related to BO identification also curtail the effectiveness of measures applied to PEPs.
- With regard to TFS, in the absence of transposition of UNSCRs in Côte d'Ivoire, FIs backed by international and regional groups use, on a voluntary basis, tools that are usually updated automatically to identify persons designated on UN lists, which also applies throughout the business relationship. Apart from FX bureaus and small DFSs, other FIs generally implement, on a voluntary basis, measures to detect these persons before the establishment of a business relationship or the execution of an occasional transaction, but not necessarily during the business relationship.
- Reporting activity does not reflect the main ML/TF risks. In the banking sector, implementation can vary considerably, while considered inadequate in other types of FIs. Furthermore, suspicions are generally reported late and the number of STRs for attempted transactions is very limited.
- FIs that are part of international groups (except for DFSs) have developed procedures and implemented internal control measures. The implementation of such measures is almost absent in other FIs. In all FI categories, except for those that are part of international groups, the resources allocated for AML/CFT are not sufficient.
- The understanding of ML/TF risks is very limited within DNFBPs. DNFBPs do not implement due diligence measures related to AML/CFT and do not enforce TFS. With few exceptions, DNFBPs have never filed STRs. Moreover, preventive measures do not apply to business agents whose number continues to increase.

- VASPs are active in Côte d'Ivoire but not licensed, regulated, nor supervised, due to the absence of a legal framework. Consequently, they do not implement AML/CFT measures.

## B. Recommendations

Côte d'Ivoire should:

- Strengthen the legal framework of due diligence measures so that FIs and DNFBNPs understand AML/CFT requirements and fulfill them based on comprehensive, clear, and intelligible regulations.
- Develop and publish explanatory documents, such as guidelines, for the implementation of due diligence requirements as well as requirements related to internal procedures and controls, with an emphasis on the need to consider, while implementing these requirements, the risks present in Côte d'Ivoire, mainly by targeting the sectors that are most prone to the ML risks derived from corruption and drug trafficking (banks, notaries, real estate agents).
- In cooperation with the supranational supervisory authorities, disseminate guidance on how and when to submit an STR, as well as typologies as well as relevant and targeted risk and alert indicators, so that FIs and DNFBNPs understand their reporting obligations and understand and identify ML/TF techniques, especially those which rely on the use of the banking sector, the cross-border flow of funds or goods (through export and import activities) and legal persons, which will enhance the exhaustivity and quality of STRs . In addition, the FIU should provide systematic feedback to reporting entities by providing them with a personalized assessment on their implementation of their obligation to report suspicions in order to increase the exhaustivity, quantity and quality of STRs.
- Publish specific guidelines for MVTs activities to raise awareness among banks and DFSs of the risks associated with these activities, including the risks resulting from reliance on subagents, and ensure a sound understanding of their AML/CFT obligations in the framework of the partnership system.
- Conduct outreach to EMIs to ensure that they uphold applicable legal thresholds more thoroughly to e-money transactions, and to TF risks associated with their activities.
- Facilitate access to the available information required for FIs and DNFBNPs to be able to access data on national PEPs, and thus allow for their identification and for the mitigation of risks associated with them. Guidelines must also be issued with regard to the implementation of the requirements on PEPs, by including the latest developments specific to the identification and handling of situations in which the BO of a legal person is a PEP. This will lead to a better identification of ML suspicions based on the misuse of legal persons.
- Subject business agents to AML/CFT requirements and take the necessary measures to ensure their full understanding of all risks and preventive measures.

- Define a legal framework dedicated to VASPs in accordance with FATF Recommendations.

### C. Immediate Outcome 4 (Preventive Measures)

**353. VASPs are active in Côte d'Ivoire but not licensed, regulated, nor supervised, due to the absence of a legal framework (see R.15).** The same goes for business agents who have not been subject to reporting requirements like other DNFBPs (see c.28.2). When it comes to VASPs, this deficiency marginally affects preventive measures in Côte d'Ivoire due to the currently limited role of these actors in the Ivorian ecosystem. With regard to business agents, their number continues to grow, proving the attractiveness of this profession, the activities of which include all those targeted by R.22. The fact that preventive measures do not apply to this profession is concerning.

**354. Regarding the implementation of preventive measures, the assessment team gave a higher weighting for banks, FX bureaus, and MVTs; moderate for DFSs, EMLs, and regional capital market actors; and lower for insurance sector actors (companies and brokers).**

**355. Regarding the implementation of preventive measures in DNFBPs, the assessment team gave a higher weighting for real estate agents and developers, notaries, dealers in precious metals and stones, casinos, and gaming establishments, and a lower one for lawyers, chartered accountants, and business agents (see Chapter 1).**

#### **Understanding of ML/TF Risks and Obligations for Financial Institutions, DNFBPs, and VASPs.**

##### *Financial Institutions*

**356. The level of understanding of ML risks by FIs is variable, yet remains generally limited at the sectoral level. The understanding of TF risks is very weak in the sector overall.** With regard to ML threats, it is alarming that despite the identification of corruption as a significant threat in Côte d'Ivoire (see Chapter 1), none of the FIs interviewed reported having been significantly confronted by this phenomenon nor by any other form of predicate offense.

**357. FIs that are part of international and regional groups (except for DFSs) have a good understanding of their AML/CFT requirements but a limited understanding of ML risks.** These FIs particularly focus on vulnerabilities linked to the use of cash and to some sectors (namely the real estate sector, the gold and precious metals sectors, the coffee-cocoa industry) that are assessed as high risk in their risk ratings. Nevertheless, their weak understanding of ML techniques limits the effectiveness of these measures. For illustrative purposes, FIs did not demonstrate that they had considered the potential for proceeds of corruption or criminal offenses to be laundered through cross-border transactions (transfer of funds or import and export of goods) or through the use of different categories of legal persons. These vulnerabilities are neither identified nor analyzed by these FIs.

**358. In the microfinance sector (i.e., DFSs), the understanding of ML risks is more limited. These FIs seem to be aware of the vulnerabilities linked to cash prevalence in the economy but have not demonstrated that they understand them.** Their sensitization to AML/CFT was more recent, therefore they do not have an adequate understanding of ML risks associated with informal activities. For instance, tax fraud, a threat tightly linked to the informal sector, is not identified as such by these categories of FIs.

**359. EMIs and FX bureaus do not understand ML risks associated with their activities.** These two categories of FIs did not take measures allowing for the identification and understanding of these risks. The low systemic risk perception that these EMIs have of their activities leads them to take no action to identify and assess these risks. As far as FX bureaus, AML/CFT awareness is recent, and actions undertaken have not yet allowed these actors to understand the risks present in their sector.

**360. FIs (banks and DFSs) providing MVTs, in partnership with companies that provide them the technical platform needed to execute transfers, do not understand the ML/TF risks that these activities are exposed to.** For instance, it is not established that the risks associated with these activities are subject to a risk analysis that aims at classifying the risks that these FIs are exposed to and examining the risks resulting from the use of cash as well as the vulnerabilities linked to the reliance on subagents.

**361. TF risks associated with cross-border transactions or with border regions where terrorist groups are active, are not understood by FIs.** These risks linked to the porous borders and the flow of persons (workers joining illegal mining sites, cattle farmers) are neither identified nor evaluated by FIs. The vulnerabilities of mobile money products to TF threats are mainly the result of the absence of information on TF trends and typologies in Côte d'Ivoire (see Chapter 2).

**362. The understanding of AML/CFT requirements is quite mixed. It is more mature in FIs that are part of international groups and remains lacking in other FIs.** It is very weak in the MVTs, microfinance (DFS), and foreign exchange sectors. In the two latter sectors, the understanding of requirements is very recent, and is mainly the result of awareness and training activities conducted by authorities following the NRA, with a focus on AML/CFT requirements. This understanding remains nevertheless basic. In the MVTs sector, banks do not sufficiently understand the responsibility they have in the implementation of AML/CFT requirements as part of the partnership system.

**363. Finally, certain deficiencies in the understanding of AML/CFT requirements (PEPs, BOs) are particularly harmful to the effectiveness of their implementation, in view of prevalent threats in Côte d'Ivoire.** Apart from FIs that are part of international groups (except for DFSs), FIs are not aware of the fact that attempts of suspicious sanctions fall within the scope of transactions to be reported to the FIU. In the majority of FIs, across all categories, the notion of BO is not fully understood. It is mainly associated with shareholders who own more than 25 percent of the capital or of the voting rights, without taking into consideration other means of control. In some sectors (FX bureaus, small DFSs), this notion is not grasped at all.

### ***Designated Non-Financial Businesses and Professions***

**364. DNFBPs have a very limited understanding of ML risks to which their activities are exposed, and of AML/CFT requirements.** TF risks are not understood. Notaries, lawyers, and real estate agents and developers are aware of ML risks in their sectors, yet do not take any measure to identify and assess them. Notaries have not demonstrated an adequate understanding of their requirements. Gaps in this understanding are mainly related to the notion of BOs and PEPs despite the crucial role they play in the creation of companies, and more generally, the exposure of their activities, including real estate purchases and sales, to the threats of laundering the proceeds of corruption. In other DNFBPs, the understanding of ML risks and requirements is non-existent. With regards to TF, no measure has been implemented to assess and identify risks in the DNFBPs sector. These risks are not understood.

### **Implementation of Risk Mitigation Measures**

#### ***Financial Institutions***

**365. Measures implemented by FIs to mitigate ML/TF risks are generally ineffective due to the lack of a sufficient understanding of these risks (see CI 4.1).** FIs that are part of international and regional groups (except for DFSs) implement ML risk mitigation measures, yet these measures are not commensurate with the risks. Although these FIs are equipped with risk ratings and tools for the detection of unusual transactions, these measures remain ineffective in the absence of an adequate understanding of risks. The measures taken to mitigate corruption risks are mainly based on the identification of clients who are PEPs, or on the monitoring of cash transactions. Deficiencies related to the understanding of the notion of BO and difficulty of access to information about PEPs, limit the effectiveness of these mitigation measures even more. Other potential techniques for the laundering of corruption proceeds are not known or identified in the absence of a more sophisticated understanding of common ML methods. Reliance on legal persons or certain categories of legal persons is not perceived as an ML risk factor for the laundering of corruption proceeds. For instance, it has not been demonstrated that FIs adapt due diligence measures to the specific risks associated with each category of legal persons, in the absence of access to an assessment of ML/TF risks associated with different categories of legal persons established on Ivorian territory (see Chapter 7). Other categories of FIs do not implement commensurate measures allowing for the mitigation of ML risks, in the absence of an understanding of these risks. For instance, FIs in the microfinance sector (DFS) located in rural areas do not implement any measure to identify operations potentially linked to activities related to illegal mining and environmental crimes. Banks providing MVTs mainly count on a monitoring system established by the company that provides the technical platform, without systematically implementing due diligence measures commensurate with risks.

**366. The implementation of due diligence measures to reduce TF risks is almost non-existent.** For instance, FIs have not defined proportionate measures for the mitigation of risks related to transactions performed in cross-border areas in the North or for the benefit of clients coming from, or based in, neighboring countries where terrorist groups are active, except for FIs

that are part of international groups. In very limited cases, some FIs tend to avoid this risk by refusing to establish a business relationship with NGOs considered as vulnerable to TF risks. The perception that EMIs, as well as the supervisory authorities, have of a generalized low risk in the mobile money sector – which is not consistent with the presence of TF risks in this sector – also prevents the implementation of risk mitigation measures.

### ***Designated Non-Financial Businesses and Professions***

**367. Apart from some categories of DNFBPs that partly implement due diligence measures<sup>50</sup> or keep records of their transactions,<sup>51</sup> DNFBPs do not implement measures dedicated to the mitigation of ML/TF risks.**

### **Implementation of CDD and Record-Keeping Requirements**

#### ***Financial Institutions***

**368. Measures for identifying and verifying the identity of customers are implemented by FIs that are part of international or regional groups (except for DFSs) and national banks, including MVTs activities.** They are less likely to be implemented in small size DFSs and FX Bureaus. EMIs are not strict in implementing the conditions of the monthly threshold for transactions (10 million XOF (USD 16,000)) and for mobile money balance (2 million XOF or USD 3,200 per customer), in a way that leaves certain customers (and their BOs) whose transactions exceed legal limits undetected. Furthermore, apart from FIs that are part of international and regional groups (except for DFSs), due diligence measures related to the purpose and nature of the relationship are limited to basic information elements and are not adjusted based upon risks; they are non-existent in small size DFSs and FX Bureaus.

**369. The identification of BOs represents a challenge for all FIs, many of which, including banks, have not demonstrated a good understanding of this concept.** The majority of FIs, regardless of their categories, do not go beyond the identification of the shareholder who, as per the by-laws, owns directly or indirectly, 25 percent of the capital and of voting rights. Some banks have also indicated that the lack of access to an information source on the BOs of legal persons established in Côte d'Ivoire negatively impacts the implementation of measures for the identification of their customers' BOs.

**370. Only FIs that are part of international or regional groups (apart from DFSs) have reported that the customer profile determines the frequency of update of KYC elements and BO identification measures.** Nevertheless, the limited understanding of risks decreases the

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<sup>50</sup> Chartered accountants, real estate agents and developers, and notaries identify and verify the identity of customers.

<sup>51</sup> Dealers in precious metals and stones.

effectiveness of these measures. Moreover, apart from these FIs, updates of BO information during the business relationship do not happen systematically.

**371. Apart from FX bureaus and small DFSs who do not monitor transactions, FIs generally rely on IT solutions to conduct such monitoring and detect unusual transactions.**

The effectiveness of this system, however, is limited due to the deficiencies in relation to the understanding of risks. These findings are confirmed by the conclusions reached by supervisory authorities. For FIs subject to the supervision of the GSBC, the supervisory authority considers that the implementation of an effective IT system for filtering transactions according to the risk profile still represents an important gap, except for banks backed by international groups. Ongoing risk-based due diligence is non-existent in the small DFS and FX Bureaus sector. In addition, no measure is implemented by FX bureaus to identify customers who, due to the frequency of their transactions, are likely to qualify as having a business relationship.

**372. Apart from FX bureaus and small DFSs, FIs keep information on customers and transactions, mainly in digital form.** Nevertheless, the effectiveness of these measures is significantly limited by the lacking implementation of due diligence measures. Furthermore, data related to MVTs operated by subagents is not systematically accessible to compliance departments in banks on whose behalf they act. These observations confirm the conclusions of the investigations carried out by the supervisory authority, the GSBC, which identified recurrent deficiencies in banks' monitoring of transactions executed by subagents.

**373. FIs that are part of international or regional groups (except for DFSs) implement the prohibition from establishing business relationships when they are unable to comply with customer identification and identity verification requirements or unable to collect information on the purpose and nature of the business relationship.** These FIs have generally configured blocking features in their IT systems when information is not obtained, which prevent the establishment of a business relationship. The deficiencies observed in the implementation of due diligence measures, especially with regard to customer identification and identity verification of BOs, limit the effectiveness of these measures in the sector overall. Moreover, only FIs backed by international groups consider issuing an STR in the event that the business relationship could not be concluded, or the transaction was not completed, but usually such a measure is not taken (see CI.4.5).

***Designated Non-Financial Businesses and Professions***

**374. DNFBPs do not implement customer due diligence and AML/CFT record-keeping measures.** Nevertheless, measures for identification, identity verification, and record-keeping of identity information, can be implemented by some categories of DNFBPs such as notaries, lawyers, chartered accountants, and real estate agents. These measures are part of the practice of these regulated professions and are not implemented for AML/CFT purposes. In other professions, such measures are not implemented.

## Application of EDD Measures

### *Financial Institutions*

**375. With regard to the implementation of enhanced measures regarding PEPs, FIs, apart from FX bureaus and small DFSs, consider PEPs as high-risk customers and rely on external databases for the identification of PEPs.** All FIs have not demonstrated that they implement measures for the detection of PEPs during the business relationship, except for those that are part of international or regional groups (apart from DFSs), as they are the only category that takes measures for identifying relatives of PEPs, especially national PEPs although this is not required by law (see c.12.3). FIs in the life insurance sector do not implement measures to detect and identify PEPs that could be beneficiaries or the BOs of the beneficiary of the insurance contract.

**376. Deficiencies identified in relation to the effectiveness of the implementation of customer and BO identification measures (see above) impact the effectiveness of PEP identification.** In addition, many FIs have reported facing difficulties in accessing information allowing for the detection of PEPs, notably national PEPs, who are not always designated on commercial lists used by FIs. These observations are consistent with those of the GSBC, whose investigations reveal that the implementation of a risk management system, allowing banks to determine whether the customer or the BO is a PEP, represents a recurrent deficiency.

**377. Although no data allows for estimating the volume of banking correspondence activities in Côte d'Ivoire, some banks that are part of regional groups offer cross-border banking correspondence services.** These FIs implement specific measures before engaging with beneficiary banks, such as the collection of information on the beneficiary bank's AML/CFT activities and controls and the receipt of management approval. Correspondent banks indicated that they apply due diligence measures to transactions executed on behalf of beneficiary banks. This monitoring could lead to information requests submitted to the beneficiary bank about their customer in case of suspicion. However, the effectiveness of these measures is limited due to the limited understanding of risks associated with banking correspondence activities, namely with countries of the WAEMU zone. For instance, these banks do not adapt banking supervision to banking correspondence flows coming from or going to banks established in the WAEMU zone that the GIABA identified as presenting strategic AML/CFT deficiencies.

**378. With regard to identification and risk assessment measures related to new technologies, many institutions have reported launching new products in the digital domain (offers based on mobile phone software), an evolving sector in Côte d'Ivoire as shown by the evolution of mobile money activities.** However, ML/TF risks are not a component of the analysis developed before the launching of new products despite the risks of identity fraud. Marketing new products can sometimes be suspended in case of serious fraud, and to a lesser extent in case of ML/TF associated risks. It has not been demonstrated that ML/TF risks were analyzed before the launching of a new product, and the possibility to suspend the launching of a new product due to such risks remains hypothetical.

**379. Regarding the required due diligence measures for countries representing higher risks, the perception of risks associated with these countries is variable.** Risks associated with countries mentioned on the list of States and jurisdictions subject to a call for counter measures are generally taken into consideration, especially in the mapping of risks and the definition of customers' risk profiles. However, FIs do not impose systematic due diligence commensurate with the risks of countries included in the list of States and jurisdictions identified by the FATF or the GIABA amongst those presenting strategic AML/CFT deficiencies, especially those located in the WAEMU zone. Such due diligence measures are only implemented by FIs which are part of international groups (apart from DFSs). For instance, regional financial market actors who, within their customer base, have FIs established in these countries, do not identify the risks that these FIs are associated with, and therefore systematically consider them as low-risk entities due to their status as FIs. The TF risks of certain States are not adequately monitored when FIs execute cross-border transfers.

**380. With reference to the monitoring of wire transfers, FIs that are part of international or regional groups (except for DFSs) generally have tools ensuring that payment messages are always accompanied with the exact information needed in relation to the originator and the beneficiary.** Outside of these FIs, the implementation of requirements related to wire transfers seems limited, namely due to shortcomings related to customer identification. FIs have not demonstrated that in the case of cross-border transfer of funds, some transfers have been rejected due to incomplete data in payment messages.

**381. Regarding the implementation of TFS, apart from FX bureaus and small DFSs, FIs are equipped with filtering software allowing them to identify persons or entities subject to TFS, even if no legal requirements are provided for under national law.** Apart from FIs that are part of international or regional groups (except for DFSs), it is not established that customer databases are filtered at every new publication to identify customers or their BOs subject to TFS.

#### ***Designated Non-Financial Businesses and Professions***

**382. DNFBPs do not implement enhanced or specific measures.**

#### **Reporting Obligations and Tipping Off**

**383. The analysis of this CI must be read together with the analysis of the reports received and requested by the competent authorities (see CI.6.2).**

#### ***Financial Institutions***

**384. RCM actors and FX bureaus have never filed STRs, and the number of STRs filed by EMIs is very limited.** This trend is inconsistent with ML/FT risks that these FIs represent (see NRA). Table 5.1 below shows that STRs were mainly filed by banks (an average of 58.3 percent between 2017 and 2021) and DFSs (an average of 37.5 percent between 2017 and 2021). Almost all STRs of the DFS sector derive from one large entity, and authorities have clarified that the

majority of these STRs are issued because the reporting entity does not have a clear understanding of the difference between an STR and a CTR.

**Table 5.1. Côte d'Ivoire: Number of STRs Received by the FIU by Type of Reporting Entity**

(Source: FIU)

Reporting Entity	Years					Total
	2017	2018	2019	2020	2021	
Banks	126	178	324	327	386	1,341
DFSs	94	174	292	167	136	863
Insurance companies	4	1	6	6	43	60
EMIs	8	10	9	6	0	33
DNFBPs	00	1	00	00	2	3
Total	232	364	631	506	567	2,300

**385. Although the prevalence of banks in the financial sector justifies the fact that the majority of STRs are filed by banks, the level of implementation of this obligation on the sectoral level varies greatly.** This observation is not only made based on a simple comparison of the numbers of STRs filed by each of the 27 banks, but also by comparing STRs of banks with similar market shares to STRs filed by banks belonging to an international or regional group. The significant, and unjustified differences that have been observed seem to be the consequence of deficiencies in risk and alert scenarios used to identify unusual transactions, the development and implementation of which are hampered by a limited understanding of ML/TF risks (see CI.4.1) as well as incomplete data due to deficiencies in the implementation of due diligence and record-keeping measures (CI.4.3 and CI.4.4). Furthermore, the scenarios used by some banks are frequently focused on public and/or commercial lists related to financial and economic sanctions, PEPs, and high-risk jurisdictions under the monitoring of the FATF without sufficiently including other risk and warning factors (see CI.4.4). These elements have a negative impact on the effectiveness of the implementation of the suspicious reporting obligation by banks, which is considered generally moderate.

**386. STRs filed to the FIU, in all FI categories, have little in common with ML/TF risks that Côte d'Ivoire is prone to, which limits their usefulness and the FIU's analytical capability (see Chapter 3).** Very few STRs filed are in connection with TF (see Chapter 4), a threat which is nevertheless identified as high, or in connection with high-risk predicate offenses including drug trafficking, corruption, and environmental crime. More details, including statistics

which disaggregate STRs by nature of suspicions, are analyzed in CI.6.2 (see Chapter 3). Another main shortcoming is that almost all STRs have been filed late. This appears to be the result of the fact that suspicions are mainly identified based on the *a posteriori* filtering and automation of transactions. Moreover, staffing shortages in compliance departments generally lead to a delay in the analysis of generated alerts, and therefore in the submission of STRs.

**387. The obligation to report attempted transactions is generally not understood by FIs (except for FIs backed by international groups) which is reflected in the very limited number of STRs related to a transaction attempt (seven between 2017 and 2021).** However, FIs backed by international groups do not adequately implement this obligation. It has been observed that the majority of FIs would simply not establish a business relationship or would not execute any transaction in case of suspicion. They would not file STRs to the FIU, as they consider that this might be irrelevant since the transaction was not completed. Similarly, if suspicions arise during a business relationship, some FIs would simply put an end to the relationship without filing an STR to the FIU. The decision not to file an STR in such circumstances would be based, for many FIs, on concerns about confidentiality.

**388. FIs have generally demonstrated that they understand risks associated with tipping-off;** however, apart from FIs belonging to an international or regional group, the existence of procedures and the implementation of practical measures to prevent tipping-off were not demonstrated.

#### ***Designated Non-Financial Businesses and Professions***

**389. Apart from some notaries who have reported suspicious activity in three instances, DNFBPs have never filed STRs, which is fundamentally inconsistent with the ML/TF risk profile of all such professions (see NRA).** All but one DNFBP reported that they have never been faced with a situation that should have led to the filing of an STR. As is the case for FIs, these professions have also indicated that they prefer to refuse entering into a business relationship with a potential customer, rather than file an STR. Additionally, they have also reported that they would not consider filing an STR if a potentially suspicious transaction was performed by a bank, considering that the bank had already conducted the necessary due diligence. One profession expressed doubts when it comes to the confidentiality of information throughout the reporting process, while others clarified that confidentiality problems observed in the past no longer arise nowadays.

**390. The majority of DNFBPs has not demonstrated an understanding of risks associated with tipping-off, and do not appear to have specific procedures in place for preventive purposes.**

#### ***Internal Controls and Legal/Regulatory Requirements Impending Implementation Financial Institutions***

**391. With the exception of DFSs and FX Bureaus, FIs have defined procedures dedicated to the implementation of due diligence and internal control measures.** Nevertheless, while these FIs have developed procedures dedicated to AML/CFT, such procedures have not been designed nor implemented based on risk. The limited understanding of risks and requirements affects the implementation of procedures by FIs.

**392. With the exception of DFS and FX Bureaus, FIs have a dedicated AML/CFT department, allocate resources for compliance, and have an independent internal audit function.** The effectiveness of procedures and internal control measures is generally impacted by an insufficient number of staff and a lack of training, yet FIs that are part of international groups (except for DFSs) systematically implement an annual AML/CFT supervisory plan. In general, one can also doubt the effectiveness of internal control measures and their ability to test the systems adopted by FIs in view of the structural gaps in the implementation of AML/CFT requirements.

**393. The implementation of internal control measures and procedures is very limited when it comes to large DFSs.** It is almost inexistent for small DFSs and for FX bureaus.

**394. Only FIs that are part of international groups (except for DFSs) frequently implement training programs that cover all the AML/CFT staff, including senior management.**

**395. Banking and financial groups implement internal control procedures and measures, the effectiveness of which is also limited by deficiencies impacting the understanding of risks and implementation of requirements.**

**396. Finally, when it comes to information exchange at the group level, FIs have indicated that the Ivorian law does not impede such exchange, except for information related to STRs, due to the principle of non-disclosure.** Diverging interpretations exist among FIs when it comes to the possibility of exchanging information on STRs within the group. Consequently, some FIs exchange information on STRs within the group, while others consider that the STR confidentiality principle prohibits this practice.

#### ***Designated Non-Financial Businesses and Professions***

**397. DNFBPs do not have compliance procedures nor internal control measures dedicated to the implementation of AML/CFT requirements.**

## **D. Conclusions on IO. 4**

**398. FIs that are part of international or regional groups (apart from DFSs) representing around half of the banking sector, have taken measures in order to comply with their AML/CFT requirements, yet the effectiveness of these measures is hampered by an insufficient understanding of ML/TF risks.** Gaps in the understanding and implementation of requirements related to BOs, PEPs, and the monitoring of cross-border transactions, particularly

those crossing the subregion, represent major limitations to the effectiveness of due diligence measures. The implementation of due diligence measures in other FIs which are smaller in size than banks, yet are exposed to significant AML/CFT risks, is still nascent and suffers from a very weak understanding of ML/TF risks, as well as limited resources.

**399. DNFBPs do not implement any due diligence measures dedicated to AML/CFT.** These deficiencies, namely in the sector of notaries and real estate agents and developers, have a very significant impact on the effectiveness of such measures, in view of ML threats resulting from prevalent threats, especially corruption and drug trafficking. Some DNFBPs implement customer identification, identity verification, and record-keeping in the framework of regulated professional activities (accounting and legal professionals, lawyers, notaries, real estate agents and developers, and dealers in precious metals and stones).

**400. Finally, reporting activity is very uneven and does not reflect major ML/TF risks.** Furthermore, suspicions are generally reported late, and the number of STRs for attempted transactions is very limited.

**401. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 4.**

## SUPERVISION

### A. Key Findings

- Fit-and-proper checks for executives and shareholders are mainly based on the absence of criminal sanctions in the candidates' country of citizenship. The verifications implemented can be improved.
- Supervisory authorities have not defined a supervisory strategy adapted to ML/TF risks. Supervisory authorities acting at the national and supranational levels are not cooperating with each other and do not exchange information with other competent authorities to better understand risks. These authorities have not defined a strategy, nor have they implemented effective methods to detect activities carried out without licensing, despite the significant size of the informal sector, particularly in the FX and MVTs sectors.
- The implementation of risk-based supervision remains to be completed in all sectors. The BC has acquired AML/CFT dedicated tools and means, the effectiveness of which is significantly impacted by shortcomings identified in its supervisory strategy. National supervisory authorities have recently taken steps to supervise the implementation of AML/CFT measures in the foreign exchange and small DFS sectors. These initiatives are a positive step forward, although their effectiveness remains quite limited.
- Follow-up measures and sanctions adopted after inspections do not reflect the severity of observed violations, and do not yield the desired effect on the level of the compliance of FIs with AML/CFT, despite the relatively recent adoption of more repressive guidance by the

BC/GSBC. They remain insufficient in view of the risks present in this sector. The steps taken by authorities are generally more inciting than dissuasive.

- Apart from a few outreach activities and bilateral meetings, the promotion of a better understanding by FIs of their AML/CFT requirements and of risks is not yet established in a satisfactory manner by supervisory authorities.
- SRBs have been designated for lawyers, notaries, justice commissioners, court administrators, and chartered accountants. Since these authorities had only been designated at the end of the on-site visit, no supervisory measure seems to have been taken by these sectors, and subsequently, it has not been assessed. No supervisory authority/SRB has been designated for other DNFBPs (casinos and gaming establishments, dealers in gold and precious metals, real estate agents and developers, business agents, service providers to companies and trusts, and auditors). Efforts by authorities to raise awareness among DNFBPs about their requirements and risks remain nascent.
- VASPs are active in Côte d'Ivoire but not licensed, regulated, nor supervised, due to the lack of a legal framework.

## B. Recommendations

Acting at the national level, and in collaboration with supranational authorities where necessary, Côte d'Ivoire should:

- Ensure that all supervisory authorities define (or strengthen, in the case of the BC/GSBC) their AML/CFT supervisory strategy based on ML/TF risks. Côte d'Ivoire should take measures so that actions taken at the national level with the aim of understanding and mitigating ML/TF risks in Côte d'Ivoire, become part of the supervisory strategy of all supervisory authorities, including those operating on the supranational level.
- Strengthen cooperation and information exchange with supervisory authorities to enhance their understanding of risks and allow the country to take into consideration, in its national AML/CFT strategy, the level of effectiveness of supervision, including supervision at the supranational level.
- Ensure that all supervisory authorities integrate the ordering of sanctions commensurate with the severity of violations into their risk-based supervisory strategy, in order to bolster their dissuasive nature and make sure that such sanctions, in addition to other follow-up measures, are effective and have an impact on the level of compliance of FIs.
- Ensure that all supervisory authorities develop, document, and update their understanding and identification of ML/TF risks at the sectoral and individual levels, and to that effect, determine (or complete, in the case of the BC/GSBC) the information to be collected from FIs in order to develop their risk profile by including relevant data on risks.

- Ensure that supervisory authorities have (or supplement with data on risks, in the case of BC/GSBC) a comprehensive and clear documentary and on-site supervisory methodology, which helps effectively guide risk-based inspections, and oversee the implementation of corrective measures requested in the framework of such inspections.
- Focus training efforts on AML/CFT requirements and ML/TF risks for inspection officers within all supervisory authorities, more particularly, the CRCA, the CREPMF, and national authorities.
- Improve the quality of feedback provided to FIs by supervisory authorities to guide their efforts in the fulfillment of their requirements based on risks, by publishing guidelines on AML/CFT requirements, and enhancing the content of supervisory reports, as well as the quality and consistency of feedback given to FIs regarding the implementation of AML/CFT requirements.
- Take measures aimed at combating the illegal exercise of activities subject to licensing, by devising a dedicated strategy and prioritizing the sectors most prone to risks, such as foreign exchange or MVTs.
- Strengthen integrity and competency checks for executives and BOs, by clarifying in the relevant texts or instructions/procedures, the checks to be carried out, and require the submission of a larger range of accurate information, and cross-check the information collected from candidates with other sources of information.
- Designate AML/CFT supervisory authorities and/or SRBs for casinos and gaming establishments, dealers in gold and precious metals, real estate agents and developers, service providers to companies and trusts, and business agents, by equipping them with the appropriate means to duly carry out their AML/CFT supervisory tasks.
- Provide supervisors and/or SRBs with sufficient means for mitigating risks linked to activities involving informal actors, particularly in the gambling and gold sectors, as well as activities carried out by dealers in gold and precious metals.
- Define the conditions of access to the business agent profession, in order to ensure satisfactory integrity and probity checks within this profession.
- Côte d'Ivoire should define a legal framework for VASPs in accordance with FATF Recommendations.

### C. Immediate Outcome 3 (Supervision)

#### Introduction

**402. In Côte d'Ivoire, the supervision of the implementation of AML/CFT requirements by FIs is ensured by several authorities, both at the national and supranational levels:**

- The WAEMU Banking Commission and the GSBC are responsible for the supervision of credit institutions (banks and banking financial institutions), financial companies, large DFSs, and EMIs. Large DFSs include those with an activity level reaching the threshold of 2 billion XOF (USD 3.2 million) in outstanding deposits or loans by the end of two consecutive years.
- The DRSSFD, under the MEF, in relation to small and medium-sized DFSs (meaning all DFSs apart from the aforementioned large DFSs).
- The DECFinEX under the MEF, for FX bureaus.
- CIMA, which is integrated into the CRCA, and the DA under of the MEF, for insurance companies and insurance intermediaries (brokers).
- The CREPMF in relation to RCM actors (management and intermediation companies, asset management companies, custodian banks, UCITS, securitization funds, companies for wealth management and stock exchange investment advisors).

**403. In the DNFBP sector, SRBs have been designated to oversee the implementation of AML/CFT requirements as follows:**

- The Bar Association Council for lawyers.
- The Order of Chartered Accountants with regard to chartered accountants.
- The Chamber of Notaries with regard to notaries.
- The National Chamber of Justice Commissioners, for justice commissioners.
- The National Commission for the Supervision of Judicial Officers, for judicial officers.

**404. SRBs had not yet started their activities by the end of the on-site visit.** No supervisor had been designated for the other DNFBP categories (namely, dealers in precious metals and stones, business agents, real estate agents and developers, casinos, and gaming establishments). Apart from verification measures described in the analysis of CI 3.1, supervisors having not been designated or having not started their activities, have not implemented any of the other actions analyzed in the context of CI 3.2 to 3.6.<sup>52</sup>

**405. The assessment team assigned a higher weighting to the effectiveness of supervision for banks, FX bureaus, MVTS, a moderate weighting for DFSs and regional capital market actors, and a low weighting for insurance sector actors (companies and brokers).** The assessment is also negatively impacted by the absence of supervisory measures for

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<sup>52</sup> Therefore, there will be no specific analysis of DNFBPs under these core issues.

DNFBPs, especially considering the high risks associated with real estate agents and developers, notaries, and dealers in precious metals and stones.

## **Licensing, Registration, and Controls Preventing Criminals and Associates from Entering the Market**

### ***Financial Institutions***

**406. Supranational supervisory authorities (the BCEAO/GSBC, CIMA/CRCA, and the CREPMF) and national supervisory authorities (the DRSSF, DECFINEX, and the DA) have shared** responsibilities in the supervision of AML/CFT compliance by FIs in Côte d'Ivoire, including during the licensing phase (see Chapter 1).

**407. All FIs must receive the authorization of a competent authority before initiating their activities, except for MVTs subagents who conduct their activities under the supervision of banks and DFSs.** The MF and supranational supervisory authorities mentioned above are responsible for granting authorizations and licenses.

**Table 6.1. Côte d'Ivoire: Authorities Involved in the Licensing Process**

<b>FI Category</b>	<b>Authorities Involved in the Licensing Process</b>	<b>Role of National and Supranational Authorities</b>
Credit institutions (i.e., banks and banking financial institutions)	MF/BCEAO	License is granted by the MF, with the agreement of the BCEAO. The file is submitted to the MF. A review of the completeness of the file is conducted by the MF, before the file is referred to the BCEAO, in charge of analyzing it.
Foreign Exchange Bureaus	MF/BCEAO	License is granted by the MF, upon agreement by the BCEAO. The file is submitted to the MF. A review of the completeness of the file is conducted by the MF, before the file is referred to the BCEAO, in charge of analyzing it.
Mobile money institutions	BCEAO	The file is submitted to the BCEAO, which is tasked with analyzing it and granting the license.
Decentralized financial systems	MF/BCEAO	License is granted by the MF upon agreement by the BCEAO. The files are submitted to the MF.
Insurance companies	MF/CRCA	License is granted by the MF, upon agreement by the CRCA (insurance companies). The file is submitted to and examined by the DA, which drafts a preliminary study, before referring the file to supranational authorities.
Insurance brokers	MF (Directorate of Insurance)	The exercise of such activities is subject to the granting of a professional card by the MF directorate in charge of the insurance sector.
Capital market actors (management and intermediation companies or SGIs), UCITS, business introducers, custodian banks (BTCC), debt (securitization mutual) funds (FCTC), asset management companies (AMCs), stock exchange investment advisors	CREPMF	The file is submitted to the CREPMF, which is tasked with analyzing it. License is granted by the CREPMF.

**MF/BCEAO (Cis, DFSs, EMIs, FX bureaus)*****During the Licensing***

**408. The absence of a criminal sentence against executives and shareholders holding more than 10 percent of the capital and voting rights is verified pursuant to a judicial**

**record extract issued within the past three months.** Should the candidate be a foreign national, an equivalent document in foreign law shall be submitted. Nevertheless, the supervisory authority does not verify other information sources that would allow it to further verify the absence of a criminal record abroad for Ivorian candidates, or any past administrative/professional sanctions. In addition to the judicial record, notarized statements of wealth are systematically requested from shareholders. Their added value is nevertheless questionable, as they are not preceded by verifications of the lawful origin of the funds by the notary. However, overriding probative value is attributed to this document, in ensuring the lawful nature of funds during the licensing of CIs and DFSs. Such an overriding element is a source of concern, considering the shortcomings identified in the understanding of ML/TF requirements and risks in the notarial sector.

**409. Furthermore, the BCEAO does not systematically consider cooperating with other national or regional authorities to verify the integrity and probity of shareholders or the competencies of executives (see Chapter 8).** This option, which is not provided for by the authorities' procedures, was nevertheless implemented once by the BCEAO. In that case, the information request allowed for the suspension of the licensing request, without necessarily leading to its rejection, despite the seriousness of the charges against the prospective executive (prohibition from the exercise of executive functions, issued following the identification of shortcomings in the AML/CFT system of the FI under their management). In rare cases, the FIU was consulted by the MEF in the context of small DFS licensing, yet neither the principle of such consultation nor its modalities are set up under a procedure that would transform it into a sustainable practice. This consultation allowed the authority to identify elements of incompatibility in one case, which led to the rejection of the licensing request.

**Table 6.2. Côte d'Ivoire: Number of Licensing Requests [Credit Institutions] Processed by the BCEAO**

(Source: BCEAO/GSBC)

Year	Number of Processed Licensing Requests	Number of Rejections
2017	1	1
2018	1	0
2019	2	1
2020	NP	NP
2021	1	1

**410. It has not been demonstrated that rejections by the MF and the BCEAO (see Table 6.2) are linked to the concerns surrounding the integrity or probity of BOs or executives.** The incompleteness of files appears to be the most frequent reason for rejection.

**411. With regard to EMIs, the absence of a criminal record for executives/managers is verified using the judicial record, yet no other measure appears to be taken in practice.**

Major shareholders are requested to provide a judicial record, but the persons targeted by the verification process are not mentioned and do not cover BOs (see TCA 26.3). When it comes to EMIs, only the absence of a criminal record is verified. The team was able to conclude that some EMI managers are illiterate. Although those persons recruit employees to assist them in their functions, it is not proven that those employees are subject to verifications of integrity and probity, nor of their competencies.

### ***During the Life of the Company***

**412. Post-licensing follow-up of Cis seems to be implemented in practice, yet the scope and effectiveness of verifications performed in this context have not been analyzed in the absence of more accurate information.** For EMIs, FX bureaus, and DFSs, integrity and probity checks for BOs and managers during the life of the company appear to be non-existent.

### **CREPMF (Capital market Actors)**

**413. Measures are taken by the CREPMF, during licensing, to verify the probity and integrity of managers and shareholders among capital market actors (see 26.3 TCA).** The CREPMF verifies the absence of criminal sanctions in the judicial records of executives and managers, and applies the same measures on shareholders who own more than 10 percent of the capital or voting rights. Supervision of the competencies of managers based on their CVs is also implemented. With regard to Bos, the definition refers to shares above the threshold of 10 percent, yet such criteria do not target BOs specifically, and do not include control by means other than direct ownership or voting rights. In addition, as is the case for the BCEAO, it has not been demonstrated that other sources of information, including cooperation with other relevant or foreign authorities, have been used when needed.

**Table 6.3. Côte d'Ivoire: Licenses and Approvals Granted by the CREPMF Between 2017 and 2021**  
(Source: CREPMF)

<b>ACTORS</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Management and intermediation companies (SGI)	3	0	0	0	1
Asset management companies (AMC)	0	0	0	0	0
OPC management companies (SGO)	2	2	2	1	0
Variable capital investment companies (SICAV)	0	0	0	0	0
Custodian banks (BTCC)	1	0	2	0	0
Business introducers (AA)	0	3	2	3	0
Stock market investment advisors (CIB)	0	0	1	0	0
Rating agencies (AN)	0	0	0	0	0
Listing Sponsors (LS)	0	0	1	4	0
<b>TOTAL</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>1</b>

**Table 6.4. Côte d'Ivoire: Number of License Requests Processed by the CREPMF [FI Categories not Specified]**

(Source: CREPMF)

Category	In Progress as of 31/12/20	Received in 2021	Granted in 2021	Postponed in 2021	Closed as of 31/12/2021	In progress as of 31/12/2021
License requests	3	23	7	1	8	10
Change in shareholders	3	9	8	3	0	1
Total	7	43	15	4	11	11

**414. Inspections carried out by the CREPMF result in the rejection of some license requests and are generally likely to provide supplementary information in the context of investigations.** The lack of details regarding the sources and methods of financing by some shareholders has also compelled the CREPMF to reject certain licensing requests. Throughout the life of the company, inspections pertaining to managers and shareholders appear to only apply to MICs (see TCA 26.3). Nevertheless, neither the scope nor the nature of these verifications have been demonstrated to the assessment team.

#### ***CRCA/MF (Insurance Companies, Brokers)***

**415. The integrity and probity of insurance company managers and brokers are verified based on a declaration of integrity signed by the Public Prosecutor, in addition to a copy of the judicial record less than three months old.** Competencies are also verified based on candidates' CVs. The results of such checks were not provided to the assessment team.

#### ***Illegal Exercise of Activity in the FI Sector***

**416. Supervisory activities have not defined, and do not implement, an effective strategy for the detection of illegal activity in any sector, despite the presence of such phenomena especially in the foreign exchange and MVTs sectors.** For instance, "hawala"-type mechanisms exist in Côte d'Ivoire, of undetermined proportions, yet authorities have not implemented any measure to identify such activities. When it comes to the illegal exercise of foreign exchange activities, the significant size of which is noted by the NRA, a reporting mechanism allowing licensed FX bureaus to report persons operating without a license was in the process of being deployed during the on-site visit, yet these results seem very limited for the time being in light of the scale of this phenomenon (one case of illegal exercise of activity was identified).

#### **Designated Non-Financial Businesses and Professions**

##### ***Lawyers, Chartered Accountants, and Notaries***

**417. For the professions of lawyers, chartered accountants, and notaries, conditions of access are based on the competencies and integrity of candidates.** With regard to lawyers, chartered accountants, and notaries, access to the profession is dependent upon relevant university degree requirements and the absence of criminal convictions. Inspections are carried out in practice, yet their scope was not analyzed in detail due to the lack of data on the number of candidates, the possible cases of rejection, and, where necessary, their justification. The Bar Association Council has rejected one registration request at the bar due to doubts about the probity of the applicant without detailing the measures taken to prove incompatibility.

#### ***Court Administrators and Justice Commissioners***

**418. Conditions of access to these professions have not been described.**

#### ***Real Estate Agents and Developers***

**419. When it comes to real estate agents and developers, verification measures implemented by the Ministry of Housing are not sufficient to prevent criminals from becoming BOs or accessing managerial positions in these DNFBPs.** Neither the manager, individual professionals, nor BOs are required to submit a judicial record extract at the time of the licensing request, or throughout the life of the company. A verification targeting “tax compliance” is implemented in practice. This verification is nonetheless limited to legal persons and not natural persons. The number of licensing requests, possible rejection cases or their justification, have not been submitted to the assessment team – nevertheless, the fact that the Minister of Housing does not verify possible criminal precedents is a source of concern when it comes to ML risks associated with the real estate sector. No strategy was devised or implemented to detect activities carried out illegally despite the presence of this phenomenon in Côte d’Ivoire.

#### ***Business Agents***

**420. Business agents, who are part of the DFNBP category according to FATF Recommendations, are professionals capable of providing judicial consultancy service like lawyers, without being subject to access conditions guaranteeing their integrity and probity.** Conditions of access to this profession are determined by virtue of Law No. 75-352 of May 23, 1975, on business agents. They are appointed by virtue of an order by the Minister of Justice, yet access to the profession, in contrast to lawyers, is not precisely defined or subject to the passing of a test, nor to integrity conditions similar to those of lawyers. The confusion between this profession and the legal profession governed by a specific and comprehensive legal framework, and therefore the close link between this category of professionals and the world of business, is a factor of vulnerability to ML risks. Their numbers have increased considerably from around 30 persons in 1970 to more than 500 in 2021, yet this has not led to the adoption of a legal text which defines the integrity and competency verification process.

### ***Casinos and Gaming Establishments***

**421. In the gambling sector, measures have been recently taken to mitigate vulnerabilities linked to the significant share – according to authorities – of gambling activities online, including the establishment of a regulatory authority for gambling activities as per Law No. 2020-480 of May 27, 2020, which sets out a legal regime for gambling.** The powers of this authority are stipulated in the Decree of June 16, 2021, one of which is to combat the illegal exercise of this activity, especially online. Online gambling was not in fact provided for by the previous legal framework, and has since grown outside of any legal framework. Until the entry into force of this law, gambling was prohibited in Côte d'Ivoire unless special authorization is granted. The assessment team was not able to assess the performance of this new authority, since these activities had not started at the time of the on-site visit. The texts defining the authorization process had not yet been adopted at that time, and active casinos and gaming service providers had been authorized by virtue of the aforementioned Law No. 202-480.

**422. Only four casinos had been officially authorized under the conditions provided for by the law which was in place before Law No. 2020-480 of May 27, 2020.** The managers of these institutions were subject to morality investigations, including research into their criminal records within the National Police's various databases, in addition to the submission of requests to the INTERPOL when the candidate is a foreign national. These investigations are carried out by the Directorate of General Intelligence, which is responsible for verifying the lawful origin of funds.

**423. The growing number of unlicensed actors applies to both casinos as well as online gaming providers. Detection mechanisms currently in place have allowed Ivorian authorities to detect casinos operating without a license.** Two fraudulent casinos were closed down in 2021. These institutions had submitted license requests and started exercising their activities without waiting for the granting of their license. These cases led to judicial investigations. Their effectiveness is more limited when it comes to online gambling.

### ***Dealers in Precious Metals and Stones***

**424. The DGMG within the Ministry of Mines, Petroleum, and Energy grants licenses for trading (selling and buying) in gold and precious metals.** In the context of the license granting process for trading activities, integrity and probity controls are in place, yet it is not demonstrated that these controls apply to all persons holding managerial positions, or BOs. Nevertheless, the authorization process seems to systematically include information requests submitted to the FIU, particularly in relation to shareholders' origin of funds, and the FIU carries out the necessary checks for such persons.

**Table 6.5. Côte d'Ivoire: Number of Licenses Requested for the DPMS Profession**

(Source: FIU)

Type of activity	Number of licenses requested
License for raw gold purchase and sale offices	51
Authorization for the purchase and sale of raw gold	73
Authorization for processing	8
Authorization for the refining of precious metals	2
License for the sale, import, and export of raw diamond	2
Authorization for the purchase and sale of raw diamond	2

**425. Between January 23 and June 16, 2022, 138 files were submitted to the FIU for consideration, including 75 files for the authorization to buy and sell raw gold and diamond.** Out of these 138 files, eleven have been rejected following consideration by the FIU.

**Table 6.6. Côte d'Ivoire: Number of Authorization Applications Submitted to the FIU**

Year	Number of applications submitted to the FIU for consideration	Authorization requests rejected upon FIU advice
2019	22	9
2020	44	1
2021	45	1
2022	27	0
<b>TOTAL</b>	<b>138</b>	<b>11</b>

**426. The intervention of the FIU seems to have a positive impact on the processing of authorization requests for activities of trading in gold and precious metals,** although the motives for rejection and the nature of verifications performed have not been detailed comprehensively.

**427. However, the number of licenses and subsequent inspections remains very limited compared to the scale of illegal mining activity, the volume of which is equivalent to the production of the formal sector.** The number of registered actors does not represent, according to the authorities, more than a small proportion of the sector considering the prevalence of illegal mining.

### **Supervisors' Understanding and Identification of ML/TF risks**

#### ***Financial Institutions***

##### **BC/GSBC**

**428. The drafting of the NRA has allowed supervisory authorities to become aware of major predicate offenses in Côte d'Ivoire.** The NRA has also helped authorities identify some

major sectoral vulnerabilities, such as the lack of implementation of AML/CFT requirements in the foreign exchange and small DFS sectors. Nevertheless, the involvement of these authorities in the NRA did not significantly contribute to enhancing their understanding of risks. Supervisory authorities have not demonstrated their understanding of ML/TF methods nor the scale of ML/TF in each subsector. For example, cross-border flows were not perceived as likely to pose ML/TF risks by any supervisory authority, particularly those of banks and capital market actors. The customer base of legal persons is not considered as more vulnerable to ML, either. The supervisory authority's perception of the low risk posed by mobile money activities is not consistent with the presence of TF risks in this sector. The hypothesis of an overall low risk in the capital market sector due to banking intermediation in transactions or due to a predominantly banking customer base, is not the result of a specific assessment of risks based on information exchange among bank supervisory authorities. This unverified hypothesis is not consistent with the conclusions of the GIABA mutual evaluation results relating to the countries of the subregion.

**429. In addition, national and supranational authorities have not integrated risks into their supervisory strategy.** They exchange no information whatsoever to understand such risks at the sectoral level. Outside of their participation in the NRA, supervisory authorities, notably those operating at the supranational level, do not exchange any information with the FIU and other relevant authorities on ML/TF risks and trends. The understanding of risks at the sectoral level is therefore weak when it comes to ML, and very weak for TF.

**430. Supervisory authorities do not systematically conduct risk assessments for FIs under their supervision, with the exception of the BC/GSBC.** However, the BC/GSBC has not integrated risks specific to each country, and therefore those of Côte d'Ivoire, into its risk assessment system.

**431. The BC/GSBC establishes risk profiles for CIs, including banks, which represent the most significant category of FIs in terms of balance sheet, and the most risk-prone, in the framework of the SNEC-UCMOA rating system.** It consists of several modules which allow for the assessment of various credit institutions' risks (credit risks, concentration risks, operational risks, liquidity risks, in addition to risks linked to the AML/CFT regime, internal supervision, and governance). It allows for defining an overall rating of these different risks, and a sub-rating for AML/CFT.

**432. The assessment of the sub-rating for ML/TF risks is made using information provided by FIs in their compulsory annual AML/CFT reports, responses to a one-off survey dedicated to AML/CFT, and semi-annual reports by internal audit functions within the institutions.** The results of previous inspections are also taken into consideration. The outline of the annual report on internal AML/CFT controls is defined under Instruction No. 007-09-2017 (art.12). In addition, a dedicated survey for AML/CFT was sent out on an ad hoc basis in 2019 and in 2021. The information collected to establish risk rating does not include, apart from the number of STRs filed by the FI, appropriate ML/TF risk indicators. For example, although the annual internal controls report and the survey inform the supervisory authority about the formal presence of AML/CFT mechanism components, they do not provide indications regarding the

effectiveness of measures taken by Cis to mitigate the risks to which they are exposed in the context of their activity. Data collected in the framework of this mechanism does not take into consideration the prevalent threats in Côte d'Ivoire, such as the number of customers at risk including PEPs, the real estate business customers/notaries, or the volume of cross-border flows. In general, to identify risks, the BC/GSBC does not collect or make use of relevant information on risks be it public or kept by other competent authorities. The information and assessments that the FIU has regarding the reporting activity of FIs, regardless of their categories, are not used to assess the quality of STRs submitted by FIs, their quantity, and their adequacy to risks, in view of the prevalent threats in Côte d'Ivoire.

**The below table outlines the results of the risk assessment of banks based on the SNEC/UMOA system.**

Côte d'Ivoire	Acceptable Risk <sup>1/</sup>	Medium Risk <sup>2/</sup>	High Risk <sup>3/</sup>	Very High Risk <sup>4/</sup>	Total
2018	5	9	8	1	23
2019	4	10	6	4	24
2020	2	14	6	4	26
2021	2	17	6	2	27

1/ "Acceptable risk" means that the bank has a solid money laundering and terrorist financing risk management system.  
 2/ "Medium risk" refers to a situation that is overall satisfying, but marked by minor shortcomings in the ML/TF risk management system.  
 3/ "High risk" refers to situations characterized by several deficiencies in the bank's ML/TF risk management system.  
 4/ "Very high risk" refers to very critical situations, characterized by a deficient risk management system in banks, presenting significant ML/TF risks, which justifies the adoption of measures by the supervisory authority against concerned banks.

**433. In 2020 and 2021, most banks were assessed as having medium or acceptable risks.**

This assessment only modestly reflects the significant gaps identified in the implementation of AML/CFT requirements in the banking sector (see Chapter 5, CI 4.1 and 4.6). These observations help confirm the incredibly limited effectiveness of the institutional risk management system.

**434. With regard to EMLs and large DFSs, it is not demonstrated that the BC/GSBC assess or identifies risks related to these FIs.**

**435. The BC/GSBC does not collect any information allowing to particularly evaluate risks associated with the MVTs activities and which banks and DFSs are exposed to, when providing such services (see Criterion 14.4, TCA).** Risks linked to reliance on subagents are not identified either.

**436. Finally, there is no indication that banking groups, especially financial companies which are parent companies to banking groups, are subject to supervision dedicated to AML/CFT (see Chapter 1).**

#### **The DECFinEX and DRSSFD**

**437. The mechanisms for identifying institutional risks by supervisory national authorities for FX bureaus and small DFSs (the DECFinEX and DRSSFD, respectively) are non-existent, although the DECFinEX has taken some preliminary supervisory steps.**

#### **MF/CRCA**

**438. In the insurance sector, the implementation of measures for the assessment of institutional risks is also non-existent, although initiatives have recently been taken at the national level.** The DA sent out a questionnaire between June 11, 2020, and August 31, 2020, the purpose of which was to establish a risk profile for insurance companies. The questionnaire, developed by the DA, was not sent to brokers. Although this represents a first step, the data gathered in this questionnaire does not allow for the establishment of a risk profile for each insurance company. The data is very limited and does not include risk indicators. Finally, the administering of this questionnaire appears to be an exclusively national initiative adopted by the DA, as the CRCA did not integrate the ML/TF risk assessment into its supervisory strategy, let alone participate in its development.

#### **CREPMF**

**439. The CREPMF has not conducted an ML/TF risk assessment of FIs subject to its supervision.**

### **Risk-Based Supervision of Compliance by FIs, DNFBPs, and VASPs, with their AML/CFT Obligations**

#### ***Financial Institutions***

#### **BC/GSBC**

**440. Due to the lack of sufficient understanding and adequate identification of risks, the BC/GSBC is unable to effectively target its inspections based on ML/TF risks.** The AML/CFT supervisory strategy is based on the results of the risk assessment process described under the section *understanding and identification of ML/TF risks* above. With regard to Cis, it is the overall rating of risks – as it results from the SNEC/UMOA system – that guides the on-site inspections of banks, including inspections dedicated to AML/CFT. As previously mentioned, the weighting of ML/TF risks and its integration into inspection guidelines, are insufficient (see CI 3.2).

**441. When it comes to large DFSs and EMIs, the BC/GSBC does not have a solid basis which takes risks into account,** in order to guide its supervisory activities in the absence of an institutional risk assessment.

**442. The BC/GSBC carries out on-site and off-site inspections for all FIs under its supervision.** When it comes to off-site inspections, annual AML/CFT reports as well as the results of questionnaires (which only cover Cis) are analyzed by the BC, and feedback is provided if noteworthy deficiencies are observed. The results of these off-site inspections have not been detailed to the assessment team.

**443. The methodology for AML/CFT desk-based inspections adopted by the BC/GSBC for all FIs falling under its jurisdiction, is set out in an inspection manual, and reflected in eight thematic inspection forms.** Supervisory items are clear and detailed. The analysis of a sample of customer files is also intended to examine several supervisory items and sub-items in the framework of on-site inspections. The choice of customer files to analyze is made through an IT application dedicated to on-site inspection actions (SCAN-R Application). Sampling criteria are based in practice on the volume of transactions, or on the FIs' categorization of high-risk customers. These criteria have little relevance in view of the shortcomings impacting the understanding of risks by FIs (Chapter 5). The weak understanding of risks by the authority itself impedes the establishment of accurate sampling criteria which take ML/TF risks in Côte d'Ivoire into account.

**444. The BC/GSBC carries out three types of inspections: general, specific, and thematic.** General inspections cover the totality of FI operations, and AML/CFT constitutes only one of the supervisory items in this context. Specific inspections focus on several areas which should be given particular attention. Therefore, specific inspections are related to areas considered as important, and may include AML/CFT if deemed by the BC/GSBC as a high-risk area for the targeted FI. Thematic inspections only cover one area of interest, such as AML/CFT. The supervisory items in the framework of specific or thematic inspection missions are defined on a case-by-case basis, according to the priority items identified by the supervisory authority.

**Table 6.8. Côte d'Ivoire: Number of General On-site Inspections (Credit Institutions)**

(Source: BCEAO/GSBC)

Year	Number of Active FIs	Number of General On-site Inspections
2017	30	4
2018	29	5
2019	29	4
2020	30	6
2021	30	10

**445. With regard to Credit Institutions, including banks, the number of on-site inspections compared to the number of FIs is not excessively low, even if it does not allow to demonstrate that they are risk-based, given the observed shortcomings in relation to identification and understanding of risks.** The doubling of the number of general on-site inspections in 2021 demonstrates the efforts made by the BC/GSBC, the effectiveness of which is however limited by an insufficient understanding of the risks and an ineffective risk identification process.

**Table 6.9. Côte d'Ivoire: Number of General On-site Inspections (Large DFSs)**

(Source: BCEAO/GSBC)

Year	Number of Active FIs	Number of General On-site Inspections
2017	19	1
2018	21	2
2019	23	1
2020	24	0
2021	35	5
2022 (until June)	35	2

**446. The pace of the on-site inspection program for large DFSs appears to be slower and insufficient, considering the number of actors and the evolution in the number of actors (from 19 in 2019 to 35 in 2021).** The small number of inspections is not consistent with the observations made by supervisory authorities regarding the deficiencies of the AML/CFT system in these FIs, although to a lesser extent for banks, nor is it consistent with the sector's level of exposure to risks linked to the informal sector (tax fraud and environmental crimes for instance) or to a customer base present in remote areas and/or areas close to the border in the north of the country, and therefore exposed to risks of both TF and environmental crime (illegal gold mining).

**Table 6.10. Côte d'Ivoire: Number of General On-site Inspections (EMIs)**

(Source: GSBC/BCEAO)

Year	Number of Active FIs	Number of General On-site Inspections
2017	3	0
2018	3	0
2019	5	0
2020	7	1
2021	7	0
2022 (until June)	6	1

**447. With regard to EMIs, between 2017 and 2021, only one EMI was subject to an inspection of its AML/CFT system.** The rate of such inspections does not seem to be consistent with the increase in e-money circulation (see Chapter 1). The near absence of inspections is a major shortcoming, considering the exposure of these FIs to TF risks. The significant accessibility of these products, and the authorities' decision to use them as a vehicle for financial inclusion, renders them even more vulnerable to ML/TF threats, and should justify increased attention.

**Table 6.11. Côte d'Ivoire: Specific and Thematic AML/CFT Inspections Carried Out**

(Source: BCEAO/GSBC)

Country: Côte d'Ivoire	2018			2019			2020			2021		
	Cis	DFSs	EMIs	Cis	DFSs	EMIs	Cis	DFSs	EMIs	Cis	DFSs	EMIs
Specific inspections with an AML/CFT component	0	2	0	3	1	1	6	0	1	10	5	1
Thematic AML/CFT inspections	5	0	0	1	0	0	0	0	0	0	0	0
<b>Total number of on-site inspections (excluding general inspections)</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>10</b>	<b>5</b>	<b>1</b>
	<b>7</b>			<b>6</b>			<b>7</b>			<b>16</b>		

**448. Finally, it has not been demonstrated that MVTS activities are subject to risk-adapted supervision, despite significant gaps in the understanding of risks and requirements by FIs which provide such services.** Banks that rely on technical platform providers are not always aware of the fact that they remain responsible for the sound implementation of AML/CFT requirements, and that the controls put in place by these platforms, on their own behalf, do not exempt them from this responsibility (see Chapter 5). They are not aware either of the risks linked to the use of subagents for these activities where they do not have control over the implementation of due diligence and the collection of information or documents

pertaining to customers or transactions. No measure that allows for bridging these gaps in the identification of risks and obligations is taken by their supervisory authority.

**449. The team could not consult accurate data on training campaigns**, and therefore could not determine the number of persons dedicated to AML/CFT, nor whether the staff was able to benefit from trainings on this topic.

### The DECFinEx and DRSSFD

**450. With regard to FX bureaus and small DFSs, there are no risk-based inspections. AML/CFT inspections carried out by the DECFinEX and the DRSSFD are very recent and rudimentary.** As part of documentary supervision, these two categories of FIs are required to submit an annual internal controls report, the content of which is similar to that of the report submitted by the FIs to the BC/GSBC, yet in practice, they do not submit it systematically without being subject to any sanctions for failure to fulfill their obligations in this regard. Supervisory authorities do not have an estimate of the number of FIs that did not submit annual internal controls reports. On-site inspections were initiated in 2021. Inspected FIs were selected according to the size and volume of activities (30 out of 140 licensed FX bureaus were inspected between June 15 and November 16, 2021. 6 DFSs were inspected between October 26 and November 30, 2021, out of 11 licensed small DFSs). The effectiveness of AML/CFT inspections is very limited as they are carried out for a very narrow population and without a risk-based supervisory methodology. Inspections mainly focus on the formal presence of a system or procedures dedicated to AML/CFT, and the designation of an officer in charge of this system within the FIs. The lack of training for officials leading such inspections significantly limits their effectiveness.

**451. Since a risk-based approach as part of the supervision of these two categories of actors has not been implemented to date**, steps are being taken with the aim of formalizing the framework of these inspections. In this respect, efforts made towards the drafting of a first supervisory methodology are to be highlighted, and although they can be largely improved, they represent significant progress.

### The CREPMF

**452. In the capital market sector, no risk-based approach has been put in place, and AML/CFT inspections are almost non-existent.** The frequency of on-site inspections is theoretically set at a fixed 3-year interval, since the CREPMF has not established an ML/TF risk profile for FIs under its supervision. The CREPMF has the ability to review this supervisory program, in the event a high-risk situation is identified. Nevertheless, it has not demonstrated using its ability to review this frequency in order to deal with high ML/TF risk scenarios.

**453. The CREPMF conducts on-site and off-site AML/CFT inspections.** For on-site inspections, the CREPMF annually receives a report on internal controls on the AML/CFT system of FIs subject to its supervision. Nevertheless, out of 97 actors, 76 have submitted their annual reports, and the rate of submission in 2021 is therefore 78.35 percent only. It has not been

demonstrated that the nature and accuracy of information submitted to the CREPMF in the context of this supervision allow for the identification of shortcomings or deficiencies in the implementation of AML/CFT requirements.

**454. The CREPMF has an on-site inspection methodology which covers AML/CFT, yet is very lacking.** This area is only referred to broadly as “the internal AML/CFT system” within the supervisory items, without any additional details. AML/CFT may be assessed in the context of general inspections – in which it only represents one supervisory dimension – which cover all FI activities, or in the context of thematic inspections focused on a particular aspect or area in line with risks, which can be dedicated to AML/CFT. The adjustment of such inspections based on risk has not been demonstrated.

**Table 6.12. Côte d'Ivoire: Number of On-site and Off-Site Inspections Conducted Between January 1, 2017, and December 31, 2021**

YEAR	NUMBER OF ACTORS IN MARKET		NUMBER OF INSPECTED ACTORS		TYPES OF INSPECTIONS CONDUCTED IN CÔTE D'IVOIRE
	WAMU OVERALL	SHARE OF CÔTE D'IVOIRE	WAMU OVERALL	SHARE OF CÔTE D'IVOIRE	
2017	171	81	20	8	5 general inspections, 2 thematic inspections
2018	198	96	12	8	6 thematic inspections
2019	218	111	26	9	2 general inspections, 3 thematic inspections
2020	234	121	24	17	2 general inspections, 8 thematic inspections
2021	244	128	24	6	4 thematic inspections

**Table 6.13. Côte d'Ivoire: Number of AML/CFT Inspections of MICs**

(Source: CREPMF)

Supervisory authority: the CREPMF			
MIC Structure	Number of MICs (in Côte d'Ivoire)	Number of desk-based inspections exclusively dedicated to AML/CFT	Number of on-site inspections exclusively dedicated to AML/CFT
2017	15	1	6
2018	14	1	3
2019	14	1	2
2020	14	1	2
2021	15	1	2

**455. Although inspections have been carried out in practice, their effectiveness is not demonstrated in the absence of detailed methodology and a risk-based approach.** The supervisory strategy of the CREPMF does not integrate ML/TF risks, and gaps in the understanding of risks prevent this authority from deploying inspection tools adapted to risks, even though these risks are weaker in this sector compared to the banking sector.

#### The CRCA/DA

**456. In the insurance sector, the CRCA, which defines the on-site inspection program and activities, does not take into consideration ML/TF risks in guiding its inspections.** ML/TF risks cannot have an impact on the development of the inspection program unless a report is sent by the DA to the CRCA when a high-risk situation is detected. This ability, which is not stipulated by any legal text, has never been implemented in practice.

**457. The DA administered an AML/CFT questionnaire in 2021 with the aim of establishing a risk profile, which is regarded as a positive step forward.** However, besides the limitations in relation to its content, it is not established that the CRCA has integrated this tool into its AML/CFT supervisory strategy.

**Table 6.14. Côte d'Ivoire: Number of General On-site Inspections with an AML/CFT Component (Life and Non-Life Insurance Companies)**

(Source: DA)

Year	Number of Active FIs	Number of On-site Inspections
2018	33	18
2019	33	12
2020	33	28 <sup>1/</sup>
2021	33	12

<sup>1/</sup> This number includes a questionnaire administered in a time which was constrained by the pandemic.

**Table 6.15. Côte d'Ivoire: Number of General On-site Inspections with an AML/CFT Component (Life and Non-Life Insurance Brokers)**

(Source: DA)

Year	Number of Active FIs	Number of On-site Inspections
2018	283	0
2019	315	0
2020	323	26
2021	290	14

**458. AML/CFT inspections as part of general inspections seem to be undertaken in practice by the DA,** yet neither the choice of entities to inspect, nor the depth of such inspections – which is very limited considering the methodology of inspection – are guided by ML/TF risks. Their effectiveness has not been demonstrated.

### Supervision of TFS

**459. Since the 1267 List has not been transposed into Community law (see Chapters 3 and 4), the BC/GSBC is not capable of closely monitoring its implementation in Côte d'Ivoire.** The BC has a methodology to ensure that credit institutions respect their TFS obligations: during the examination of the implementation of “asset freezing measures”, BC/GSBC inspectors are required to confirm that the “list” (of persons and entities targeted by TFS, drafted by credit institutions which are subject to inspection, or integrated into the business filtering system) is in line with the list applicable in Côte d'Ivoire. This methodology is implemented in practice, but in the absence of a transposition of the 1267 List into Community law, the BC/GSBC is not necessarily capable of issuing or imposing sanctions against credit institutions which do not implement TFS in this context. Supervisory activities over other non-banking FIs do not include the implementation of the 1267 List, as there are no corresponding legal obligations (see R.6). Regulation No. 14/2002/CM/UEMOA applies to “banks and credit institutions” only, which means that non-banking FIs will not be required to implement the 1267 List, whether it is transposed to Community law or not. However, outside of the banking sector, supervisory authorities for FIs appear to only have a basic understanding of TFS – which they sometimes confuse with objections made by the FIU and/or seizures ordered by a judge.

**460. It is still unclear to which extent supervisory authorities in the financial sector ensure the implementation of the National List.** FIs have a legal obligation to enforce domestic designations, but the very first designations were only made at the end of the on-site visit, which means that no supervisory action had been taken in this respect. However, it appears that there is no formal mechanism to disseminate updates made to the National List to the supervisory authorities of the financial sector, which means there is no mechanism to keep them informed of any designation, amendment, or de-listing that FIs would be required to implement.

## Remedial Actions and Effective, Proportionate, and Dissuasive Sanctions

### Financial Institutions

#### BC/GSBC

**461. Investigations by the BC/GSBC highlighted major shortcomings in several aspects of the implementation of AML/CFT requirements by banks.** In 2021, the biggest shortcomings identified revolved around customer identification and profiling, monitoring of transactions and STR requirements, mapping of risks, deficiencies in the implementation of due diligence requirements, the non-formalization of certain banking and due diligence procedures, non-compliance with record-keeping obligations in relation to customers and transactions, and the incompleteness of account opening records, as well as customer profiling or KYC forms.

**462. The BC/GSBC has a wide range of measures to remedy these violations.** The majority of available measures for remedying the absent or lacking implementation of AML/CFT requirements, are stipulated in Articles 29 to 31 of the Annex of the Convention governing the WAEMU BC. They include, but are not limited to, warnings, reprimands, requests for remedial actions, fines, mandatory publication of the violation committed, suspension, or prohibition from performing all transactions (or certain types of transactions), and in extreme cases, revoking of the license.

**Table 6.16. Côte d'Ivoire: Number of Decisions Made by the Supervisory College with Regard to Deficiencies Identified During Thematic AML/CFT On-site Inspections and Specific On-site Inspections with an AML/CFT Component**

(Source: BCEAO/GSBC)

Country: Côte d'Ivoire (Banks, EMIs, and Large DFSs)	2018	2019	2020	2021
Decisions made following inspections exclusively dedicated to the implementation of AML/CFT obligations	3	0	0	0
Decisions made following inspections partly dedicated to the implementation of AML/CFT obligations	0	1	0	4

**463. The eight decisions are broken down as follows:**

- In 2018, three banks were subject to reprimands accompanied by orders to take remedial actions;
- In 2019, one EMI was subject to a reprimand accompanied by an order to take remedial actions; and

- In 2021, four FIs (including three banks and one large DFS) were subject to reprimands and monetary penalties (for a cumulative amount of 656,000,000 XOF, equivalent to approximately USD 328,000), along with orders to take remedial actions.

**464. With regard to violations sanctioned by the BC/GSBC, they included the incomplete identification of the customer upon the opening of account, or of occasional customers,** insufficient follow-up on PEPs, gaps in the IT system (incomplete databases), lack of implementation of internal audits, insufficient implementation of enhanced due diligence requirements in the framework of correspondent banking relations, and the systematic non-application of requirements related to suspicious transactions reports. The fact that the BC has sanctioned a bank for not submitting the annual internal controls report, is to be highlighted. Nevertheless, it is worth noting that the supervisory authority has not sanctioned any banks for violations pertaining to BO identification, due diligence applicable to PEP customers, or subpar risk assessments, all of which represent structural and significant deficiencies in this sector.

**465. Furthermore, while most sanctions imposed up until 2020 mainly targeted banks, one sanction was imposed upon an EMI in 2019, and another one upon on a large DFS in 2021.** Although the adoption of monetary sanctions is in itself a milestone, the meager amounts set impede the dissuasive nature of such measures. The fact that the supervisory authority has not taken any measures ensuring the publishing of such measures, even in anonymized form, renders it difficult to use such sanctions as an effective deterrent against other FIs.

#### **The DECFinEx and DRSSFD**

**466. The supervisory activities of the DECFinEX and the DRSSFD with regard to FX bureaus and small DFSs remain nascent, and no sanction has been imposed upon FIs whose level of compliance is weak.** The earliest AML/CFT inspections carried out in 2021 – although the absence of AML/CFT systems was highlighted – have only so far led to recommendations and requests for remedial actions. The assessment team was able to review an inspection report dedicated to AML/CFT in one FX Bureau out of 23 Bureaus inspected between June 15 and November 16, 2021. The very concise conclusions in this report do not allow for the identification of shortcomings and violations. The effectiveness of the inspection process also suffers from a lack of training for the staff leading inspections. Information sent to supervised FIs is not always detailed and accurate enough to allow them to understand the deficiencies and ultimately take remedial actions.

#### **The CRCA/MF**

**467. To date, no sanctions have been imposed upon an insurance company or a broker for violating AML/CFT obligations.** All inspections carried out since 2018 have resulted in recommendations. Inspections carried out in 2020 and 2021, however, have highlighted serious violations, particularly in the brokerage sector. Out of the 11 licensed brokers, only one, which is backed by an international group, had an AML/CFT system in place. Still, no brokers have been sanctioned.

## The CREPMF

**468. The CREPMF has imposed three sanctions for non-compliance with AML/CFT regulations.** These sanctions have been issued in the context of procedures including other violations unrelated to AML/CFT. These sanctions prove that AML/CFT was taken into consideration in the enforcement process, yet it has not been demonstrated that such sanctions are effective, proportionate, and dissuasive.

**469. Finally, exchanges with representatives of the private sector did not highlight the effectively dissuasive nature of actions taken by supervisory authorities against FIs supervised by the BC, and even less so in other subsectors.** While the shift towards a more repressive approach in the banking sector is taking place, the deficiency of sanctions and the lack of rigorous follow-up on imposed remedial actions do not guarantee their effective, proportionate, and dissuasive nature, so as to compel FIs to fulfill their AML/CFT obligations.

## Impact of Supervisory Actions on Compliance

### *Financial Institutions*

**470. The weak nature of sanctions and remedial actions taken by supervisory authorities of FIs (injunction, reprimand, warning)** does not guarantee their dissuasive nature to an extent which compels FIs to fulfill their AML/CFT obligations.

**471. With regards to the BC/GSBC, actions taken do not appear to constitute, to this day, a significant dissuasive factor, in view of the low number of sanctions.** The imposing of financial sanctions starting 2021 is a positive step towards a more repressive approach and should be highlighted.

**472. When remedial measures are requested following inspections, FIs give them attention, yet it is impossible to demonstrate their effectiveness in terms of risk management.** While the BC/GSBC process provides, in theory, for a specific deadline for the implementation of remedial actions, it has not been demonstrated that the requests are imposed in practice with specific implementation deadlines that would depend for instance on the seriousness of the identified shortcomings. In cases where the BC/GSBC imposed sanctions upon CIs, these sanctions were accompanied with remedial measures targeting the identified shortcomings. However, remedial action requests are limited in effectiveness for individual actors. Similar to the supervisory approach, these actions focus more on the adoption of missing elements in the mechanism, rather than the deployment of a new risk-based mechanism. Deficiencies in the understanding of risks by supervisory authorities, and their impact on the supervisory strategy, prevents the BC/GSBC from drafting requests for remedial actions capable of improving the implementation of obligations based on risks. Remedial actions remain therefore very generic and do not guide FIs towards better mitigation of the risks to which they are exposed.

**473. In small DFSs and in FX bureaus, recent AML/CFT inspections, while very limited, have led to the designation of an AML/CFT officer.** Information communicated to FIs under supervision is not detailed and accurate enough, so as to help them understand the deficiencies and take possible remedial measures. The quality of inspection reports significantly impacts their scope and effectiveness. Upon the completion of training and awareness sessions, and following the earliest supervisory actions, 11 FX bureaus and 10 DFSs designated their correspondents before the FIU and initiated the first procedures dedicated to AML/CFT. However, these actions have not significantly improved the effectiveness of the implementation of AML/CFT requirements by these FIs.

**474. In the insurance sector, as mentioned previously, the measures taken following inspections which include an AML/CFT component are mainly recommendations, which are not** consistent with the seriousness of violations observed in the brokerage sector for example. Supervisory authorities have not demonstrated having established sophisticated mechanisms for the follow-up of the recommendations made.

**475. It has not been demonstrated that action by CREPMF has had an impact on the level of compliance of FIs subject to its supervision.**

#### **Promoting a Clear Understanding of AML/CFT Obligations and ML/TF Risks**

**476. The drafting of an NRA has allowed for informing FIs and DNFBPs on major predicate offenses in Côte d'Ivoire in relation to ML/TF,** without reaching a satisfactory level of understanding of ML/TF risks, however, notably due to the non-dissemination of information on typologies and risk indicators associated with their activities and customers. The lack of cooperation between supervisory authorities and the FIU significantly hinders the ability of supervisory authorities to promote an adequate understanding of risks and an effective implementation of obligations based on risks.

**477. The understanding of risks and requirements in the FI and DNFBP sectors is mainly based on the dissemination of the NRA conclusions as well as other actions taken by supervisory** authorities to raise awareness among FIs and DNFBPs regarding risks and requirements (see Chapter 1).

#### ***Financial Institutions***

**478. Supranational supervisory authorities for FIs have not sufficiently integrated the promotion of sound understanding of risks and obligations into their supervisory strategy.** The exchange between supervisory authorities and FIs is usually made on an individual basis, following inspections. When it comes to the banking sector, the GSBC organizes a bilateral annual conference with the CEOs of banks and key professional associations, during which several issues are raised, including issues related to AML/CFT measures.

**479. This almost exclusively bilateral approach is not effective as it does not allow supervisory authorities to disseminate on a more comprehensive level their expectations in terms of AML/CFT.** It highlights the gaps in the understanding of risks and obligations, since it prevents the dissemination of good practices within the sectors.

**480. Actors of the foreign exchange and small DFS sectors, which the NRA identified as particularly vulnerable to ML/TF, benefited from awareness activities centered on AML/CFT requirements.** The meetings between the assessment team and representatives of small DFSs helped establish that recent actions taken by authorities have allowed for a better understanding of requirements in this sector, even though this understanding remains basic.

**481. Supervisory authorities of the insurance and capital market sector have not taken steps specifically dedicated to raising awareness among actors, be it for the promotion of a better** understanding of AML/CTF requirements, or a better understanding of ML/TF risks.

**482. No supervisory authority for FIs has published guidance or documents on best practices.**

#### *Designated Non-Financial Businesses and Professions*

**483. Some professions, namely, notaries and chartered accountants, identified as particularly at risk of ML/TF, have been sensitized to AML/CFT, be it in the context of the NRA or following its publishing.** These awareness-raising activities have enabled stakeholders to become aware of their obligations, without however providing an opportunity for them, to develop an adequate understanding and knowledge of risks and obligations.

### **D. Conclusions on IO. 3**

**484. The fit and proper verification process for individuals holding managerial positions or controlling interest in FIs suffers from deficiencies in both the range and scope of such checks.** Gaps in the supervisory authorities' understanding of risks constitute an obstacle to the deployment of risk-based supervision. More specifically, supervisory authorities do not have adequate risk identification mechanisms, whether at the institutional or sectoral levels.

**485. Considering the prevalence of informal activity in the economy, the measures taken by the authorities to combat the illegal exercise of certain activities subject to licensing are not sufficient.** Risk-based supervision is not implemented in any sector. Measures have been taken recently by many supervisory authorities, the BC in particular. Their effectiveness remains limited due to a lack of training for staff on AML/CFT and risks. Supervisory actions do not take into consideration risks posed by both individual actors and sectors. The AML/CFT supervision of FX bureaus and small DFSs began recently, yet remains very nascent and is still not risk-based. Overall, measures taken following inspections are not commensurate with the seriousness of the shortcomings identified, nor are they dissuasive. In 2021, the BC adopted a more repressive

approach with regard to AML/CFT shortcomings. No supervisory authority has published guidance dedicated to the implementation of AML/CFT measures.

**486. SRBs have been designated for lawyers, notaries, chartered accountants, judicial representatives, and court administrators, but not for other DNFBPs** (dealers in precious metals and stones, business agents, casinos and gaming establishments, and real estate agents and developers). While they have been designated, they have not started their activities.

**487. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 3.**

## LEGAL PERSONS AND ARRANGEMENTS

### A. Key Findings

- Information on the establishment and types of commercial companies is easily and directly accessible by the public. Information on other types of legal persons, including civil associations and companies (especially in the real estate sector), is only partially accessible.
- The understanding of risks associated with legal persons by authorities remains very limited and fragmented, despite some vulnerabilities and the frequency of recourse to legal persons to conceal proceeds of crime. Côte d'Ivoire has not carried out an assessment of ML/TF risks associated with the various categories of legal persons.
- Measures taken to prevent the misuse of legal persons and legal arrangements for ML/TF purposes are insufficient, and their scope is limited. The role of intermediaries – including the notarial sector – has not been assessed, and no measure has been taken to that end for these sectors, despite their demonstrated involvement. Preventive measures for legal persons are not implemented by DNFBPs.
- Côte d'Ivoire does not have mechanisms in place to prevent the misuse of directors acting on behalf of other persons ( *nominee directors* ), while nominees have been recognized as one of the instrumentalities used in ML schemes. With regard to bearer shares, since 2014, companies no longer have the option to issue new securities to bearers, and securities issued before 2014 were to be converted and registered before May 5, 2016. Nonetheless, authorities have not taken specific measures for the implementation of registration requirements within the specified deadlines.
- The proportion of basic information that is easily accessible remains fragmentary, in an economy where the informal sector is prominent. Resources available at the RCCM do not allow it to carry out proper inspections, and thus ensure that basic information is accurate and up to date.
- The DGI provides, upon request and in a timely manner, BO information kept in the registers of legal persons, but this information is not subject to regular and sufficient checks. The DGI

also collects, since 2020, information on the BOs of legal persons at the time of their establishment, but could not demonstrate to which extent this measure facilitates access to this information or its update in the absence of a relevant mechanism. FIs and DNFBPs are not considered as a means of accessing accurate and updated information on BOs in a timely manner.

- Foreign trusts and legal arrangements that have a trustee or an administrator operating from Côte d'Ivoire are required to register and provide the tax administration with information relating to their BOs, but the authorities have not demonstrated the implementation of these obligations.
- The RCCM does not have the ability to sanction any natural or legal person which fails to provide basic information on a legal person, or which does not keep its information up to date. Tax authorities indicated having imposed ad hoc sanctions against legal persons that failed to fulfill their BO requirements, yet the effective, proportionate, and dissuasive nature of such sanctions has not been demonstrated.

## B. Recommendations

Côte d'Ivoire should:

- Assess ML/TF risks associated with the various categories of legal persons, which will help identify the instrumentalities and channels used (including the role of intermediaries), and draw typologies which allow reporting entities and authorities to better identify ML schemes involving legal persons, especially those in connection with major threats. Disseminate the results of this assessment to the relevant sectors and conduct awareness activities with a particular focus on high-risk sectors. Take targeted measures aimed at mitigating identified risks.
- Implement a mechanism which guarantees that collected basic information is accurate and updated in a timely manner. The RCCM must be provided with human and technical resources (file linking) and means enabling it to conduct effective inspections, including sanctioning powers.
- Ensure that authorities are able to access, in a timely manner, basic information made available by the RCCM, regardless of place or year of incorporation. To that effect, Côte d'Ivoire should ensure that such information is as complete and digitized as possible, by accelerating the integration of the informal sector.
- Ensure that all competent authorities have access – with regard to all legal persons and arrangements regardless of their date of establishment – to information on BOs, including information collected by the DGI, and that this information is accurate and up to date.

- Carry out inspections and checks to ensure that legal persons fulfill their BO requirements, and impose effective, proportionate, and dissuasive sanctions upon those who fail to fulfill them.
- Ensure swift public access to information relating to the establishment and all forms of legal persons, including civil associations and companies, particularly real estate companies, and to information on legal arrangements.
- Take measures to prevent the misuse of legal persons that can have directors acting on behalf of other persons (*nominee directors*).
- Implement measures aimed at reducing risk associated with bearer shares still in circulation, either by introducing a deadline after which holders of bearer shares will not be able to use them, or by making sure that such securities are no longer in circulation.
- Take specific and proactive measures within relevant sectors to ensure that requirements related to legal arrangements are implemented and – where necessary – to make accurate and updated BO information available in a timely manner.

### C. Immediate Outcome 5 (Legal Persons and Arrangements)

#### Public Availability of Information on the Creation and Types of Legal Persons and Arrangements

**488. Limited liability companies (46,816), one-person limited liability companies (13,568) and cooperatives (5,844) constitute the majority of legal persons in Côte d'Ivoire.** Since the country is a member of the OHADA, the establishment of companies is governed by legislation at the Community level (see Chapter 1). Commercial companies and EIGs must be registered within the Trade and Personal Property Credit Register (RCCM) and the cooperatives register, in the case of cooperatives. Foreign companies having branches or representative offices in Côte d'Ivoire must also request registration at the RCCM (see R.24).

**489. Information regarding the establishment of commercial companies is easily and directly accessible to the public.** It is contained within the texts of the OHADA Uniform Act available online<sup>53</sup> and published in the official gazette. The information is also available in the Civil Code,<sup>54</sup> the General Tax Code,<sup>55</sup> as well as other documents specific to the purpose of the companies. However, the National Center for Legal Documentation (CNDJ) oversees the compilation, conservation, archiving, and dissemination of legislative and regulatory texts adopted in the country.

<sup>53</sup> <https://www.ohada.com/textes-ohada/actes-uniformes.html>

<sup>54</sup> <https://loidici.biz/2018/08/19/le-code-civil/lois-article-par-article/codes/>.

<sup>55</sup> [https://dgi.gouv.ci/images/PDF/impot\\_et\\_taxes.pdf](https://dgi.gouv.ci/images/PDF/impot_et_taxes.pdf)

**490. The Center for Development and Investment (CEPICI) publishes information related to the characteristics and establishment of commercial companies.** CEPICI is a one-stop shop for investment, tasked with the centralization and facilitation of company establishment, modification, and dissolution procedures. Access to information is possible either upon written request or on the CEPICI website.<sup>56</sup> In 2020 and 2021, the authorities organized awareness campaigns of many forms for both new and already registered companies, including training workshops for the relevant professions, i.e., notaries, legal counsels, business agents, and lawyers.

**491. Information pertaining to other forms of legal persons, including civil associations and companies, is only partially accessible to the public.** Apart from the public nature of the 1960 Law on the statute of associations,<sup>57</sup> no particular action has been taken to publish and centralize information related to the establishment of associations and their obligations. With regard to non-profit companies, mainly OPCs established for the management and transfer of real estate properties, authorities have not made available to the public, beyond the legal texts in force, information related to their establishment and their obligations.

**492. Information pertaining to the obligations of legal arrangements is limited to the publication of the texts in force in the official gazette and their analysis by the DGI.** Legal texts in force do not provide for the establishment of legal arrangements, such as trusts, in Côte d'Ivoire. However, a person residing on Ivorian territory may act as the trustee of a foreign trust, or even manage a trust and its assets on behalf of a third party. Authorities have not published information related to the obligations of such arrangements, except in the tax annex within the official gazette, and through the publishing of the analysis of these provisions by the DGI – before which these legal arrangements are registered – in the official gazette. Authorities have indicated that no legal arrangements have initiated reporting procedures, without being able to prove the absence of such arrangements operating on the territory.

### **Identification, Assessment, and Understanding of ML/TF Risks and Vulnerabilities of Legal Entities**

**493. Côte d'Ivoire has not conducted an assessment of ML/TF risks associated with the different categories of legal persons established on Ivorian soil.** The NRA does not specifically cover legal persons. It certainly highlighted factors exposing the NPO sector to the risk of exploitation by PEPs for ML purposes, without providing a detailed analysis of ML methods (see IO.1). More generally, the NRA also highlighted vulnerabilities associated with cash deposits in the banking sector made on behalf of legal persons, as well as with the difficulty of obtaining information on the depositors of these cash amounts or on the BOs of legal persons, in addition to the limited availability of reliable identification infrastructures to mitigate forgery risks, particularly the forgery of legal persons' incorporation documents.

<sup>56</sup> [https://www.cepici.gouv.ci/index.php#formalites\\_ent](https://www.cepici.gouv.ci/index.php#formalites_ent)

<sup>57</sup> Law No. 60-315 of 1960.

**494. Nevertheless, the FIU has initiated a study aimed at measuring the involvement of legal persons in ML, which has only allowed at this stage to draw preliminary conclusions.**

Relying on a purely quantitative analysis of the STRs received during the period between 2017 and 2021, the study therefore suffers from the uneven distribution and completeness of STRs, notably their inconsistency with major threats (see Chapters 5 and 3). Predicate offenses highlighted in these STRs (tax fraud, scamming, forgery and use of forged documents, cybercrime) only partially reflect major ML/TF threats identified. As such, offenses related to corruption are given second place while those related to drug trafficking or environmental crime remain marginal.

**495. The incomplete nature of this exercise impacts the way authorities understand the vulnerabilities of different legal person categories.**

Some trends emerge from the study in relation to used instrumentalities (nominee arrangements, cash deposits, shell companies with false commercial records, etc.) and channels used (credit institutions, MVTs, notary offices, and OPCs). However, the study was not circulated outside of the FIU and does not provide a customized analysis for every type of legal person or predicate offense. Moreover, reports disseminated by the FIU on cases of ML involving legal persons were not used in this exercise. Furthermore, they lack the level of detail needed for the development of typologies which allow reporting entities and authorities to better identify the involvement of legal persons in cases of ML, especially when connected to major threats.

**496. The results of an analysis by the PPEF help confirm the frequent involvement of OPCs in ML schemes, as well as the involvement of some intermediaries, including notaries.**

This purely quantitative study of PPEF cases, which is still ongoing, was not disseminated to other competent authorities (FIU, DGI for instance), and has not yet resulted in the development of proper typologies aimed at improving the understanding of risks and taking targeted measures to mitigate them.

**497. Despite these results, authorities did not assess risks associated with other legal persons, NPOs or civil real estate companies, or the role of intermediaries.**

Although the NRA considers the NPO and the real estate sectors as vulnerable to ML, in connection with corruption or similar offenses, and although studies by the FIU appear to confirm these risks, authorities did not demonstrate their understanding of used ML typologies. Furthermore, the role of intermediaries (notaries, chartered accountants, lawyers, and business agents) in the establishment and management of legal persons and legal arrangements was not assessed, despite the proven involvement of notaries in a significant part of PPEF cases related to legal persons and ongoing proceedings against them.

**498. Despite the efforts of the FIU and the PPEF, the understanding of ML risks associated with legal persons is limited and fragmentary.**

This is particularly the case for the Clerk's Office of the Commercial Court in charge of the RCCM, or CEPICE, which are not sensitized to risks associated with legal persons, as well as investigative or supervisory authorities whose understanding of risks is very limited. The PPEF and the FIU have nevertheless demonstrated a better understanding of these risks. The same goes for the DGI in relation to tax fraud or false

customs declaration schemes. The DGI has identified vulnerabilities in commercial transactions in relation to types of legal persons, to better target its operational inspections, but has not developed an understanding of ML scheme typologies.

### **Mitigating Measures to Prevent the Misuse of Legal Persons and Arrangements**

**499. The OHADA Uniform Act provides for company transparency measures, with limitations in scope due to the lack of effective implementation.** Information collected during the establishment of a legal person is transferred to the Clerk who registers and maintains it within the RCCM. Legislation also requires the production of a judicial record extract for the applicant, and the Chief Clerk may, on that basis, reject the registration application. However, the Clerk of the Commercial Court has never received a registration application that includes a criminal record, the content of which puts the integrity of the legal person in question. Accordingly, no registration at the RCCM has been refused, which casts doubt on the effectiveness of the implementation of these measures.

**500. Basic information on companies registered outside Abidjan is not yet digitally searchable by the public.** In fact, The RCCM is not fully operational throughout the whole territory. Local RCCM files must be maintained by the commercial courts, yet only the Commercial Court of Abidjan (which covers around 80 percent of registrations) is operational since 2020. Until the establishment of other commercial courts, local files are kept by courts of first instance. These files are not digitized and not very usable. Authorities have initiated reforms aimed at digitizing information kept in registers outside Abidjan, and integrating it into the RCCM, but the impact of such reforms is not yet tangible at the national level. No sensitization activities in relation to registration and update requirements have been carried out by the Clerk's Office throughout the past three years.

**501. Furthermore, the information available online via the RCCM since 2020 remains fragmentary, in an economy where the informal sector is already substantial.** Authorities estimate that complete information is only available for around 20 percent of companies, and the information of the RCCM does not allow for differentiating between active and dissolved legal persons. Therefore, at the time of the on-site visit, the RCCM website did not provide access to basic information, except for companies incorporated in Abidjan after 2020. Information on companies registered in Abidjan before this date either has not yet been digitized (for companies established before 2013), or has not yet been consolidated into the CEPICI database (which has been collecting information since 2014).

**502. Since 2015, the CEPICI has launched a voluntary single-file project for active companies, with meager results still.** This project is aimed at creating a unique identifier (UID) for companies, based on the record of active companies at the DGI (132,000 allegedly active companies). However, this initiative has only helped create an inventory of companies registered in Abidjan between 2015 and 2018. In total, only 14,000 companies have received a UID, while the project aims at covering 80 percent of the targeted population by the end of 2023. Companies

outside Abidjan have only been “invited” to submit UID requests, and sensitization activity for this category remains nascent. The implementation of this project suffers from its non-binding nature.

**503. These measures are part of an approach aimed at reducing ML risks and ensuring the reliability of information kept by the RCCM.** Information received upon granting of the UID is not used to update RCCM information. Furthermore, no measures have been taken to improve information kept by the RCCM (for example, targeting checks on dormant entities). The Abidjan Clerk’s Office, in charge of the RCCM, is not involved in this approach, and this project does not integrate ML risk mitigation as an objective. Nevertheless, authorities have introduced a QR code since April 2020 into registration forms provided to new companies, in order to mitigate the risk of use of forged registration forms at FIs and DNFBPs. This code allows reporting entities to directly verify the authenticity of their customers’ registration documents, for companies established since 2020.

**504. Authorities have taken targeted measures which help limit the use of legal persons for ML purposes in the gold mining sector.** The mining administration conducts, in the context of licensing procedures for the sale and purchase of raw gold and other precious metals, investigations into the members of the shareholder structure and managers of the legal person, using National Gendarmerie services, and upon advice by the FIU. The implementation of these measures has allowed for the submission, between 2019 and 2021, of 138 files to competent authorities for investigation, 13 of which were rejected following unfavorable opinion by the FIU, due to ML/TF suspicions.

**505. The role of intermediaries in the creation and management of legal persons has not been assessed, and no measures have been taken by these sectors to that end.** DNFBPs are not subject to AML/CFT supervision, and service providers to trusts do not constitute an organized profession as is. Despite a few cases of STRs involving some intermediaries and ongoing proceedings, including notary offices, no measure has been taken to limit the contribution of these professions to the facilitation of ML/TF. Preventive measures regarding legal persons are not implemented by DNFBPs (see IO.4).

**506. Authorities have only organized awareness activities for FIs and DNFBPs that are too broad in scope.** The purpose of such activities was to clarify their AML/CFT responsibilities and highlight the importance of implementing preventive measures. Their crucial role in preventing the use of legal persons for ML/TF purposes was not particularly targeted knowing that, as outlined in the analysis of IO.4, they do not effectively implement their BO identification requirements. In the absence of an understanding of risks associated with legal persons (see CI 3.2), these awareness activities are not targeted enough to prevent the misuse of legal persons for ML/TF purposes.

**507. With regard to bearer shares, Ivorian authorities have taken measures which are not yet fully effective, due to a lack of proper implementation.** Since 2014, companies have not had the ability to issue new shares to bearers, and shares issued before 2014 should have been converted and registered before May 5, 2016 (see c.24.11). Authorities are not able to identify the

number of entities which have converted and registered their bearer shares and have not taken any measures for the implementation of this requirement. Holders of non-converted bearer shares may also claim the rights linked to these shares without any specified deadline, and authorities are not able to confirm whether bearer shares are still in circulation, or estimate their numbers and identify the sectors likely to be using them still.

**508. Côte d'Ivoire does not have a mechanism to prevent the use of legal persons capable of having directors acting on behalf of a third person ("nominee directors"),** although the use of nominees has been recognized by authorities as a tool used in ML schemes.

**509. The provisions stipulating a requirement to register before the DGI for legal arrangements have not proven effective.** Authorities have indicated that no legal arrangement has initiated reporting procedures. In the absence of more specific and proactive procedures for relevant sectors, this does not provide reassurance that such arrangements do not exist on Ivorian territory. No other measure has been taken by the authorities to prevent the use of legal arrangements for ML/TF purposes.

### **Timely Access to Adequate, Accurate, and Current Basic and Beneficial Ownership Information on Legal Persons**

**510. Authorities obtain basic information on commercial companies either through the RCCM or from legal persons directly.** The Commercial Court of Abidjan provides – upon request – information related to registrations at the RCCM and other competent authorities. The Clerk's Office of the Court of Abidjan reported having received 91 requests between 2020 and 2022 from the FIU (59), the HABG (2), civil protection and security services (4), the DPEF (16), the Gendarmerie (1), judicial officers (4), and investigating judges (7).

**511. Timely access to basic information is compromised by the incomplete and fragmentary information collected by the RCCM.** As previously mentioned, (section 7.2.3), basic information on companies registered outside Abidjan is not yet digitally available, and information published online by the Clerk's Office of Abidjan via the RCCM remains fragmented. This major deficiency impacts the ability of competent authorities to obtain this information in a timely manner when a legal person is registered outside Abidjan. Apart from these cases, competent authorities have indicated that the Clerk's Office of Abidjan is able to fulfill their requests in a timely manner (within 48 hours approximately). Basic information available at the Abidjan RCCM may be accessed by foreign competent authorities when published online, but the Clerk's Office of Abidjan indicated being unable to provide information to foreign authorities outside the OHADA zone.

**512. Basic information contained within the RCCM is not necessarily accurate or up to date, given the deficiency of performed inspections, or even lack thereof.** The legal framework does not provide for a mechanism to ensure that basic information is accurate and updated as necessary (see R.24). The absence of checks by the RCCM is particularly tricky in a context where fictitious or false addresses are used during the establishment of a legal person or

during the business relationship, and where the use of forged registration documents has been noted. This vulnerability was identified in the NRA, recognized by FIs, and noted by the DGI. The enforced obligation to regularly update information kept at the RCCM is not adequately monitored, and some legal persons have either ceased to exist, or undergone changes, which is not reflected in the RCCM database. These conclusions have been reached by the FIU as well as investigative and tax authorities.

**513. Resources available to the Clerk's Office do not allow it to perform proper inspections and checks to ensure the credibility of the basic information received.** The Office only performs compliance monitoring of submitted records, but does not have proactive compliance checks or other controls to ensure the credibility of this information. The Clerk's Office does not have adequate resources to detect such irregularities throughout the life of the legal person. Current tools used by the RCCM are based on historical data in its database, as well as documents proving compulsory pre-registration before tax authorities, which are required to verify the compliance of documents and information submitted when these entities were created. The effectiveness of these controls suffers from the lack of linkage with the databases of other administrations, particularly tax departments, in order to be able to update basic information throughout the existence of the company, and ensure an access to updated basic information. For instance, the RCCM is not capable of distinguishing between dormant companies and companies considered as active by the tax administration. In addition to the absence of adequate tools, RCCM resources dedicated to these functions are limited to 10 persons covering around 16,061 companies registered in 2021, and the staff has not received training on ML risks associated with legal persons. Finally, the Clerk does not have the power to impose sanctions, except for the ability to refuse formalizing the registration process. To this day, The Office has not filed any suspicious reports to the FIU, or complaints before prosecutorial authorities. This highlights the inability to identify violations of the legislation in force, or potential misuse of legal persons.

**514. Basic information on other forms of legal persons, non-profit associations and companies, is partially accessible by authorities.** Public-benefit or simple associations are considered non-profit as per legislation.<sup>58</sup> The AML/CFT Law defines NGOs and provides for their registration in a register dedicated to this purpose, but the competent authority has not yet been designated; subsequently, the register is non-existent (see IO.10). Associations must be declared before the prefecture or administrative district where their head offices are located. With regard to civil non-profit companies, mainly OPCs created for real estate management and asset transfer purposes, they are not subject to the requirements of registration at the RCCM but are requested to register before the tax authorities which will thus have access to this information.

**515. With regard to BO information, authorities rely on the DGI which can access, upon request and in a timely manner, registers maintained by legal persons.** Since 2019, tax

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<sup>58</sup> Law No. 60-315 of 1960

legislation compels legal persons, whatever their form and activity,<sup>59</sup> to maintain at the disposal of tax authorities their BO register updated with all relevant changes. Competent authorities have access to this information through the DGI, which has demonstrated its ability to obtain this information upon request and exchange it in a timely manner (less than 48 hours if necessary) in response to requests by investigative authorities or the FIU. However, in practice, it is the FIU and law enforcement authorities (Gendarmerie and the PPEF) who regularly request information from the DGI, without being able to demonstrate to which extent these requests are specifically linked to BOs. However, requests emanating from the DPC or the HABG remain anecdotal, despite the relevance of such information in the context of investigations linked to corruption or transnational offenses. Authorities very rarely exchange BO information with their foreign partners.

**516. The keeping of registers by legal persons is not subject to regular and sufficient checks ensuring access to satisfactory, accurate, and updated information in a timely manner.** While there is an obligation to keep the register updated without delay, the provisions do not provide for mechanisms allowing legal persons to be aware of changes in their BOs anyway. The verification of BO registers is not subject to systematic inspection during tax inspections, and these targeted inspections remain quite random. Tax authorities indicated having issued ad hoc sanctions against legal persons which did not fulfill their record-keeping obligations, but were not capable of differentiating between statistics related to these sanctions and statistics related to remedial actions. It is therefore impossible to assess the frequency of these sanctions as well as their effective, proportionate, and dissuasive nature.

**517. The DGI also collects information on the BOs of new legal persons, but has not demonstrated the scope or form of this collection process, nor the update of this information (by maintaining a register for example).** New legal persons are therefore requested to submit, upon establishment, information about their BOs. However, the DGI does not provide such information to authorities except upon request, and there is no mechanism to facilitate access to this information by competent authorities.

**518. Furthermore, the DGI has not demonstrated that information received from new legal persons since 2020 has been updated.** Legal persons are not required to inform the DGI of changes to their BO structure after their establishment (see c.24.7).

**519. Finally, authorities cannot rely on FIs and DNFBPs to access satisfactory, accurate and updated BO information in a timely manner.** In fact, as shown in the analysis of IO.4, these entities do not effectively fulfill their BO identification obligations. As such, even if competent authorities, namely the FIU and law enforcement authorities, have the necessary powers to access BO information held by FIs and DNFBPs in a timely manner, the information obtained is generally either absent or deemed unsatisfactory by competent authorities, and must be subject to additional checks to be usable in the context of investigations (see IO.6). FIs and DNFBPs must

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<sup>59</sup> This obligation stipulated by Article 49 of the LPF applies to commercial and civil companies (OPCs), partnerships, cooperatives, economic interest groupings, and associations.

also refer back to their customers, which not only lengthens timeframes, but also raises confidentiality issues with regard to ongoing investigations.

### **Timely Access to Adequate, Accurate, and Current Basic and Beneficial Ownership Information on Legal Arrangements**

**520. The tax administration before which legal arrangements are required to register, has not demonstrated its ability to ensure timely access by other authorities to basic information and information on the BOs of legal arrangements.** The authorities indicated that no legal arrangement had initiated reporting procedures. However, due to the absence of more specific and proactive procedures for the relevant sectors, this does not confirm their absence from the territory. No measure has been taken to prevent the misuse of legal arrangements for ML/TF purposes.

### **Effectiveness, Proportionality, and Dissuasiveness of Sanctions**

**521. Article 2 of Law No. 2017-727 of November 9, 2017, on the sanctioning of offenses provided for by the uniform acts of the OHADA Treaty, stipulates criminal sanctions against the managers of legal persons who ignore their reporting obligations.** However, to date, it is not possible to assess the effectiveness of such measures in the absence of court decisions imposing the stipulated sanctions. In addition, the RCCM does not have the ability to impose sanctions based on non-compliance with obligations related to the dissemination or update of basic information.

**522. Tax authorities reported having imposed ad hoc sanctions against legal persons which failed to comply with their BO requirements, yet it was not possible to assess the frequency of these sanctions as well as their effective, proportionate, and dissuasive nature.** The DGI was not able to isolate statistics relevant to these sanctions from general statistics related to remediation.

## **D. Conclusions on IO. 5**

**523. Measures taken by Côte d'Ivoire are insufficient for preventing the misuse of legal persons and arrangements for ML/TF purposes.** Information related to the establishment of commercial companies is accessible to the public, and authorities have taken measures aimed at improving its transparency. As for information on other forms of legal persons, it is only partially accessible. Despite certain vulnerabilities highlighted in the NRA and the involvement of legal persons in some cases of ML, as well as intermediaries particularly in relation to corruption, drug trafficking or environmental crimes, Côte d'Ivoire has not conducted an assessment of ML/TF risks associated with the various types of legal persons. The understanding of risks associated with legal persons remains very limited. Measures taken by authorities, including awareness activities, cannot mitigate these risks effectively. Timely access to basic information is compromised by the incomplete and fragmented character of the information collected, as well as by the absence of inspections and sanctions. Authorities have access to BO information via the DGI, but the adopted

mechanism does not allow for ensuring that this information is satisfactory, accurate and up to date. In addition, inspections do not allow to ensure that legal persons fulfill their requirements in terms of keeping a BO register or updating information disseminated to tax authorities at the time of their creation, and therefore ensuring they are accurate and up to date. The introduction of provisions which establish a registration requirement for legal arrangements has not demonstrated their effectiveness.

**524. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 5.**

## INTERNATIONAL COOPERATION

### A. Key Findings

- MLA and extradition granted by Côte d'Ivoire have been appreciated by some requesting countries, but are not made in a timely manner, as most requests submitted to Ivorian authorities were still in progress years after their reception.
- Judicial authorities rarely seek MLA and extradition despite the threat of transnational crime in the country. Most MLA requests issued by Ivorian authorities have not received a response, and authorities do not have an effective mechanism allowing for follow up on these requests.
- Beyond MLA, competent authorities engage in other types of cooperation with their counterparts abroad. However, the proactive use of this type of cooperation is not sufficient due to the transnational nature of a major portion of income-generating offenses. Police authorities do not seize opportunities to investigate and dismantle transnational criminal networks involved in ML, TF and high-risk predicate offenses, or to confiscate criminal proceeds. The exchange of information by the supervisory authorities of the financial sector is even more limited.
- The FIU has adopted the Egmont Group's principles for information exchange, which set confidentiality and reciprocity as essential conditions for information exchange between FIUs. The Ivorian legal framework limits, in principle, the scope of information that the FIU is authorized to exchange with its counterparts outside the WAEMU zone, although this major technical deficiency does not seem to have materialized in practice.
- The exchange of basic and BO information related to legal persons is very rare.

### B. Recommendations

Côte d'Ivoire should:

- Develop a framework legislation on international mutual assistance in criminal matters and extradition in order to be able to respond effectively to foreign requests, and offer a legal framework for different actions taken in the execution of such requests, as well as give full

effect to MLA conventions to which the country is a party. This legislation would also help modernize the current extradition framework.

- Amend the existing legal framework to provide the FIU with the power to exchange with its counterparts within and outside of the WAEMU zone, all information to which it has access at the national level, including information from reporting entities, whether they have issued an STR or not.
- Establish, through the DACP and judicial authorities, an operational mechanism to ensure the effective follow-up and prioritization of legal assistance requests submitted to Côte d'Ivoire, in order to be able to provide timely responses.
- Raise awareness among judicial authorities of the need to use MLA whenever required by the case, and strengthen their trainings in this regard, which would allow the country to better counter transnational crime.
- Provide its judicial authorities with material and technical resources, including a procedures manual, so as to allow them to request and provide MLA and extradition in a timely, constructive, and satisfactory manner.
- Ensure that competent authorities understand the importance of actively seeking other forms of international cooperation to support their operational activities through trainings and procedures manuals, and by implementing, at the national level, a system aimed at regularly assessing the effectiveness of all forms of international cooperation.
- More particularly, ensure that investigative authorities strengthen their international cooperation, so that their investigations target the identification and tracking of criminal proceeds and the countering criminal networks and enablers outside the Ivorian border.

## C. Immediate Outcome 2 (International Cooperation)

### Providing Constructive and Timely MLA and Extradition

**525. International treaties and conventions to which Côte d'Ivoire is a signatory, allow the country to grant MLA and extradition upon receiving requests from foreign States.** MLA and extradition requests are received through diplomatic channels by the Minister of Foreign Affairs, who refers them to the DACP at the Ministry of Justice. In addition to diplomatic channels, Côte d'Ivoire benefits from simplified procedures which expedite the international cooperation process. These procedures allow the judicial authorities of the requesting country to directly submit an international mutual legal assistance request to their counterpart in the recipient State. MLA requests based on simplified procedures between Côte d'Ivoire and France are submitted through the French liaison magistrate. The latter also helps facilitate MLA provided by Côte d'Ivoire to France's neighboring countries. For instance, in the context of an MLA request sent to competent Belgian authorities, the French liaison magistrate filed a copy of the request submitted

to Belgian authorities. He then ensured the follow-up of the file, which resulted in the expeditious processing of the case; in fact, thanks to this intervention, the file had already neared completion, well before it was received through diplomatic channels.

### ***Mutual Legal Assistance***

**526. Apart from the provisions of certain special laws, there is no law for mutual legal assistance in Côte d'Ivoire, which could impact the authorities' ability to ensure effective assistance.** Although the absence of a national law does not hinder the possibility to provide or request mutual legal assistance in the context of bilateral and multilateral treaties and conventions ratified by the State, as these regulations have the force of law, the absence of a legal framework creates a legal vacuum in case of absence of a treaty. To the extent that bilateral and multilateral conventions only cover part of the major partners and high-risk zones for Côte d'Ivoire, this legal vacuum can have a significant negative impact on the granting of mutual legal assistance by the country. In addition, authorities do not have a legal framework allowing them to organize the conditions for providing urgent MLA, forming joint investigation teams, involving foreign agents in the investigation, or protecting individual rights in the execution of coercive acts at the request of a foreign State.

**527. MLA is not provided in a constructive and timely manner.** The statistics provided by Côte d'Ivoire reveal that most of the requests submitted to Ivorian authorities had not been fully executed several years after receipt. However, outside of a reported case of fruitful cooperation (see Box 6 below on the Spaghetti connection case), data on the quality of assistance provided to the requesting State is still lacking. 75 percent of responding countries in the context of feedback within the global FATF network stated that they are able to receive mutual legal assistance from Côte d'Ivoire. These countries, however, lamented the excessively slow pace of Ivorian authorities, as well as coordination difficulties in the communication and follow-up of requests filed to Ivorian authorities.

#### **Box 6. Example of Operational Cooperation with Joint Investigation Teams – the Italian Mafia Case known as “The Spaghetti Connection”**

- a) On September 17, 2018, Brazilian investigative authorities seized 1,195 kilograms of cocaine, hidden in the rollers of six tractor-type construction vehicles of the DYNAPAC and CATERPILLAR brands. This shipment was to be offloaded at the Autonomous Port of Abidjan in Côte d'Ivoire.
- b) On September 26, 2018, the regional anti-drug liaison officer (ODL) based in Accra/Ghana, who had received a request from Brazilian authorities, sought official assistance from Ivorian judicial authorities to identify, locate, and interview all the perpetrators and accomplices of this illegal import attempt.
- c) Following this seizure, an investigation was launched in Côte d'Ivoire by the Counter Transitional Crime Unit (UCT), under the direction of the Public Prosecutor. This investigation, which stretched over more than nine months, was conducted in collaboration with several other units, including:
  1. The Narcotic and Drug Police Directorate (DPSD);
  2. The Economic and Financial Police Directorate (DPEF);
  3. The K9 Brigade of the National Gendarmerie;

**Box 6. Example of Operational Cooperation with Joint Investigation Teams – the Italian Mafia Case known as “The Spaghetti Connection” (concluded)**

4. The Police Search and Attack Force (FRAP); and
  5. The technical support of the Directorate of Information Technology and Technological Tracing (DITT).
- d) In addition to these local units, Ivorian authorities received operational support from multiple foreign investigation and prosecution authorities, as follows:
1. Investigators of the anti-drug units of the subregion including Ghana, Togo, Benin, Nigeria, and Burkina Faso;
  2. Seven French police officers, including the regional liaison officer in Accra;
  3. International technical consultants from the WAEMU zone;
  4. Three Italian agents from the ‘Guardia di Finanza’ of Genoa and Como State Police participated in the operation as part of the implementation of an international letter rogatory from the Regional Anti-Mafia and Counter-Terrorism Prosecution Office of Genoa Court (Italy).
- e) The investigation led to the arrest of 11 persons, including 9 Italians and 2 Ivorians, in addition to the seizure of the following:
1. Eight handguns (pistol, revolver, and a submachine gun) of several brands;
  2. 90,785 EUR;
  3. 7,572,000 XOF (approx. USD 12,000 USD);
  4. USD 6,508;
  5. Tens of luxury watches and several high-end cars
- f) The investigations also helped establish that all arrested persons were part of a large, structured network which imported, several times per year, machines likely to contain cocaine from Brazil to Côte d’Ivoire.
- g) Furthermore, several seized documents allowed authorities to identify that the consignee of the concealed goods (cocaine) was “NDRANGHETA”, a powerful Italian mafia based in Calabria, specialized for years in international cocaine trafficking.

**Table 8.1. Côte d’Ivoire: MLA Requests Received**

Year	Number of Requests	Number of Requesting States	Relevant Offenses	Executed Requests	Requests in Progress
2017	02	01	Extortion of property, counterfeit	00	02
2018	04	02	Scams, crimes against humanity, ML	01	03
2019	14	07	Extortion, participation in a criminal organization, online scams, sexual abuse, breach of trust, fraud, cybercrime, ML	00	14

**Table 8.1. Côte d'Ivoire: MLA Requests Received (concluded)**

2020	07	05	Scams, kidnapping, robbery, assassination, breach of trust, ML	00	07
2021	05	04	Threats, participation in a criminal organization, scams, extortion	00	05
Total	32	-		01	31

**528. Between 2017 and 2021, the DACP received 32 MLA requests from countries in Africa, Europe, Latin America, and Asia.** Incoming MLA requests are mostly from Europe. Out of 32 requests, only one was executed. Authorities have indicated that the other 31 are still in progress. They did not explain the reason behind this significant delay in the implementation of MLA requests. Côte d'Ivoire has reported never being requested to provide MLA for the purpose of confiscation, recovery and repatriation/sharing of criminal assets.

**529. Offenses targeted by these MLA requests are the extortion of property, organized crime, cybercrime, aggravated money laundering, illegal drug use, and fraud.** These offenses cover major threats in the NRA, with the exception of terrorism and TF. Out of the 32 incoming requests, 6 are linked to ML (constituting around one request per year or 20 percent of incoming requests) and from France, Equatorial Guinea, Monaco, and Belgium. No TF requests have been received.

**530. Despite the adoption of an institutional framework dedicated to international cooperation, Côte d'Ivoire has not demonstrated the effectiveness of its system in the managing, follow-up, and prioritization of incoming cooperation requests to ensure timely execution.** Côte d'Ivoire indicated that the delay in implementation depends on the difficulty of the requested tasks. Table 8.1 above highlights the fact that most requests were received since 2017 and were still in progress by the end of the on-site visit. The Public Prosecutor of the Court of Abidjan, which receives the bulk of the requests for execution, established an MLA and international judicial cooperation department in 2021, in order to better coordinate the execution of these requests. However, this newly established structure has not allowed authorities so far to overcome the challenge of execution delays.

**531. As part of its national AML/CFT strategy, Côte d'Ivoire did not implement specific measures to strengthen its capacity to cooperate (reorganization of activities, capacity building in relation to trainings and material and technical resources).** Furthermore, there are no practical guides or procedures manuals designed for the relevant international cooperation stakeholders. In addition, there still are no satisfactory human, technical, and material resources in order to receive, manage, and coordinate incoming cooperation requests and fulfill them in a timely manner.

### **Extradition**

**532. As is the case for mutual legal assistance, Côte d'Ivoire has not provided extradition in a timely manner.** Apart from specific provisions in certain special laws, the applicable legal framework is borne of a French law dating back to 1927, introduced into the Ivorian legislative system after the country's independence, without any amendment or adaptation of its provisions to current needs, which reflects the lack of priority given to this matter.

**Table 8.2. Côte d'Ivoire: Extradition Requests Received**

Year	Number of Requests	Number of Requesting States	Relevant Offenses	Requests Executed	Non-Executed and Other Requests
2017	4	1	Conspiracy, robbery, concealment, scams	4	0
2018	4	2	Robbery, breach of trust	1	3
2019	2	2	Breach of trust, issuing of bounced checks	0	2
2020	3	3	Scams, death threats, physical violence	1	2
2021	1	1	Affiliation with an armed terrorist organization	0	1
Total	14	-		6	8

**533. With regard to extradition, the DACP has received 14 extradition requests from countries in Europe, Asia, and Africa between 2017 and 2021.** Said requests revolved around organized scams, breach of trust, armed robbery, and association with an armed terrorist group. No extradition request was linked to ML or TF. Extradition requests are referred by the DACP to the Public Prosecutor for execution. There is no centralized mechanism within the DACP for the prioritization of incoming requests. Côte d'Ivoire states having never refused to execute an extradition request. It also has not had to try its nationals for refusing to extradite them, since it has never been confronted with this scenario anyway. Despite the provisions of Article 18 of the 10 March 1927 Law, relating to the extradition of foreigners and stipulating that extradition shall be provided within a maximum of 30 days, it is in fact executed within an average delay of three months (between a month and a half and four months). Authorities explained that incomplete requests need a longer deadline to the extent that their processing depends on the requesting State's ability to provide additional elements required to execute the request. The table above shows that most extradition requests, including those received in 2018, were still in progress by the end of the on-site visit. Ivorian authorities have not demonstrated that all requests in progress are incomplete requests for which they have requested additional information.

## Seeking Timely Legal Assistance to Pursue Domestic ML, Associated Predicates and TF Cases with Transnational Elements

**534. International treaties and conventions to which Côte d'Ivoire is party, allow the country to request MLA and extradition when required by the judicial follow-up process (see analysis under CI.2.1 above).** MLA and extradition requests drafted by Côte d'Ivoire follow the same process in the opposite direction, compared to requests received.

### *Mutual Legal Assistance*

**535. Côte d'Ivoire's use of mutual legal assistance is effective, in view of ML/TF and predicate offense risks in the country.**

**536. Authorities have indicated that they request mutual legal assistance whenever required by virtue of the nature of proceedings.** As such, between 2017 and 2021, 11 mutual legal assistance requests were filed by the country to other African and European countries. Mutual legal assistance requests are usually sent through diplomatic channels. Offenses targeted by such requests include harm to the public economy, terrorism, TF (one), ML (five), concealment, corruption and associated offenses, scams, fraud, forgery, drug trafficking, and misuse of corporate assets. Scams, corruption, and associated offenses are the most frequent in letters rogatory sent abroad, which reflects the major threats identified by the NRA. Nevertheless, due to the importance of organized cross-border criminal activity and to the cross-border nature of the TF threat, the limited number of MLA requests sent by Côte d'Ivoire is not consistent with ML/TF risks in the country.

**537. Côte d'Ivoire has indicated that in order to rectify the situation, it has worked over the years to strengthen the capacities of judicial actors through ongoing training.** These measures appear to be insufficient, as no increase in the number of MLA has been noted over the past few years.

**538. The prevalent type of mutual legal assistance requested by Côte d'Ivoire from other countries is the request for execution of international letters rogatory.** The country indicated that such requests are linked to evidence collection, including information kept by FIs and DNFBPs, in order to identify ML/TF and predicate offenses; the identification and interrogation of suspects abroad, with the aim of initiating adequate proceedings against all persons involved; and the identification, freezing, or seizure of criminal asset, paving the way for future confiscation. Côte d'Ivoire acknowledges never having requested international cooperation for the confiscation, recovery, and repatriation/sharing of criminal assets.

**Table 8.3. Côte d'Ivoire: Number of Executed and Rejected Outgoing MLA Requests**

	2017		2018		2019		2020		2021		Total	
All requests sent	5		2		2				2		11	
*ML-related	4											
*TF-related	1											
Execution status	E <sup>1/</sup>	NE <sup>2/</sup>	E	NE	E	NE	E	NE	E	NE	E	NE
		5		2		2				2		11

1/ E: executed requests

2/ NE: non-executed requests

**539. Authorities have indicated that most of the requests never received a response, yet they could not demonstrate having used effective follow-up and feedback mechanisms to resolve issues related to the lack of response by recipient States.** Côte d'Ivoire has not demonstrated that measures were taken to ensure the success of MLA requested from foreign partners (for example, visits by investigators/prosecutors to the recipient country). The exclusive use of diplomatic channels (which suffers from red tape) – although Côte d'Ivoire is signatory to conventions which provide for simplified mechanisms – is likely to lower Côte d'Ivoire's chances in receiving feedback from the recipient country. Deficiencies related to the institutional framework and to the implementation of the AML/CFT national strategy, particularly the absence of an effective follow-up mechanism, as well as meager material and technical resources, are also relevant here (see CI.2.1).

### **Extradition**

**540. Extradition requests drafted by Côte d'Ivoire have never been successful.** In view of risks related to ML/TF and predicate offenses which carry significant transnational components, this result does not demonstrate that extradition is used optimally as a tool to combat financial crime.

**Table 8.4. Extradition Requests Sent**

	2017		2018		2019		2020		2021		Total	
All requests sent			2		2							
*ML-related												
*TF-related												
Execution status	E <sup>1/</sup>	NE <sup>2/</sup>	E	NE	E	NE	E	NE	E	NE	E	NE
				2		2						

1/ E: executed requests

2/ NE: non-executed requests

**541. Côte d'Ivoire has submitted extradition requests to several States.** Over the past five years, the country only submitted (all areas included) four extradition requests to the judicial authorities of various African and European countries. Extradition requests were related to

robbery, embezzlement of public funds, international drug trafficking, scamming, and breach of trust. None of these requests led to the extradition of the relevant persons, and the reasons behind the non-execution of these requests were not communicated. Côte d'Ivoire did not provide any information about potential follow-up of these requests. It appears that Côte d'Ivoire, due to the limited number of requests and the absence of an effective mechanism to ensure the follow-up of extradition requests submitted to foreign authorities, does not use extradition optimally.

## Seeking Other Forms of International Cooperation for AML/CFT Purposes

### *Cooperation between FIUs*

**542. The FIU is a member of the Egmont Group and adheres to the principles of the Group in terms of information exchange, but it has not established specific procedures for the drafting of MLA requests.** The FIU is not required to sign bilateral agreements in order to be able to cooperate with its counterparts. Nevertheless, it has signed memoranda of understanding with 18 foreign FIUs to facilitate cooperation. The exchange of information is mainly conducted through Egmont Secure Web (ESW). Between 2017 and 2021, the FIU sent 132 requests to foreign FIUs and received responses to almost all requests.

**543. Out of the 132 assistance requests sent between 2017 and 2021, 50 involved indirect information exchange, which involves requesting assistance from a counterpart upon the request of national authorities.** The other 82 requests were aimed at supporting its operational analysis only one of which was linked to TF, knowing that the TF threat in the country is viewed as high. Most of the requests were sent by FIUs of the subregion and Europe, which is in line with Côte d'Ivoire's economic profile, as well as the threats that the country must combat (see Chapter 1).

**544. The FIU has supported certain investigations and proceedings by providing, to judicial authorities and the police, information received from foreign counterparts, notably in the context of cooperation it solicited upon the request of these authorities (see above).** Several cases demonstrate this operational support, including the case which was recognized by the Egmont Group as an exemplary case of international cooperation for which the FIU received the *Egmont Best Case Award*<sup>60</sup> in 2018 (see Chapter 3). These cases also demonstrate that the FIU was able to obtain broad and suitable assistance from its counterparts.

**545. The vast majority of the 50 cases of cooperation requested by other competent authorities were initiated by the DPEF, the UCT, the DGMG, the LONACI, the CSEILT, the CNR, and the DGT.** However, some of these cases originated from the Minister for the Promotion of Good Governance, Capacity Building, and the Fight Against Corruption. The assessment team did not obtain clarifications about the type of information requested, nor whether counterparts were informed that these requests were submitted upon the request of the

<sup>60</sup> [https://egmontgroup.org/wp-content/uploads/2022/01/2021-Financial.Analysis.Cases\\_2014-2020-3](https://egmontgroup.org/wp-content/uploads/2022/01/2021-Financial.Analysis.Cases_2014-2020-3). Case 24

relevant minister. These practices, which are not compliant with international Standards, could, if they persist, negatively impact the FIU's ability to obtain, in an adequate and timely manner, financial information from its counterparts, who might trust it less.

### ***Cooperation Among Investigative Authorities***

**546. Despite the transnational nature of the major threats faced by Côte d'Ivoire, apart from DGT, investigative authorities have not provided information indicating that requesting information on the international level is considered as a key element to be explored while conducting investigations.** For example, since its establishment in 2013, the HABG has not requested information from its foreign counterparts. Other investigative authorities stated that they mainly look toward the INTERPOL BCN. However, the statistics provided by this service do not evidence the presence of an active assistance request in the context of investigations into ML, predicate offenses (other than scams and breach of trust), and TF. The DPEF cited two cases of financial information collection abroad in the context of investigations into cybercrime and scams. The OCRGDF cited a case of international cooperation requested in the context of an investigation into scams, organized ML, and forgery and use of forged documents. Finally, the DPC presented the case of a successful investigation into international drug trafficking and ML, thanks to information received from its foreign counterparts. Despite these four relevant cases, proactive international cooperation is insufficient in view of the transnational nature of most income-generating offenses.

**547. The DGD is the only investigative authority that has demonstrated its active involvement in international cooperation, namely in the context of the World Customs Organization and its Customs Enforcement Network (CEN).** Based on the information requested and obtained via the CEN, the DGD carried out several seizures. In addition, the DGD provided a case of cooperation between Ivorian and Cameroonian customs, which allowed the latter to intercept a passenger coming from Côte d'Ivoire with a large cash amount.

### ***Informal Cooperation by the AJE for the Identification, Freezing, Seizure, and Confiscation of Assets***

**548. Côte d'Ivoire is part of the Asset Recovery Inter-Agency Network for West Africa (ARIN-WA) established in 2014, and the AJE currently acts as its Permanent Secretariat, on behalf of the State of Côte d'Ivoire.** However, at the time of the on-site visit, the AJE had not yet requested assistance neither through this network nor through other means with a view to identify, freeze, seize, and confiscate assets.

### ***Tax Cooperation***

**549. The very limited use of international cooperation by the DGI is not consistent with the associated threats of tax fraud and illicit flight of capital, as identified by the NRA.** Between 2017 and 2021, the DGI only sent two requests to its counterparts, which is not in line

with the country's risk profile (one request to a WAEMU member country, and another to a European country).

### ***Supervisory Cooperation***

**550. Although Côte d'Ivoire serves as the financial center of the WAEMU region and accommodates several large international and regional financial groups, the supervisory authorities of the financial sector do not use international cooperation effectively to support their FI monitoring, supervision, and regulation activities.** They made an extremely limited contribution to the assessment mission, which only highlights the fact that their assistance requests to foreign counterparts is ineffective. The WAMU BC and the BCEAO indicated that they have requested ML/TF information from some of their counterparts, be it through the supervisory College, or in the context of bilateral cooperation agreements. The BC presented a case demonstrating that it received information from the Central African Banking Commission, following AML/CFT sanctions issued by the latter against executives and managers of an FI in Côte d'Ivoire (see IO.3). The CREPMF cited the example of an assistance request it submitted to a counterpart in the context of a licensing request in Côte d'Ivoire. Other supervisory authorities did not submit any information demonstrating that they have requested cooperation from their foreign counterparts.

### **Providing Other Forms of International Cooperation for AML/CFT Purposes**

#### ***Cooperation between FIUs***

**551. The FIU does not have internal guidelines for the processing of assistance requests received from its counterparts.** However, priority is given to requests which meet the STR prioritization criteria (see Chapter 3), and to requests marked as urgent by the foreign FIU. The database used for the processing of incoming requests is FILTRAC, a general file management database used by the FIU (see IO.6). Between 2017 and 2021, the unit received 115 assistance requests from its counterparts, mainly FIUs of the subregion and Europe, and provided 92 responses. Most of the remaining 23 unanswered requests were received between 2017 and 2018, and the main reason behind the lack of response was that the FIU did not receive answers from other relevant authorities it resorted to, in order to fulfill the request by its counterpart. Authorities indicated that this problem had been solved.

**552. The legal framework significantly limits the scope of information that the FIU may exchange with its counterparts outside the WAEMU zone (see R.40).** However, the FIU stated that it did not make any distinction between the request of an FIU located in WAEMU zone and that of a counterpart outside this zone. It added having provided, in response to requests from its counterparts within and outside the WAEMU zone, information about legal persons established in Côte d'Ivoire, cross-border cash transfers made through banks in Côte d'Ivoire, criminal records, as well as data kept by the FIU. The Unit also presented two cases which demonstrated that the technical deficiency did not have a negative impact on the effectiveness of the assistance it provides to its counterparts. However, it failed to demonstrate that it provided such assistance in

a timely manner. The Unit does not have statistics which give an indication as to response times, but stated that response times vary depending on the urgency and complexity of the request. If the request required the interrogation of reporting entities or other competent authorities, the overall response time could easily reach 45 days, or more. In order to satisfy urgent requests, the FIU is able to respond more swiftly.

**553. Spontaneous support provided by the FIU to its counterparts is limited to seven occasions in 2019, two in 2020, and nothing since.** However, the case mentioned below demonstrates that the spontaneous dissemination of financial information by the FIU to an African counterpart, allowed the authorities of that country to seize funds of unlawful origin.

**Box 7. Case Study: Spontaneous Dissemination of Relevant Information to a Counterpart FIU**

(Source: FIU)

- a) On February 25, 2019, Mr. X, a PEP from an African country, sought the services of an Ivorian bank to open a current account on behalf of a company under foreign law, named DELTA, with a capital of 100,000,000 XOF (USD 160,000). Three days later, the account of this company was credited with an amount of one billion (1,000,000,000) XOF (USD 16 million), from the account of a bank in his country of origin, opened on behalf of the same company. Mr. X stated that he wanted to withdraw this amount in cash, and on the same occasion, stated that he was expecting to make a second withdrawal of ten billion (10,000,000,000) XOF, within a week, also originating from the same country. To justify these transactions, he stated that he intended to make an offer to purchase an Ivorian bank, as well as to participate in the capital of several other entities in Côte d'Ivoire. On March 6, 2019, the same individual requested the opening of a second account under the name of another company under foreign law named OMEGA with a capital of 15 billion (15,000,000,000) XOF (USD 24 million), of which he was the unique shareholder and main director.
- b) While the bank was conducting due diligence linked to EDD requirements due to the nature of the interested customer, the latter came to the counter to withdraw, in cash, the amount of 1 billion XOF credited a few days before. Faced with reluctance by the bank, he requested by mail on April 16, 2019, the provision of twenty-five million (25,000,000) XOF (USD 40,000) to the benefit of a fellow national named Y. On April 24, 2019, and upon the request of Mr. X, the bank transferred 775,022,000 XOF (USD 1.2 million) to another account in his country of origin.
- c) Considering the profile and unusual nature of transactions performed by Mr. X, the bank later filed an STR to the FIU in relation to these transactions. Preliminary analysis showed that Mr. X had received significant amounts of money from individuals and entities pursued by the judicial authorities of a European country for ML stemming from organized crime. The information disseminated by the FIU to the FIU of Mr. X's country of origin allowed the authorities of that country to seize the funds.

**Cooperation Among Investigative Authorities**

**554. Apart from DGD information, very little accurate information allowing to assess the effectiveness of the assistance provided by the investigative agencies to their foreign counterparts was made available to the assessment team.** None of these agencies has internal guidelines on the processing and prioritization of incoming requests. The DGD stated having provided assistance to other customs administrations via the aforementioned CEN of the WCO

(see CI.2.3), which allowed these foreign authorities to carry out seizures. The Directorate backed its statement with statistics and one case study. Over the past two years, the UCT received 12 assistance requests, including 9 from a single WAEMU Member State. During the same period, with the exception of one case received from the HABG, authorities (besides the DGD) did not provide any details regarding the scope of assistance provided outside the framework of letters rogatory, nor regarding the timeliness of responses. Investigative authorities could not demonstrate providing timely cooperation or providing to their foreign counterparts for intelligence or investigative purposes, information they have access to in the framework of national investigations (see R.40).

### ***Informal Cooperation by the AJE for the Identification, Freezing, Seizure, and Confiscation of Assets***

**555. The AJE received five requests between October 2019 and June 2022, and responded to four of them between 2021 and June 2022.** These requests were received as part of the aforementioned ARIN-WA's activities (see CI.2.3), but were not related to requests for asset freezing, seizure, and confiscation. They were rather linked to information searches regarding the assets (real estate, bank accounts, vehicles, etc.), identity, criminal record, and the relations of individuals who are prosecuted or tried by the requesting jurisdictions. The AJE referred these requests to the relevant Ivorian authorities capable of providing the requested information and necessary follow-up. Responses were not provided in a timely manner, due to communication delays on the other Ivorian authorities' side.

### ***Tax Cooperation***

**556. Despite some restrictions in its existing legal basis for providing the broadest possible cooperation with all of its counterparts (see R.40), the DGI has demonstrated that it was able to provide adequate assistance, upon the request of foreign tax authorities.** During the 2017-2021 period, the DGI received 19 requests: three from a WAEMU Member State, and 16 from European countries. The communicated information was generally related to the tax and financial status of legal persons, the identification of geographic coordinates, the identification of real estate assets and potential related revenue, the presence of banking accounts, tax domiciliation, statutes of companies, and the tax regime. It took six months on average to fulfill requests.<sup>61</sup> However, a request received in 2017, and another in 2020, were still in progress at the time of the on-site visit. It is therefore safe to conclude that the DGI was generally unable to provide timely assistance.

### ***Supervisory Cooperation***

**557. Information submitted by the supervisory authorities of the financial sector does not allow for determining whether these authorities provided adequate and timely**

<sup>61</sup> Requests received in 2017 and 2020, which were still in progress at the time of the onsite visit (see following sentence), were not accounted for in the calculation of this average.

**assistance.** The BC simply stated that it mostly received requests from counterparts for joint inspection purposes, which included an AML/CFT component, namely, inspections with French, Nigerian, and Moroccan counterparts, as well as counterparts from the Economic Community of Central African States, without providing any further details. However, the other supervisory authorities did not provide any information in this context.

### **International Exchange of Basic and Beneficial Ownership Information of Legal Persons and Arrangements**

**558. In the Ivorian context, legal persons are used, to a considerable extent, for money laundering purposes (see further details under IO.5 and 7).** Despite this high risk of ML via legal persons, competent authorities formulate very few requests for the identification and exchange of basic information and information on the BOs of legal persons. To a certain extent, they respond to foreign requests centered on similar topics. The exchange of information on legal arrangements and their BOs is non-existent.

**559. Several competent authorities respond to information requests regarding legal persons.** The investigative judges of the PPEF respond to foreign cooperation requests for the identification of the BOs of legal persons. For instance, as part of the enforcement of a letter rogatory received from France, the investigative judge referred to the Chief Clerk of the Commercial Court of Abidjan as well as CEPICI, in order to identify the BO of an LLC and obtain its incorporation documents. To enforce said request, authorities stated that the Chief Clerk of the Commercial Court of Abidjan provided information on the BO using the RCCM database, which included – for this specific case – information which would likely lead to the identification of the BO. In fact, it was revealed that the relevant legal person had a sole shareholder. It was therefore concluded that in the absence of contradictory information, the shareholder was the BO. The same approach was adopted by CEPICI to identify the BO. However, the constructive character of this cooperation could be questioned to the extent that, pursuant to the Ivorian legislation in place since 2019, BO information is maintained by the DGI, not by the RCCM or CEPICI. These two authorities were in fact unable to provide credible BO information because they simply did not have it.

**560. The HABG has responded within eight months to two requests related to the identification of shareholders and BOs within legal persons.** It collected information from competent authorities, notably the RCCM and CEPICI, in order to fulfill these requests which were submitted by a counterpart from a country in the subregion.

**561. The FIU provides its foreign counterparts with information on legal persons by obtaining basic information from the RCCM or CEPICPI, or using its right to contact reporting entities for BO information.** Between 2017 and 2021, the FIU received a total of 18 requests for basic information on legal persons, to which it responded within an average timeframe of 45 days. It also responded to two requests for information on BOs in 2017 and 2020, without mentioning the timeframe for completion of these requests.

**562. Competent authorities submitted very few information requests on legal persons and BOs to their foreign counterparts.** The investigative judges of the PPEF submitted, by virtue of two international letters rogatory, two information requests to the relevant judicial authorities in the United Kingdom and France, to search for and identify the BOs of legal persons suspected of involvement in fraud and ML. No information was provided regarding follow-up on these requests.

#### **D. Conclusions on IO. 2**

**563. Côte d'Ivoire cooperates with other countries, both formally and informally, yet the MLA it offers to requesting States is not provided in an adequate and timely manner.**

Judicial authorities have not taken measures to request legal assistance and extradition effectively and in accordance with the ML/TF risks in Côte d'Ivoire, and has not adopted measures to follow up on these requests and ensure their execution.

**564. The cooperation of competent authorities for the exchange of financial information and information on supervision and criminal proceedings with their counterparts for AML/CFT purposes, is neither given nor requested in an appropriate and timely manner.**

The exchange of basic information and information on the BOs of legal persons is weak, and the exchange of information on legal arrangements is non-existent.

**565. Côte d'Ivoire is rated as having a low level of effectiveness for IO. 2.**

## Annex I. Technical Compliance

This annex provides a detailed analysis of the country's level of compliance with the FATF 40 Recommendations. It does not serve as a description of the situation or risks in the country, but rather focuses on the technical criteria for each Recommendation. It should be read in conjunction with the Detailed Assessment Report.

Where both the FATF requirements and national laws or regulations remain unchanged, this report refers to analysis conducted as part of the previous Mutual Evaluation in [date]. This report is available at: [link- [www.fatf-gafi.org](http://www.fatf-gafi.org)].

### Recommendation 1—Assessing Risks and Applying a Risk-Based Approach

These requirements have been added to the FATF Recommendations in 2012 and have therefore not been assessed as part of the previous Mutual Evaluation of Côte d'Ivoire.

#### Obligations and Country Decisions

##### *Risk Assessment*

**Criterion 1.1 – (partly met)** In accordance with Article 10 of the AML/CFT Law, Côte d'Ivoire conducted a National Risk Assessment (NRA) from December 2018 to December 2019. The NRA outcomes were adopted by the Council of Ministers in May 2020. The NRA scope of analysis covers all sectors subject to the AML/CFT law.<sup>1</sup> The NRA also examines other sectors deemed vulnerable to ML or TF risks, such as the coffee-cocoa sector, the cryptocurrency sector, and several public sector authorities (notably, the General Tax and Customs Directorates).

The NRA analyzes ML/TF risks from a threats and vulnerabilities standpoint. Threat level assessment is mainly based on STRs submitted to the FIU, statistics pertaining to predicate offenses, and expert opinions. The vulnerability level review has two components: a detailed assessment of national AML/CFT/CPF capabilities, as well as an ML sectoral vulnerability analysis that covers the most important sectors of the country's economy. Sectoral analyses take multiple factors into account, most notably the regulatory framework, the quality of AML/CFT/CPF controls and knowledge level, as well as the nature of products or services offered. Besides ML/TF risks, the NRA also considers the link between AML/CFT and financial inclusion in the Ivorian context. Finally, the NRA proposes a number of measures aimed at mitigating the identified risks.

The NRA suffers from several deficiencies. For instance, it does not examine financial flows related to corruption, knowing this is considered as one of the biggest ML threats. Moreover, it does not consider the extent to which cross-border flows contribute to the level of ML risk in Côte d'Ivoire.

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<sup>1</sup> The AML/CFT implementation scope is in line with FATF Recommendations (see Chapter 1)

**Criterion 1.2** – (*met*) The National Anti-Money Laundering, Countering the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction Policies Coordination Committee (Coordination Committee) has been appointed as the competent authority in charge of the NRA and the development of the National AML/CFT Strategy (AML/CFT NS) (Article 1 of Decree No. 2017-772, in application of Article 10 paragraph 2 of the AML/CFT Law).

**Criterion 1.3** – (*met*) The Coordination Committee is responsible for updating the NRA (AML/CFT Law, art. 10, paragraph 1 *in fine*). Therefore, the NRA was updated in December 2020 to account for ML threats linked to environmental crime.

**Criterion 1.4** – (*met*) The Coordination Committee communicated the NRA results to the competent authorities, supervisory entities, FIs, DNFBPs, and NPOs. The results were disseminated both electronically and in paper form, as well as through sectoral organizations where appropriate. The 2020-2030 AML/CFT NS, adopted in July 2021, plans to strengthen such communication through implementation workshops.

### **Risk Mitigation Measures**

**Criterion 1.5** – (*met*) The 2020-2030 AML/CFT NS was drafted in light of the NRA, and is premised upon four axes: Risks, Policies and Coordination; Prevention; Mitigation; and International Cooperation. Within each axis, the NS sets out specific objectives and a set of measures aimed at correcting the deficiencies listed in the NRA conclusions. The measures are ranked in order of priority, according to risk level and duration of implementation. Several actions specifically aim to increase and improve the resources of competent authorities and reporting entities, in order to better prevent and mitigate ML/TF risks.

**Criterion 1.6** – (*not met*) Articles 46 to 49 of the AML / CFT Law provide for several situations in which FIs or DNFBPs are not subject to certain AML/CFT requirements. However, these exemptions are not based on the conditions provided for in this criterion.

**Criterion 1.7** – (*partly met*) Reporting entities must have policies, procedures, and controls in place to effectively mitigate and manage the ML/TF/PF risks identified at the national level (AML/CFT Law, art. 11, para. 3). However, reporting entities are not subject to specific requirements for enhanced measures aimed at managing and mitigating risks identified by the NRA, or ensuring that information about these risks is integrated into their risk assessments, as required by this criterion.

**Criterion 1.8** – (*mostly met*) Reporting entities are allowed to reduce the intensity of due diligence measures prescribed by Article 19 of the AML/CFT Law when the ML/TF risk is low, provided that the competent supervisory authorities are informed, and that the scope of measures taken is justified (AML/CFT Law, art. 46, para. 1). This provision, however, does not set a condition ensuring that the reduction of due diligence measures in case of low risk is in line with the NRA, as required by this criterion. Nevertheless, the determination of a low risk is subject to the general principle that any controls set by reporting entities must take stock of the risks identified at the national level (art. 11, para. 3).

**Criterion 1.9** – *(partly met)* As part of the on-site inspections conducted by the CIMA Control Brigade or ordered by the Minister responsible for insurance, insurance companies must produce the documents and information necessary for assessing their AML/CFT/CPF system, particularly those related to risk assessment and management (CIMA Regulation No. 001/CIMA/PCMA/SG/2021, art. 25). For other sectors, however, compliance with requirements set forth by Recommendation 1 does not fall within the scope of supervision required by law.

## **Requirements and decisions for Financial Institutions and Designated Non-Financial Businesses and Professions**

### ***Risk Assessment***

**Criterion 1.10** – *(mostly met)* Reporting entities must assess ML/TF risks they face, taking into account various risk factors such as customers, jurisdictions or geographical areas, products, services, transactions, or delivery channels (AML/CFT Law, art. 11, para. 1). This assessment shall precede the drafting of policies, procedures, and controls aimed at mitigating these risks (art. 11, para. 3). Reporting entities are also required to document and update their assessments, and make them available to competent authorities (art. 11, para. 2). However, they are not required to have the necessary mechanisms in place to communicate risk assessment information to the competent authorities.

### ***Risk Mitigation Measures***

**Criterion 1.11** – *(met)* According to Article 11 para. 3 of the AML/CFT Law, reporting entities must have policies, procedures, and controls in place to mitigate ML/TF/PF risks identified both at the national and individual levels. These policies, procedures, and controls must be authorized at a high management level, and must be monitored and strengthened as necessary (art. 11, para. 5). In addition to the above general requirement, reporting entities must enhance their customer due diligence (CDD) measures upon identifying high risks (art. 51, para. 1).

**Criterion 1.12** – *(mostly met)* Simplified due diligence measures provided for in Article 46 para. 1 are only permissible when the risk of ML/TF is low. Reporting entities must then inform competent authorities of the measures taken. This reporting requirement narrows the scope of the deficiency identified under criterion 1.9 in this specific context. However, Article 46 does not specify that simplified CDD measures are not allowed when there is an ML/TF suspicion.

### ***Weighting and Conclusion***

There are some moderate shortcomings linked to deficiencies in the NRA which does not look in depth into financial flows related to corruption, considered to be one of the main ML threats, or cross-border flows. Additionally, the AML/CFT Law provides for exemptions which are not risk assessment-based, the scope of which is very wide.

**Côte d'Ivoire has been rated partially compliant with Recommendation 1**

## **Recommendation 2—National Cooperation and Coordination**

Côte d'Ivoire was rated partially compliant with the Recommendations pertaining to national cooperation and coordination during the first assessment of its AML / CFT regime in 2012. Main deficiencies identified were that the national coordination mechanism did not apply to all competent AML/CFT authorities, and operational cooperation among national actors was not sufficient.

**Criterion 2.1** – *(met)* Following the NRA, the Coordination Committee developed the 2020-2030 AML/CFT NS in order to respond to the risks and shortcomings identified by the NRA. This National Strategy is reviewed regularly.

**Criterion 2.2** – *(met)* The Coordination Committee was established by virtue of Decree No. 2018-440 (pursuant to Article 10 para. 2 of the AML/CFT Law). The role of the Committee is to ensure better coordination amongst State services involved in AML/CFT/CPF, as well as to promote consultation with the reporting entities (Decree No. 2018-440, art. 2). The Committee comprises 21 members from both the public and private sectors.

**Criterion 2.3** – *(partly met)* The Coordination Committee ensures national coordination in the drafting of AML/CFT policies. Committee members hold regular sessions four times a year, and special sessions whenever necessary. Operational coordination between the FIU and other authorities is provided for in Article 75 of the AML/CFT Law. However, the implementing decree for this article has yet to be adopted. For law enforcement authorities and intelligence services, general cooperation mechanisms also apply in the AML/CFT context. Still, the existence of operational cooperation or coordination mechanisms among different AML/CFT authorities is not established.

**Criterion 2.4** – *(partly met)* The mechanisms described in criterion 2.3 also apply to combating Proliferation financing.

**Criterion 2.5** – *(not met)* The protection of personal data is governed by Law No. 2013-450. The said law establishes a personal data protection authority, whose missions are entrusted to the Côte d'Ivoire Telecommunications Regulatory Authority (ARTCI). The latter has representatives within the authorities in charge of AML/CFT. Nevertheless, the existence of cooperation and coordination among these authorities, as required by the criterion, has not been demonstrated.

### **Weighting and Conclusion**

Moderate shortcomings exist. The Coordination Committee devised the 2020-2030 AML/CFT NS in order to address risks and deficiencies found by the NRA, ensure better coordination amongst the involved State services, as well as promote consultation with reporting entities. However, the existence of operational cooperation or coordination mechanisms in the field of AML/CFT, Proliferation, or even personal data protection, has not been established.

**Côte d'Ivoire has been rated partially compliant with Recommendation 2.**

### Recommendation 3—Money Laundering Offense

Côte d'Ivoire was assessed as partially compliant with the Recommendations concerning the ML offense during the first assessment of its AML/CFT regime in 2012. Main deficiencies identified were that terrorism, smuggling of migrants, and insider trading and market manipulation were not criminalized and therefore did not constitute predicate offenses to ML. In addition, the law did not specify whether the ML offense applied to assets indirectly resulting from the proceeds of crime, or whether the predicate offender could also be convicted of laundering the criminal proceeds.

**Criterion 3.1** – *(met)* The criminalization of money laundering is fully compliant with the provisions of the Vienna Convention and the Palermo Convention (AML/CFT Law, art. 7)

**Criterion 3.2** – *(mostly met)* The laundering of proceeds derived from “a felony or misdemeanor” is criminalized by Article 7 of the AML/CFT Law. Therefore, the criminalization of money laundering does not impose any restrictions on the nature of predicate offenses, since any crime or offense is already targeted. Additionally, the AML/CFT Law defines as “designated categories of offense” all offenses established as such by the FATF, as well as “any crime or misdemeanor” (art.1, para. 15), with the exception of insider trading and market manipulation, which are not criminalized by Ivorian law.

**Criterion 3.3** – *(not applicable)* Côte d'Ivoire has not adopted the offense threshold approach or a combined approach that includes the threshold approach.

**Criterion 3.4** – *(met)* The definition of assets includes assets of all kinds, material or immaterial, movable or immovable, tangible or intangible, fungible or non-fungible, as well as documents or instruments of any form whatsoever, including electronic or digital, certifying the ownership of these assets or rights relating thereto as well the interest on said assets (AML/CFT Law, art. 1, para. 13). Proceeds of crime are defined as “any funds derived, directly or indirectly, from the commission of an offense” (AML/CFT Law, art. 1, para. 44).

**Criterion 3.5** – *(met)* “All funds that are directly or indirectly derived from the commission of an offense as stipulated by Articles 7 (ML) and 8 (TF) of the AML/CFT Law, or that are directly or indirectly obtained by committing said offense”, constitute proceeds of crime (art. 1, para. 44). No express provision of the law, nor of case law from courts and tribunals, requires a prior conviction for the predicate offense.

**Criterion 3.6** – *(met)* Predicate offenses to ML extend to acts committed in another country where they constitute an offense, and which would have constituted a predicate offense had they been committed on Ivorian territory (AML/CFT Law, art.7, para. 3).

**Criterion 3.7** – *(met)* The ML offense also applies to persons who commit the predicate offense (AML/CFT Law, art. 7, para. 3).

**Criterion 3.8** – *(met)* The element of intent and knowledge of the facts required to establish proof of the ML offense can be inferred from objective factual circumstances (AML/CFT Law, art. 7, para. 4).

**Criterion 3.9** – *(met)* The AML/CFT Law provides for imprisonment of 3 to 7 years, without possibility of a stay of execution, as well as a fine equal to three times the value of the assets or funds considered as proceeds of the money laundering operations (art. 113). Penalties listed for the offense of money laundering are proportionate and dissuasive overall. Furthermore, confiscation is a mandatory penalty, and the court also has the option in all such cases to compound penalties by adding for example the deprivation of certain civil rights or the imposition of a travel ban. Finally, when the predicate offense is met by a penalty that outweighs the ML penalty, the predicate offense penalty shall apply.

**Criterion 3.10** – *(met)* Legal persons other than the State found guilty of money laundering shall be punished with a fine five times larger than that incurred by natural persons (AML/CFT Law, art. 124, para. 1). They may also be issued additional penalties, including the confiscation of assets used or intended for use in the commission of the offense, or resulting from the offense. Such penalties can be applied without prejudice to the criminal liability of natural persons. In addition, the competent supervisory authority responsible for a financial institution (FI) or DNFBP that was brought forth by the public prosecutor in the context of proceedings initiated against an FI, may apply appropriate sanctions in accordance with the relevant laws and regulations (see c.27.4 and c.28.4). The scope of all of these sanctions is proportionate and dissuasive.

**Criterion 3.11** – *(met)* Côte d'Ivoire has ancillary offenses to the ML offense in an appropriate manner (AML/CFT Law, art. 7, para. 1).

### **Weighting and Conclusion**

Minor shortcomings exist, notably the fact that neither insider trading nor market manipulation are criminalized by Ivorian law, and thus cannot be considered as predicate offenses to money laundering.

**Côte d'Ivoire has been rated largely compliant with Recommendation 3.**

### **Recommendation 4—Confiscation and Provisional Measures**

Côte d'Ivoire was rated partially compliant with the Recommendations concerning confiscation and provisional measures during the first assessment of its AML/CFT regime in 2012. Main deficiencies identified were that the implementation of legal measures in the field of ML and associated predicate offenses was not effective; and that the country did not keep statistics on the matter.

**Criterion 4.1** – *(partly met)* AML/CFT Law allows for the confiscation of:

- (a) Laundered assets;
- (b) Proceeds (including revenue or other benefits derived from such proceeds) or instrumentalities used or intended for use in the commission of ML or predicate offenses;
- (c) Assets constituting proceeds resulting from, used for, intended for use in, or allocated to TF, terrorist acts, or terrorist organizations (AML/CFT Law, art. 129);
- (d) Assets of corresponding value, but only in the cases referred to below.

The AML/CFT Law governs the confiscation regime and gives a very broad definition of assets liable to confiscation (art. 128 and 129). These measures apply to assets intended for use or used in the commission of the offense; proceeds resulting from the offense; the assets into which they have been transformed or converted; legitimately acquired assets with which these products are mixed; and the income derived from such proceeds or assets.

Confiscation of the above proceeds is mandatory in ML and TF. In the event of prosecution for predicate offenses, independently from the ML offense, confiscation is possible in all cases where these are the proceeds of the crime belonging to the convicted person (Criminal Code, art. 65), but not when they are the instrument of the offense, except when a special law stipulates it. These special laws only partially cover the list of predicate offenses provided for by the FATF, but the laws relating to the offenses constituting the most significant threats such as drug trafficking, corruption and similar offenses, cybercrime, human trafficking, environmental crimes, terrorism or counterfeiting, explicitly provide for the confiscation of the instrumentalities of the crime. The limitation to assets belonging to the convicted excludes the possibility of confiscating proceeds held by third parties.

In cases where assets cannot be produced, confiscation of corresponding value is only possible in matters of TF (AML/CFT Law, art. 129), corruption (Ord. No. 2013-660, art. 65), customs offenses (Customs laws, art. 304), or violation of WAEMU external financial relations (2014-134 Law, art. 23).

However, deficiencies linked to the confiscation of assets derived from ML predicate offenses, and the confiscation of corresponding value, weaken the scope of provisions related to confiscation.

**Criterion 4.2** – (met) The AML/CFT Law allows for:

- (a) Identifying, detecting, and estimating assets subject to confiscation;
- (b) Implementing provisional measures, such as freezing or seizure, in order to prevent any transaction, or transfer or disposition of assets subject to confiscation;
- (c) Taking measures aimed at preventing or nullifying actions which compromise the country's ability to freeze, seize, or recover assets subject to confiscation;
- (d) Taking all appropriate investigative measures.

Law enforcement authorities (public prosecutor, investigating judge, and judicial police officers (JPOs)) have sufficient authority to detect and trace the origin of assets that are or may be subject to confiscation, or that are suspected of being the proceeds of a crime (CPC, art. 65.3 and 98, para. 5, and AML/CFT Law, art. 93 para. 1, and art. 129 para. 3). The investigating judge can also make use of special investigative techniques provided for in Articles 93 to 95 of the AML/CFT Law. Provisional measures aimed at obstructing transactions involving an asset liable to confiscation can be taken by these authorities, both with regard to ML/TF offenses as well as predicate offenses (AML/CFT Law, art. 99 and CPC, art. 65 to 70, 98, and 113 to 120). The decision of freezing or seizure is made *ex parte*, without prior notice to the parties involved (CPC, art. 63, 67, and 113 to 118). Legislative provisions in place allow measures to be taken in order to prevent or annul actions aimed at jeopardizing the freezing, seizure, or confiscation (CC, art. 63).

The president of the HABG has powers similar to those of JPOs, which he can employ in his field of competence (Law No. 2018-573, art. 3; and Ordinance No. 2013-661, art. 41)

**Criterion 4.3 – (partly met)** Article 128 stipulates that criminal proceeds are confiscated “unless the owner proves that they were unaware of their fraudulent origin”. This wording leaves room for abuse. Effectively, it frees the third party from the requirement to prove having obtained their assets legally, and allows for the restitution of assets of criminal origin, so long as the third party manages to prove being unaware of their fraudulent origin, which is easy to fabricate. The possibility to appeal confiscation decisions for *bona fide* third parties is provided for, but only in Article 129 of the AML/CFT Law, relating to TF confiscations, and does not apply to assets confiscated as part of ML or predicate offense proceedings. With regard to seized assets, anyone who claims to have a right to an asset seized by the courts may claim restitution from the investigating judge (CPC, art. 120, para. 1).

**Criterion 4.4 – (met)** An “Agency for the Management and Recovery of Criminal Assets” (AGRAC) has been established under Decree No. 2022-349 of 1 June 2022. A public institution with financial autonomy under the authority of the Minister of Justice, the AGRAC’s scope of competence covers all freezing, seizure, or confiscation orders made by both the judicial and administrative authorities. It is tasked with executing freezing, seizure, or confiscation orders, recovering frozen, seized, or confiscated assets, and cooperating with foreign authorities in order to fulfill foreign requests seeking to identify or locate criminal assets. Finally, it is also tasked with centralizing all of the seized amounts, and allocating seized assets to State institutions upon demand. It had not become operational yet at the time of the on-site visit.

### **Weighting and Conclusion**

Moderate shortcomings exist in relation to *bona fide* third parties, the confiscation of assets derived from ML predicate offenses, and the confiscation of corresponding value, which weakens the scope of confiscation provisions. Moreover, provisions regarding the possibility of recourse for *bona fide* third parties do not apply to assets confiscated in the framework of ML or predicate offense proceedings.

**Côte d’Ivoire has been rated partially compliant with Recommendation 4.**

### **Recommendation 5—Terrorist Financing Offense**

Côte d’Ivoire rated partially compliant with the Recommendations concerning the financing of terrorism during the first assessment of its AML/CFT system in 2012. Main deficiencies identified were that (1) the TF offense did not extend to the financing of a terrorist organization or the financing of a terrorist individual; (2) Côte d’Ivoire had not ratified certain United Nations Conventions relating to the fight against terrorism; (3) the effectiveness and dissuasive nature of these sanctions were not demonstrated; and (4) the country did not keep statistics on the matter.

**Criterion 5.1** – (*partly met*) Côte d'Ivoire has criminalized the offense of TF in accordance with the provisions of Article 2 of the TF Convention (AML/CFT Law, art. 8). The TF Convention and its annexes constitute an annex and therefore an integral part of the uniform law (AML/CFT Law, art. 1, item 1).

However, Côte d'Ivoire has not criminalized all acts cited in the conventions constituting the annexes to the TF Convention. Côte d'Ivoire has criminalized the acts cited in the Convention for the Suppression of the Unlawful Seizure of Aircraft (1970) (CC, art. 478, para. 1) and the International Convention for the Suppression of Terrorist Bombings (1997) (AML/CFT Law, art. 1, item 1, and the 2015-483 Law, art. 3, para. 1-1 and 1-2). On the other hand, it has partially criminalized the acts cited in the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971) and its 1988 protocol (CC, art. 478, para. 1). Furthermore, Côte d'Ivoire has only partially criminalized the acts cited in the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988) and the Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (2005) (Law No. 2017-442 of 30 June 2017 on the Maritime Code, art. 1008). Additionally, Côte d'Ivoire has not criminalized the acts cited in the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (1973), the International Convention against the Taking of Hostages, and the Convention on the Physical Protection of Nuclear Material.

**Criterion 5.2** – (*partly met*) Article 8 of the AML/CFT Law criminalizes TF as any act committed by a natural or legal person who, by any means whatsoever, directly or indirectly, has deliberately provided or collected property, funds, and other financial resources with the intent to use them or knowing that they will be used, in whole or in part, *for the commission of terrorist acts*, specifically terrorist acts committed by a terrorist organization and terrorist acts committed by an individual terrorist or a group of terrorists. Furthermore, the financing of an individual terrorist *for any purpose whatsoever* by any natural or legal person, a terrorist organization, or a group of terrorists, is also criminalized by Article 4-1 of Law no. 2015-493 amended by Law No. 2018-864). However, the financing of a terrorist organization *for any purpose whatsoever*, as required by Recommendation 5, is not criminalized.

**Criterion 5.2bis** – (*met*) Côte d'Ivoire has criminalized the financing of the travel of persons to a State other than their State of residence or nationality, for the purpose of committing, organizing, or preparing acts of terrorism, or giving or receiving terrorist training (Law No. 2015-493, art. 4-1, amended by Law No. 2015-864).

**Criterion 5.3** – (*met*) There are no legislative restrictions preventing TF offenses from covering funds from both legal and illegal origin. The definitions of assets, funds, and other resources do not specify their origin, whether legal or illegal (AML/CFT Law, art. 1, items 13 and 29). The TF offense does not provide this clarification either (AML/CFT Law, art. 8). Accordingly, the lawful or unlawful nature of assets, funds and other resources is irrelevant to the constitution of the TF offense.

**Criterion 5.4** – (*partly met*) a) Ivorian law explicitly states that the TF offense is committed, whether the act of terrorism occurs or not, and whether or not the assets have been used to commit this act

(AML/CFT Law, art. 8, para. 3). B) However, insofar as the financing of a terrorist organization for any purpose whatsoever is not criminalized, Ivorian law still requires that funds and other assets be linked to one or several terrorist acts when such acts are committed by a terrorist organization.

**Criterion 5.5** – (*met*) The element of intent and knowledge of the facts required to establish proof of the offense can be inferred from objective factual circumstances (AML/CFT Law, art. 8, para. 5).

**Criterion 5.6** – (*mostly met*) TF is punishable by at least 10 years in prison and a fine equal to at least five times the value of assets or funds involved in TF operations (AML/CFT Law, art. 119). These penalties are doubled in the event of aggravating circumstances (art. 120). Additionally, confiscation measures apply as a compulsory additional penalty, to funds and other financial resources linked to TF, as well as any movable or immovable property intended or used for the commission of the TF offense, which is likely to strengthen the dissuasive nature of the sanctions (art. 129 and R.4). The court also has the option in all cases to add supplementary penalties such as the deprivation of certain civil rights, the prohibition to leave the territory, or the confiscation of all or part of the convict's assets of legitimate origin (art. 122). Finally, the stay of any criminal sanction imposed for TF offenses is excluded by Article 123. This range of sanctions is proportionate and dissuasive given the gravity of the offense, even if the minimum sentence of 10 years in prison might reduce the flexibility of judges when adjusting sentences for less serious TF offenses.

**Criterion 5.7** – (*met*) Criminal liability of legal persons applies to TF offenses (AML/CFT Law, art. 125). Criminal penalties applicable to legal persons include a fine (at a rate equal to five times those incurred by natural persons), exclusion from public procurement permanently or for a period not exceeding ten years, confiscation of assets used or intended to be used for the commission of the offense, judicial supervision for a maximum period of five years, suspension of professional or social activities during which the offense was committed, permanent closure or closure for a maximum period of ten years, or dissolution of the establishment, in the event that it was created to commit the criminalized acts. These sanctions are applied without prejudice to the criminal liability of natural persons. Furthermore, the competent supervisory authority, referred to by the public prosecutor in the framework of proceedings initiated against a financial institution, may apply appropriate sanctions in line with the laws and regulations in place. This range of sanctions is proportionate and dissuasive.

**Criterion 5.8** – (*met*) Attempts to commit a TF offense (AML/CFT Law, art. 8, para. 3), as well as participation as an accomplice in a TF offense or attempted offense (art. 8, para. 4), are criminalized by law. The same provision criminalizes the act of organizing or inciting others to commit or attempt to commit TF offenses. Article 8 in its paragraphs 1, 3, and 4, makes it an offense to contribute to the commission of one or more offenses, or attempted offenses, of terrorist financing by a group of people acting collectively.

**Criterion 5.9** – (*met*) TF offenses in Côte d'Ivoire are considered as predicate offenses to money laundering (AML/CFT Law, art. 1, para. 15).

**Criterion 5.10** – (*met*) In addition to traditional territorial jurisdiction, Côte d'Ivoire has also provided for its jurisdictional competence with regard to terrorist offenses committed by any natural or legal person and any organization subject to trial in Côte d'Ivoire, regardless of the place where the act was committed (AML/CFT Law, art. 4 & 13, CC, art. 20, and CPC, art. 703). All of these provisions render it possible to say that the TF offense is established, whether the person accused of having committed it is in the same country or in a country other than that in which the terrorists or terrorist organizations are located, or in which terrorist acts have taken, or will take place.

### **Weighting and Conclusion**

Moderate shortcomings exist with regard to the partial criminalization of acts cited under conventions considered as annexes to the TF Convention. Moreover, the financing of a terrorist organization *for any purpose whatsoever* is not criminalized.

**Côte d'Ivoire has been rated partially compliant with Recommendation 5.**

### **Recommendation 6—Targeted Financial Sanctions related to Terrorism and Terrorist Financing**

During the first Mutual Evaluation of Côte d'Ivoire in 2012, the country's system was deemed non-compliant with the Recommendations pertaining to targeted financial sanctions (TFS) linked to terrorism and TF, due to the limited scope of freezing measures, the lack of a mechanism for disseminating the UN list in a timely manner, the lack of procedures for the unfreezing of assets (and relaxation of freezing measures), and the inability to implement UNSCR 1373.

**Criterion 6.1** – (*not met*):

**Criterion 6.1(a)** – (*met*) The competent authority for the proposal of names to the UNSC Committees for designation on the Al-Qaida and Taliban sanctions lists, is the Minister of Finance (Decree No. 2018-439, art. 3, para. 1, first indent).

**Criterion 6.1(b)** – (*mostly met*) The identification of designation targets to be added to the UN sanctions lists is made by referral to the Minister of Finance (Decree No. 2018-439, art. 5, para. 1), and/or by proposal from the CCGA (Order No. 124, art. 3, para. 1, indent 2). However, no mention was found of the fact that designation proposals are based on the designation criteria set forth by the relevant UNSCRs.

**Criterion 6.1(c)** – (*not met*) Evidence criteria to be applied by the Minister of Finance when deciding whether or not to make a designation proposal to the 1267/1989 Committee or to the 1988 Committee are not specified, neither by decree, nor by order. Designation proposals made at the UN level are not subject to the existence of criminal procedure.

**Criterion 6.1(d)** – (*partly met*) In principle, it would be the CCGA's responsibility to follow the designation procedures and models adopted by the 1267/1989 and 1988 Committees, yet no legal

provision addresses this issue directly, and no practical example or case could be cited by the authorities.

**Criterion 6.1(e)** – *(not met)* No legal provision directly addresses these issues, and no practical case or example could be cited by the authorities.

**Criterion 6.2** – *(partly met)*:

**Criterion 6.2(a)** – *(partly met)* The CCGA is responsible for proposing to the Minister of Finance the designation of a person or entity (Order No. 124, art. 3, para. 3, indent 1, 5, 7). Proposals can be made either by the country itself or upon considering the request of a third country. However, designation criteria are unduly limited. It is possible to designate a person or entity who “is a terrorist” (Decree No. 2018-439 art. 3, para. 1, indent 5 and order No. 124, art. 3, indent 1, 5) or who finances terrorism (Decree No. 2018-439 art. 2 and art. 3, para. 1, indent 4, and order No. 124 art. 3 para. 1, first indent). Neither the persons nor entities owned or controlled by the persons or entities (already) designated, nor the persons or entities who act on behalf of or on the instructions of the persons or entities (already) designated are eligible for designation.

**Criterion 6.2(b)** – *(partly met)* The identification of targets for designations under UNSCR 1373 is made by referral to the Minister of Finance (Decree No. 2018-439, art. 5, para. 1) and/or by proposal from the CCGA (Order no. 124, art. 3, para. 1, indent 1, 5, and 7). However, as noted above, designation criteria are unduly limited.

**Criterion 6.2(c)** – *(met)* The Minister of Finance is responsible for enforcing without delay the request for a freeze from another country when there are “reasonable grounds to suspect or believe” that a person fulfills the designation criterion (or criteria) (Decree No. 2018-439, art. 3, para. 1, indent 5). The Minister is required to make a decision “immediately after the advisory opinion” of the CCGA (Decree No. 2018-439, art. 1, para. 4), which must be rendered within 48 hours of being referred (Order No. 124, art. 2, para. 2). These deadlines are not necessarily respected in practice.

**Criterion 6.2(d)** – *(partly met)* The above criteria of evidence only apply in the context of a third-country request. In the context of an initiative by the country itself, the Minister orders the freezing of funds, assets, and other financial resources “belonging to persons or entities against whom there are suspicions” of TF (Decree No. 2018-439, art. 2). Authorities consider that the aforementioned standard of evidence is effectively regarded as “reasonable grounds”, yet this interpretation is not formalized. It is presumed that the Minister would also designate persons or entities “suspected” of terrorism, yet this could not be proven in the absence of relevant cases. Proposals for domestic designations are not subject to the existence of criminal proceedings.

**Criterion 6.2(e)** – *(not met)* There are no legal provisions compelling authorities to provide all possible information to identify a designated person or entity when another country is requested to enforce actions undertaken within the framework of freezing mechanisms in Côte d'Ivoire, and no practical case or example could be cited by the authorities.

**Criterion 6.3 – (met):**

**Criterion 6.3(a) – (met)** The Minister of Finance may request additional information when needed from the ministers of Defense, Security, and Foreign Affairs, as well as intelligence services and any other structure (Decree No. 2018-439, art. 5, para. 2). Furthermore, the CCGA may request any information and get access to any document enabling it to carry out its tasks (Order no. 124, art. 7).

**Criterion 6.3(b) – (met)** Nothing prevents the CCGA and the Ministry of Finance from intervening *ex parte* against a designation target. Additionally, administrative freezing occurs without prior notice to the targeted persons or entities (Decree No. 2018-439, art. 8), and CCGA members are required to respect the confidentiality of the information they handle in the performance of their duties (Order No. 124, art. 8).

**Criterion 6.4 – (not met)**

*Implementation of the 1267 List:* The implementing mechanism for TFS under UNSCR 1267 is a Community-wide mechanism; there is no national mechanism. The WAEMU Council of Ministers (CM) is required to establish the list of persons, entities, and bodies whose funds must be frozen in application of UNSCR 1267 (Regulation No. 14/2002/CM/UEMOA, art. 2, of art. 4 para. 2 and art. 9 para. 2). However, authorities have not reported any orders issued by the CM during the review period. Therefore, it appears that the CM does not issue – or no longer issues – the necessary orders for the implementation of TFS under UNSCR 1267 and, subsequently, TFS are not implemented without delay, meaning within 24 hours following each update to the 1267 List. Moreover, any order issued in line with the provisions of the above Community-wide regulation would only apply to banks and financial institutions (Regulation No. 14/2002/CM/UEMOA, art. 3); it would not apply to all natural and legal persons in Côte d'Ivoire. This constitutes a major deficiency.

*Implementation of the Domestic List (UNSCR 1373):* the Minister of Finance “makes the administrative freezing decision immediately after the advisory opinion” of the CCGA (Decree No. 2018-439, art.1, para. 4), orders it by decree (Decree No. 2018-439, art. 2), notifies reporting entities as well as “any other person likely to hold funds or other assets belonging to targeted persons and entities”, and has the decision published in the Official Gazette, in a journal of legal notices, and on the website of the Ministry of Finance (AML/CFT Law, art. 101, para. 2 and Decree No. 2018-439, art. 8, para. 3). The notification of the freezing decision triggers the corresponding obligation of implementation by FIs and any other person or entity (AML/CFT Law, art. 100, para. 5). However, neither the notification nor publication are required to take place –and do not take place in practice – within 24 hours of the adoption of the decision, which means that national designations are not implemented without delay.

Order No. 278/MEF/MEMAEIAD of 8 March 2022 (art. 4 para. 2 and art. 6 para. 1 indent 1, 2) compels FIs and DNFBPs to proceed “without delay” with freezing funds or other assets “linked” to persons and entities designated on the 1267 and domestic Lists (as disseminated “without delay” by the FIU on its website), but the legal status of Order No. 278 regarding the implementation of UNSCR 1267 is not clear, given that the pertinent freezing requirement is derived from the

aforementioned WAEMU Regulation, not from laws and decrees cited in the Order. Regardless, the Order, which had not been fully implemented during the on-site visit, does not apply to all natural and legal persons in Côte d'Ivoire, the scope of freezing is ambiguous, and the term “without delay” is not defined.

**Criterion 6.5** – (partly met):

**Criterion 6.5(a)** – (partly met) Regulation No. 14/2002/CM/UEMOA, which is meant to ensure the implementation of UNSCRs 1267/1989 and 1989, does not apply to banks and financial institutions (Regulation No. 14/2002/CM/UEMOA, art. 3); subsequently, and freezing obligation resulting from this Regulation would not apply to all natural and legal persons in the country. On the other hand, orders issued for the freezing of assets under UNSCR 1373 apply to FIs and “any other person or entity” (AML/CFT Law, art. 100, para. 5).

**Criterion 6.5(b)** – (partly met) By virtue of the definition of “freezing” in the AML/CFT Law in conjunction with art. 6, para. 1 or Decree No. 2018-439, *Criterion 6.5(b)(i) is met.*

Asset freezing applies to funds or other assets owned but not controlled, wholly or jointly, directly or indirectly, by designated persons and entities. This constitutes a significant deficiency. *Criterion 6.5(b)(ii) is therefore partly met.*

Under the definitions of “assets” and “funds and other financial resources” in the AML/CFT Law, the freezing extends to funds or other assets derived from funds and other assets owned by designated persons or entities, but not to funds or other assets that could be derived from funds and other assets controlled by such persons (see previous paragraph). *Criterion 6.5(b)(iii) is therefore mostly met.*

Freezing does not extend to funds or other assets of persons and entities acting on behalf of or at the direction of designated persons or entities – unless they are themselves appointed. *Criterion 6.5(b)(iv) is therefore not met.*

**Criterion 6.5(c)** – (partly met) *Continued Prohibition: Funds, other Assets, and Economic Resources:* it is prohibited for reporting entities or any other person to make “funds or other assets” (a term which is not defined) directly or indirectly available to a designated person or entity. The scope of the ban is therefore too limited (Decree No. 2018-439, art. 10; also see comments below).

*Continued Prohibition: Financial Services and Other Related Services:* it is “strictly prohibited” for reporting entities to provide services to designated persons and entities or to use them for their benefit (AML/CFT Law, art. 100, para. 8 and Order No. 278, art. 6, para. 2 and 3). The prohibition is therefore both too broad – since it includes all services, of whatever nature, which could be provided by all categories of reporting entities – and too limited since the implementation requirement only applies to reporting entities (it should extend to all Ivorian nationals, nor to any person or entity located on the national territory). Moreover, the ban is “strict”, which could prevent the implementation of any possible license or authorization.

Neither the prohibition on the provision of funds nor the prohibition on the provision of services extend to entities owned or controlled, directly or indirectly, by designated persons or entities, or to persons and entities acting on behalf of or upon instruction from designated persons or entities.

**Criterion 6.5(d)** – *(not met)* 1267 List: Neither the WAEMU CM nor its president (between two sessions) are required to communicate the designations to Ivorian reporting entities as soon as the 1267 List – or any update thereof – is issued in an Order. Authorities did not demonstrate that there is a notification mechanism at the WAEMU level. The CCGA is in charge of disseminating “lists of the United Nations Sanctions Committee” at the national level, but this dissemination – carried out by the FIU on behalf of the CCGA – does not take place upon every update of the 1267 List, and only reaches FIs (Order No. 124, art. 3, para. 1, indent 12).

*Domestic List (in Accordance with UNSCR 1373 Provisions)*: The Minister of Finance is required to relay, without delay, the decision of administrative freezing to reporting entities and “any other person likely to hold funds or other assets belonging to the persons or entities targeted by the freezing decision” (Decree No. 2018-439, art. 8, para. 1, indent 1 and 3). In practice, this notification, which is the responsibility of the CCGA, does not take place after every update of the Domestic List, and only reaches FIs. Furthermore, the Minister of Finance is required to publish the names of targeted persons and entities in the Official Gazette, in a journal of legal notices, and on the Ministry’s website, which would be considered as a means of communicating designations to reporting entities. However, such a publication does not occur following every update of the Domestic List.

The FIU is in charge of disseminating updated 1267 and domestic Lists on its website (Order No. 278, art. 4, para. 2 and 3), but the display of these lists does not occur in practice. Furthermore, no guidelines were issued to reporting entities, or by the WAEMU CM or the CCGA.

**Criterion 6.5(e)** – *(partly met)* Reporting entities are required to declare to the competent authority (in practice, the CCGA via the FIU) all frozen assets (AML/CFT Law, art. 100; Decree No. 439, art. 9, para. 1; and Order No. 278, art. 6, para. 1, indent 3). Reporting entities are not specifically required to declare the measures taken in line with the relevant UNSCR prohibitions. Nevertheless, FIs are required to suspend and report certain types of (attempted) transactions, in accordance with Article 104 of the AML/CFT Law. However, this suspension and reporting requirement does not apply to DNFBPs and VASPs, nor to purely domestic transactions.

Furthermore, persons targeted by the WAEMU Regulation are required to immediately provide the BCEAO and the BC with “any information likely to promote compliance with the Regulation, particularly with regard to frozen funds and financial resources (Regulation No. 14/2002/CM/UEMOA, art. 5, para. 1)”. Naturally, the WAEMU Regulation only addresses the 1267 List, and only applies to banks and financial institutions.

**Criterion 6.5(f)** – *(mostly met)* In the framework of TFS implementation, the rights of bona fide third parties are not clearly protected due to legal contradictions. On the one hand, the competent authority may authorize the payment or return of frozen funds or other assets to a person not

targeted by a freezing measure, who “is the holder of a right acquired before the freezing measure, or if a court decision that has become final grants them such a right following a court procedure initiated before this measure was adopted” (AML/CFT Law, art. 105). This provision is reinforced by Order No. 124, art. 12. On the other hand, the administrative freezing measure is “enforceable against creditors and bona fide third parties who may invoke rights over the assets concerned” (Decree No. 2018-439, art. 6, para. 3). Due to the hierarchy of legal standards, AML/CFT provisions supersede those of Decree No. 2018-439, even if the clerical error in the Decree (use of the word “enforceable” instead of “unenforceable”) might cause confusion.

**Criterion 6.6** – (partly met):<sup>2</sup>

**Criterion 6.6(a)** – (met) Upon suggestion by the CCGA, the Minister of Finance is authorized to receive and transmit appeals against sanctions related to UNSCR 1267, 1718, 1737, and their subsequent resolutions (Decree No. 2018-439, art. 11, para. 5). Appeals against sanctions relating to UNSCR 1988 are not explicitly covered.

**Criterion 6.6(b)** – (mostly met) Upon the suggestion of the CCGA, the Minister of Finance is responsible for delisting any person or entity that does not or no longer meets the designation criteria (Decree No. 2018-439, art. 3, para. 1, indent 6). However, there is no requirement to comply with the delisting (as in, unfreeze the funds of delisted persons or entities), even if reporting entities are required to consult the Domestic List, as published by the FIU, before taking any action within their competence (Order No. 278, art. 5).

**Criterion 6.6(c)** – (met) Any person or entity targeted by a freezing measure may appeal to the Minister of Finance without prejudice to their action before the competent court in any administrative matters or abuse of power. In addition, if the Minister’s decision is negative (or if no decision is made within the maximum time limit), the requesting party may take action before the Administrative Chamber of the Supreme Court (Decree No. 2018-439, art. 11, para, 1, 3).

**Criterion 6.6(d)** – (not met) There is no legal (or regulatory) provision that directly or indirectly deals with facilitating reviews conducted by the 1988 Committee. No practical case or example could be cited by the authorities.

**Criterion 6.6(e)** – (met) Any challenge to a decision made in application of UNSCRs 1267, 1718, and 1737, must be brought by “the office of the ombudsman or the focal point”, although the Minister of Finance also has the power to receive and refer appeals against sanctions related to these UNSCRs (Decree No. 2018-439, art. 11, para. 4 and 5). The procedures to be followed by any designated person or entity to obtain their delisting are intended to be widely disseminated (Decree No. 2018-439, art. 11, para. 6 and AML/CFT Law, art. 101, para. 2). In any case, Decree No. 2018-439 itself is accessible to the general public.

<sup>2</sup> This rating is mainly due to the major deficiencies listed in sub-criterion (g)

**Criterion 6.6(f)** – *(met)* This criterion is met under paragraph 1 of Article 107 of the AML/CFT Law, and the 4<sup>th</sup> indent of paragraph 1 of Article 3 of Order No. 124. Both the AML/CFT Law and Order No. 124 are accessible to the general public.

**Criterion 6.6(g)** – *(partly met)* The Minister of Finance implements any decision to delist persons or entities designated on the UN Lists in line with UNSCRs 1267, 1718, 1737, and their subsequent resolutions and as such, ensures the dissemination of the UNSC delisting (Decree No. 2018-439, art. 3, para. 1, indent 7 and 8). More generally, paragraph 1 of Article 101 of the AML/CFT Law stipulates that any decision to unfreeze must be made known to the public. Yet, as noted above, there is no requirement for reporting entities to comply with de-listings from the UN or domestic lists, even though reporting entities are required to consult these lists as disseminated by the FIU, before taking any action within their competence (Order No. 278, art. 5). Moreover, authorities have not issued any guidelines as to the obligations for reporting entities regarding delisting and unfreezing measures.

**Criterion 6.7** – *(met)* This criterion is met under paragraphs 1 and 2 of Article 103 of the AML/CFT Law and paragraphs 1 and 2 of Article 12 of Decree No. 2018-439. With regard to requests for the easing of freezing measures by persons or entities on the domestic list, the Minister of Finance has the power to make a decision alone, upon suggestion by the CCGA. Regarding requests made by persons designated on a United Nations (UN) list, the Minister of Finance is required to consult the “relevant UN body”. The request is only approved if the Minister receives no objection or negative decision from the relevant body under the conditions set by the UNSCRs (Decree No. 2018-439, art. 13, para. 3).

### **Weighting and Conclusion**

Major deficiencies exist, including the fact the sanctions derived from the provisions of UNSCR 1267 are not implemented/implemented without delay, and that the requirement of freezing the funds of persons and entities designated on the 1267 List does not apply to all natural and legal persons in Côte d’Ivoire. Moreover, neither the freezing measures nor the “continued prohibition” extend to the (funds or other assets) of persons and entities acting on behalf of or upon the instructions of designated persons or entities, and the designation criteria are unduly limited.

**Côte d’Ivoire has been rated non-compliant with Recommendation 6.**

### **Recommendation 7—Targeted Financial Sanctions Related to Proliferation**

This is a new Recommendation.

**Criterion 7.1** – *(not met)* The Minister of Finance orders, by decision, the freezing “without delay” of assets and other financial resources belonging to persons or entities designated under UNSCRs related to combating the financing of the proliferation of weapons of mass destruction (PF) (AML/CFT Law, art. 100, para. 4). The dissemination of such a decision – required to trigger the freezing obligation – is made by publishing the decision in the Official Gazette, in a journal of legal

notices, and on the website of the Ministry of Finance (AML/CFT Law, art. 101, para. 1 and Decree No. 2018-439, art. 8, para. 3).

However, the term “without delay” is not defined in the AML/CFT Law and the TFS related to the countering PF are not implemented, which obviously implies that they are not implemented within 24 hours (starting from the date when the designation, delisting, or amendment is announced by the UN)

**Criterion 7.2** – *(partly met)*:

**Criterion 7.2(a)** – *(met)* The AML/CFT Law stipulates that FIs as well as “any other person or entity” holding assets, funds, or other financial resources belonging to persons or entities designated by the UNSC under UNSCRs relating to CPF, shall immediately proceed with their freezing without prior notification to the holders (AML/CFT Law, art. 100, para. 5).

**Criterion 7.2(b)** – *(partly met)*:

*Criterion 7.2(b)(i) is met:* see the TC analysis of the Ivorian legal framework in c.6.5(b)(i) above.

*Criterion 7.2(b)(ii) is partly met:* see TC analysis of the Ivorian legal framework in c.6.5(b)(ii) above.

*Criterion 7.2(b)(iii) is mostly met:* see TC analysis of the Ivorian legal framework in c.6.5(b)(iii) above.

*Criterion 7.2(b)(iv) is not met:* see TC analysis of the Ivorian legal framework in c.6.5(b)(iv) above.

**Criterion 7.2(c)** – *(mostly met)* It is prohibited for reporting entities or any other person to make “funds or other assets” directly or indirectly available to a designated person or entity (Decree No. 2018-439, art. 10). However, the term “funds or other assets” is not defined, which shrouds the exact scope of prohibition with a bit of ambiguity.

**Criterion 7.2(d)** – *(partly met)* The Minister of Finance is required to inform, without delay, reporting entities as well as “any other person likely to hold funds or other assets belonging to the targeted persons and entities” of the decision to implement an administrative freeze (Decree No. 2018-439, art. 8, para. 1, indent 1 and 3). In practice, this notification, which would be the responsibility of the CCGA, does not appear to have taken place after the issuing of the sole relevant order, Order No. 249, and still would have only been intended for FIs. Moreover, the Minister of Finance is required to publish the names of targeted persons and entities in the Official Gazette, in a journal of legal notices, and on the Ministry’s website, which would be regarded as a form of communicating the designations to reporting entities. However, such a publication does not appear to have taken place after the issuing of Order No. 249.

No guidelines have been issued to reporting entities, or by the CCGA, or by another competent authority.

**Criterion 7.2(e)** – *(partly met)* Reporting entities are required to declare to the competent authority (in practice, the CCGA) all assets subject to freezing (AML/CFT Law, art. 100, para. 6 and Decree No. 2019-439, art. 9, para. 1). Reporting entities are not specifically required to report measures taken in accordance with the relevant UNSCR prohibitions. Nevertheless, FIs are required to suspend and report certain types of (attempted) transactions, in line with Article 104 of the AML/CFT Law. However, this suspension and reporting requirement does not apply to DNFBPs and VASPs, nor to purely domestic transactions.

**Criterion 7.2(f)** – *(partly met)* See TC analysis of the Ivorian legal framework in Criterion 6.5(f) above.

**Criterion 7.3** – *(not met)* The Banking Commission (for CIs), the DRSSFD (for DFSs), DECFinEX (for FX bureaus and EMIs), and the CREPMF (for the RCM) have the power to monitor and ensure the compliance of entities under their supervision with AML/CFT requirements, including TFS related to the countering PF (see TC analysis of the Ivorian legal framework in c.27.1-3 below). However, regardless of the powers available to supervisory authorities over FIs, these authorities do not exercise such powers in practice, in order to monitor and ensure compliance with the implementation of TFS related to the countering PF, since Lists 1718 and 2231 have not been incorporated into national law.

Since AML/CFT supervisory authorities for certain DNFBPs (namely, court administrators, lawyers, chartered accountants, judicial representatives, and notaries) had only been designated by the time of the on-site visit, no supervisory measures appear to have been taken and, therefore, they could not be assessed within these sectors. No supervisory authority had been designated for other DNFBPs (business agents, real estate agents and developers, casinos and gaming establishments, and dealers in precious metals and stones). There are active VASPs in Côte d'Ivoire, yet they are neither licensed, nor regulated, nor supervised, due to the absence of a legal framework. See the TC analysis of the Ivorian legal framework in c.15.6 and c.28.1-3, as well as 28.4(a) below.

Failure to comply with freezing measures is punishable by a prison sentence of one to two months and/or a fine of 360,000 XOF (approx. USD 630), without prejudice to administrative or disciplinary sanctions related to the professions of the perpetrators (Decree No. 2018-439, art. 16), as detailed below. See TC analysis of the Ivorian legal framework in c.27.4 and 28.4(c).

**Criterion 7.4** – *(partly met)* : *This rating is mainly due to the significant deficiencies listed in sub-criterion (d), more specifically, c.6.6(g).*

Upon proposal by the CCGA, the Minister of Finance is authorized to receive and refer any appeals against sanctions related to UNSCR 1267, 1718, 1737, and their subsequent resolutions (Decree No. 2018-439, art. 11, para. 5).

**Criterion 7.4(a)** – *(met)* Any challenge to a decision made in accordance with UNSCRs 1718 and 1737 must be brought forth “through the focal point”, although the Minister of Finance is also empowered to receive and refer appeals against sanctions linked to the UNSCRs (Decree No. 2018-

439, art. 11, para. 4 and 5). The procedures to be followed by any designated person or entity for delisting are to be widely disseminated (Decree No. 2018-439, art. 11, para. 6, and AML/CFT Law, art. 101, para. 2). In any event, Decree No. 2018-439 itself is accessible to the general public.

**Criterion 7.4(b)** – *(met)* See TC analysis of the Ivorian legal framework in c.6.6(f) above.

**Criterion 7.4(c)** – *(met)* The relaxation of freezing measures is provided for (AML/CFT Law art. 103, para. 1 and 2, and Decree No. 2018-439 para. 1 and 2). With regard to a request by a person designated on a UN List, the Minister of Finance is required to consult “the relevant UN body”. The request is only approved if the Minister receives no objection or negative decision from the UN body under the conditions stipulated by the UNSCRs (Decree No. 2018-439, art. 13, para. 3). Furthermore, Article 105 of the AML/CFT Law and Article 12 of Order No. 124 cited above should allow Côte d’Ivoire to meet UN requirements pertaining to privileges or judicial, administrative, or arbitral decisions.

**Criterion 7.4(d)** – *(partly met)* See TC analysis of the Ivorian legal framework in c.6.6(g) above.

**Criterion 7.5** – *(partly met)*:

**Criterion 7.5(a)** – *(mostly met)* The addition of interest or other income due on frozen accounts is authorized (AML/CFT Law, art. 102). Such interest or other types of income are frozen themselves, in accordance with the definitions of “assets” and “funds and other financial resources”. On the other hand, no information was provided to the assessors indicating that it would be expressly authorized a priori to add due payments to the frozen accounts by virtue of contracts, agreements, or obligations that arose before the date on which these accounts were subjected to UNSCR provisions pertaining to PF.

**Criterion 7.5(b)** – *(partly met)* Funds or other financial resources due under contracts, agreements, or obligations completed or arising before the enactment of the freeze decision are withdrawn from the frozen accounts with authorization from the competent authority (AML/CFT Law, art. 102). No information was provided to assessors indicating that the authorization is (or would be) subject to the conditions set forth by c.7.5(b)(i)-(iii).

### **Weighting and Conclusion**

Major shortcomings exist, namely the fact that TFS are not implemented/implemented without delay, and that freezing measures do not extend to funds or other assets of persons and entities acting on behalf of or upon instruction by designated persons or entities. Moreover, there is no supervisory authority or self-regulatory body regulating or monitoring compliance by FIs, VASPs, and DNFBPS, with their requirements (or requirements they might have in the future) related to the implementation of TFS linked to the countering PF.

**Côte d’Ivoire has been rated non-compliant with Recommendation 7.**

## Recommendation 8—Non-Profit Organizations

Côte d'Ivoire was found non-compliant with the Recommendation on non-profit organizations (NPOs) in the first mutual evaluation of its AML/CFT regime in 2012, due to the absence of a risk analysis on the exploitation of NPOs for TF purposes, lack of awareness in the sector, lack of control and supervision over NPOs (as well as supervisory bodies' lack of capacity), and failure to implement sanctions. Since then, the Recommendation has been significantly amended.

### **Criterion 8.1** – (not met):

The authorities did not report any standalone analyses on the risk(s) of exploiting NPOs for TF purposes. In fact, this issue was only addressed in (three paragraphs of) the NRA, which cites a 2013 joint GIABA/FATF report on TF in West Africa, a 2016 joint GIABA/GABAC/FATF report on TF in West and Central Africa, and a comprehensive analysis of eight STRs submitted to the FIU, as well as three instances of international information exchange.

**Criterion 8.1(a)** – (not met) The definition of NPO is in accordance with the FATF definition (AML/CFT Law, art. 1, item 40), and NPOs are required to register on a dedicated register to be operated by a competent authority (AML/CFT Law, art. 43, para. 1, indent 1). However, this authority has not yet been appointed, which means that for the time being, this register does not exist. Furthermore, authorities could not otherwise determine the totality of NPOs in Côte d'Ivoire, since a sizeable portion of associations recognized under Law No. 1960-315 either do not meet the definition of NPO or no longer exist, while a large number of NPOs seem to operate informally. The authorities consider that religious (or cultural) NPOs are part of “the non-criminal TF sources” in Côte d'Ivoire, but no concrete proof or practical cases exist to demonstrate that such organizations are particularly prone to exploitation for TF purposes.

**Criterion 8.1(b)** – (not met) The NRA identifies neither the nature of threats posed by terrorist entities against NPOs, nor the way in which terrorist actors exploit NPOs, and no other studies on the matter have been conducted.

**Criterion 8.1(c)** – (partly met) As part of the implementation of the priority actions of the 2020-2030 AML/CFT NS and based on Recommendations 11 and 12 drawn from the NRA, the authorities prepared a draft ordinance on designation and the powers of supervisory authorities for NPOs in the field of AML/CFT. In addition, they plan to amend Law No. 1960-315 on associations, in order to adapt it to the current context. However, considering that the types of NPOs prone to exploitation for TF purposes have not yet been identified reliably – and that neither the ordinance nor the amendments to Law No. 1960-315 have been adopted – it is impossible to determine whether proportionate and effective measures are being considered to address the risk(s) of such exploitation.

**Criterion 8.1(d)** – (not met) In accordance with paragraph 1 of Article 10 of the AML/CFT Law and the AML/CFT NS, the NRA must be kept up to date, but it only briefly and superficially tackles the vulnerabilities of the NPO sector in the face of terrorist activity, and the aforementioned draft

ordinance – which also provides for the identification and assessment, every three years at least, of ML/TF risks to which NPOs are exposed – has not yet been adopted.

**Criterion 8.2** – *(not met)*:

**Criterion 8.2(a)** – *(not met)* NPOs are required to publish their financial statements on an annual basis, and to have proper mechanisms capable of assisting them in the fight against ML/TF, including proper supervisory mechanisms (AML/CFT Law, art. 42, para. 2 and 4). Authorities recognize that virtually all NPOs do not fulfill these obligations, yet do not incur sanctions (see paragraph 1.2.2.6.2 of the NRA). Moreover, authorities have not reported any policies or strategies explicitly aimed at promoting the accountability and integrity of the NPO sector.

**Criterion 8.2(b)** – *(not met)* Awareness-raising efforts remain in their infancy. According to the authorities, the 10 training workshops organized at the national and regional levels between 2016 and 2022 (for the benefit of NPOs, or with the participation of NPOs among other reporting entities) saw the participation of around 33 NPOs, and were merely aimed at introducing the question of AML/CFT; simplifying legislative, regulatory, and institutional mechanisms; “equipping NPOs with expertise”; and drafting the NRA. Ivorian NPOs and donors have not yet benefited from an awareness campaign that specifically focuses on the potential vulnerabilities of NPOs and donors to exploitation for TF purposes or measures they could take to guard themselves against TF.

**Criterion 8.2(c)** – *(not met)* Authorities consider that the aforementioned training workshops have helped participants become more vigilant against TF, but they have not developed – *or even worked with NPOs to develop* – best practices which allow for the mitigation of TF risks.

**Criterion 8.2(d)** – *(partly met)* NPOs are required to deposit in an account opened in the books of a credit institution (CI) or an approved DFS all sums of money given to them as a donation or as part of the transactions they are required to carry out (AML/CFT Law, art. 43, para. 5). However, no monitoring or survey of the sector has been conducted to determine the level of compliance with this requirement. Moreover, no information has been provided to assessors indicating that the authorities encourage NPOs to conduct operations outside Côte d’Ivoire through regulated financial channels.

**Criterion 8.3** – *(not met)* In principle, a good number of measures to promote effective control apply to NPOs. Inter alia, NPOs are required to register on a dedicated register, to record in a linked register any donation of an amount equal to or greater than 500,000 XOF or approx. USD 875 (a software which should allow NPOs to fulfill this obligation is currently being tested), to provide certain information at any time, and to publish their financial statements (AML/CFT Law, art. 42 and 43). However, these measures – which are not implemented by almost all NPOs – are in no way “risk-based”, and no additional measures apply to high-risk NPOs, which still have not been identified reliably.

**Criterion 8.4** – *(not met)*:

**Criterion 8.4(a)** – *(not met)* Currently, all registered associations – and therefore all those that meet the definition of NPO – are subject to the general supervision of the Ministry of the Interior and Security by virtue of Law No. 1960-315. Thus, the competent Directorates have adopted several supervisory activities, but these activities are not focused on TF. Associations that meet the definition of NPO but are not registered (meaning, NPOs operating informally) do not appear to be subject to any supervision. NPOs are subject to Article 5 of the AML/CFT Law which stipulates that they shall be subject to “appropriate monitoring” by a competent authority authorized to issue regulations aimed at ensuring that NPO funds are not used for ML/TF purposes (art. 42, para. 1 and 2). However, no authority has been appointed, which means that no AML/CFT supervision has been enforced in practice.

**Criterion 8.4(b)** – *(not met)* In principle, “the supervisory authority with disciplinary powers” may act *ex officio* when a subject entity (such as an NPO) fails to fulfill its AML/CFT obligations (AML/CFT Law, art. 112). In practice however, no one is actually in a position to impose administrative sanctions upon NPOs since, as noted above, the competent authority has not been determined. On the other hand, criminal sanctions – more specifically, a fine of 100,000 to 1,500,000 XOF or approx. USD 2,400 – may be imposed against an NPO or the manager or employee of an NPO, for unintentional violations of the requirements cited under Articles 42 and 43 of the AML/CFT Law (AML/CFT Law, art. 121, para. 2, indent 2). By focusing strictly on fines which can be relatively modest, depending on the size of the involved NPO, these sanctions are not necessarily effective or dissuasive (see c.35.2).

**Criterion 8.5** – *(partly met)*:

**Criterion 8.5(a)** – *(partly met)* The AML/CFT supervisory authority for NPOs has not been identified and no information was provided to assessors indicating that other authorities targeted by Articles 74 and 75 of the AML/CFT Law actively work to ensure effective cooperation, coordination, and exchange of information in this particular context (see c.2.3).

**Criterion 8.5(b)** – *(not met)* No information was provided to assessors demonstrating that Côte d’Ivoire has investigative powers against NPOs suspected of being exploited for TF purposes. In fact, the NRA highlights a lack of personnel dedicated to TF prosecutions. Article 41 of the AML/CFT Law would empower the competent authority to examine NPOs suspected of being exploited for TF purposes, but such an authority has not yet been identified.

**Criterion 8.5(c)** – *(met)* In the context of an investigation, the JPO has sufficient powers to obtain any paper, document, or other object in the possession of an NPO (Chapter 1 of Title II of the CPC, art. 63- see c.31.1). Furthermore, the AML/CFT stipulates that, in the framework of any AML/CFT monitoring or supervisory measure, NPOs are required to present, upon request, information concerning their administration and management, including financial information and activity-related information (AML/CFT Law, art. 42 and 43).

**Criterion 8.5(d)** – *(partly met)* Both NPOs and CIs in which they must deposit all of the sums of money remitted to them are reporting entities, which means that they are all required to report

suspicious transactions to the FIU (AML/CFT Law, art. 79). Furthermore, the AML/CFT Law stipulates that the competent authority report to the FIU: (i) when a donation logged in the register it maintains appears to relate to a terrorist or TF (AML/CFT Law, art. 43, para. 4) enterprise; and (ii) when it discovers facts likely to be related to TF (AML/CFT Law, art. 75, para. 2). However, the competent authority has not been identified, the scenarios developed in c.8.5(d) are not specifically addressed by the AML/CFT Law, and no information has been provided to assessors proving the existence of an appropriate mechanism to deal with suspicions arising from the general public or a foreign authority.

**Criterion 8.6** – (*not met*) No information was provided to assessors to indicate that Côte d'Ivoire has designated a point of contact and/or defined procedures to respond to international information requests regarding any NPO suspected of financing terrorism.

### **Weighting and Conclusion**

Major shortcomings exist, particularly the inability to identify the totality of NPOs in Côte d'Ivoire, and to conduct an in-depth analysis of risks pertaining to the exploitation of NPOs for TF purposes, as well as the lack of ongoing awareness-raising activities in TF matters, lack of risk-based CFT monitoring or supervision of NPOs, and lack of sanctions against the significant number of NPOs failing to fulfill their AML/CFT obligations.

**Côte d'Ivoire has been rated non-compliant with Recommendation 8.**

### **Recommendation 9—Financial Institution Secrecy Laws**

Côte d'Ivoire was rated largely compliant with the Recommendations concerning the laws on professional secrecy during the first assessment of its AML/CFT regime in 2012. Deficiencies identified during this assessment were related to 1) the absence of provisions guaranteeing that professional secrecy does not constitute an obstacle to the exchange of information among financial institutions; 2) the absence of provisions ensuring that professional secrecy protecting certain data is only lifted in the situations provided for by similar regulatory provisions for all supervisory authorities; and 3) the absence of provisions guaranteeing that data transmitted within the framework of international cooperation can only be exchanged with other foreign authorities subject to the same obligations as those applicable in Côte d'Ivoire.

**Criterion 9.1** – (*mostly met*) The AML/CFT Law contains the necessary provisions to ensure that the laws on the professional secrecy of FIs do not hinder the implementation of FATF Recommendations. Professional secrecy cannot be invoked against judicial authorities and State officials responsible for the identification and prosecution of ML/TF offenses acting under a judicial mandate (art.93). Notwithstanding any provision to the contrary, professional secrecy cannot be invoked by FIs to refuse to provide information to the supervisory authorities as well as to the FIU, or to make suspicious transaction reports (art. 96). It could not be demonstrated that there is a wide range of mechanisms for exchanging information among all competent authorities at the operational level (art. 74 and 75— see R.2). In addition, the sharing of information amongst

competent authorities at the international level has certain limitations (art. 76, 78 and 86, items 4 and 8 — see R.40). There is generally no obstacle to the exchange of information between FIs when required by R.13, 16, or 17. FIs that are part of a group are compelled to implement group-wide policies and procedures, including policies and procedures relating to information sharing within the group for AML/CFT purposes (art. 89).

### ***Weighting and Conclusion***

Minor shortcomings exist, notably with regard to the fact that it could not be determined whether there is a wide range of information exchange mechanisms among all competent authorities at the operational level, as well as the existence of certain limitations on information exchange among competent authorities at the international level.

**Côte d'Ivoire has been rated largely compliant with Recommendation 9.**

### **Recommendation 10—Customer Due Diligence**

Côte d'Ivoire was rated non-compliant with Recommendations on customer due diligence (CDD) during the first assessment of its AML/CFT regime 2012, due to deficiencies identified with regard to the set of requirements of this Recommendation. The 2012 version of the Recommendations imposes more detailed requirements pertaining to the identification of legal persons and arrangements.

As a preliminary point, it is worth noting that the AML/CFT Law does not include any provisions addressing the application of CDD when the customer is a legal arrangement. With regard to customers that are legal persons or arrangements, the law only provides for legal persons as customers.

**Criterion 10.1** – (*met*) The AML/CFT Law prohibits FIs from opening anonymous accounts or accounts under fictitious names (art. 20, para. 2).

### ***Implementation of Customer Due Diligence***

**Criterion 10.2** – (*mostly met*) FIs are compelled to take certain due diligence measures with their customers when:

- They establish business relationships (AML/CFT Law, art. 18);
- They carry out occasional transactions with either an individual amount or, if related transactions are involved, a cumulative amount of more than 10 million XOF (approx. USD 16,000), with the exception of foreign exchange transactions, the threshold of which is set at 5 million XOF (approx. USD 8,000). However, the 10 million XOF threshold remains higher than the applicable designated threshold (USD/EUR 15,000) (AML/CFT Law, art. 29);

- There is suspicion of ML and TF, or when the origin of funds is unknown for occasional customers (AML/CFT Law, art. 29);
- Transferring funds at the national or international level (AML/CFT Law, art. 26);
- They have suspicions as to the accuracy or relevancy of previously obtained customer identification data (AML/CFT Law, art. 26 and 31).

### ***Due Diligence Measures Required for All Customers***

**Criterion 10.3** – *(partly met)* With regard to *permanent or occasional customers*, FIs are required to (1) identify the customer who is a *natural or legal person* using documents, sources, and reliable and independent data and information; and (2) verify their identity using a valid, official original document (AML/CFT Law, art. 18, 26, 27, 28, and 29). However, the AML/CFT Law does not contain any due diligence measures for *permanent or occasional customers who are legal arrangements*. Moreover, certain exemptions from the requirement to identify and verify the identity of permanent customers are granted for online payments where the funds originate from and are destined for an account opened in Côte d'Ivoire or in a country considered as a State enforcing equivalent AML/CFT requirements, which is not in accordance with FATF Recommendations (AML/CFT Law, art. 48).

**Criterion 10.4** – *(mostly met)* FIs must verify that any person claiming to act on behalf of the customer is authorized to do so, and must identify and verify the identity of that person. However, these measures do not apply to legal arrangements (AML/CFT Law, art. 26 to 28).

**Criterion 10.5** – *(mostly met)* Before entering into a business relationship with a customer or assisting them in the preparation or execution of a transaction, FIs must identify the beneficial owner by appropriate means and verify the validity of the identifying information upon submission of any reliable written document (AML/CFT Law, art. 18, 29, and 30). However, the legal text which stipulates the identification and verification of customer identity in the execution of occasional transactions, makes reference to the BO of the business relationship, not that of the occasional customer. The definition of beneficial owner is the same as that included in the FATF Glossary, and refers to the BO of a legal person or arrangement (AML/CFT Law, art. 1, item 11). This definition does not apply to legal arrangements, since it erroneously refers to item 21 which does not concern legal arrangements. Moreover, in the event that FIs are uncertain whether the customer is acting on their own behalf, they must inquire by any means whatsoever about the identity of the beneficial owner (AML/CFT, art. 30).

**Criterion 10.6** – *(partly met)* Before entering into a business relationship with a customer, FIs must collect and analyze all information within the list drawn up specifically for this purpose by the supervisory authority, namely information deemed necessary for FIs to know their customer as well as the object and nature of the business relationship, to assess the ML/TF risk (AML/CFT Law, art. 19, para. 1). However, the list of information to be collected by virtue of this provision is not defined by the supervisory authority (art. 19 but also 20 and 28). Moreover, FIs are not required to understand the intended object and nature of the business relationship.

**Criterion 10.7** – (mostly met):

**Criterion 10.7(a)** – (mostly met) FIs are required to exercise ongoing due diligence regarding any business relationship, and carefully review executed transactions to ensure that they comply with what they know about their customers, their business activities, their risk profile and, if applicable, the source of their funds (AML/CFT Law, art. 20). The law provides for exemptions from due diligence obligations, however, for the provision of online payment services without justification using a risk analysis (AML/CFT Law, art. 48-c.10.3).

**Criterion 10.7(b)** – (partly met) Throughout the duration of the business relationship, FIs must collect, update, and analyze *elements of information*, among those appearing on the list drawn up for this purpose by the supervisory authority, which promote appropriate knowledge of their customer (AML/CFT Law, art. 19). However, the list of information to collect as provided for by this provision has not been defined by the supervisory authority (art. 19 but also 20 and 28). When the level of ML/TF risk posed by a customer, product, or a transaction appears to be high, FIs must enhance the strength of these measures (AML/CFT Law, art. 51). The collection and storage of *this information* must be undertaken in line with the objectives of the ML/TF risk assessment and supervision based on this risk. However, this provision is limited to elements of information (data or information as per this criterion) and does not explicitly extend to *documents*, as also required by this criterion.

**Specific CDD Measures Required for Legal Persons and Arrangements**

**Criterion 10.8** – (not met) There is no provision that requires understanding the nature of activity or the ownership and control structure of legal arrangements. Furthermore, Article 28 – which outlines measures relating to the identification of a legal person – does not require FIs to understand the nature of their activity or their ownership and control structure. While this Article compels FIs to obtain and verify certain data, including the identity and prerogatives of partners and directors mentioned in the consolidated Act or their equivalent in foreign law, this obligation is not sufficiently extended in scope to ensure that FIs understand the ownership and control structure.

**Criterion 10.9** – (partly met) There is no provision on the identification and identity verification of legal arrangements. With regard to legal persons, FIs are required to identify, verify the identity, and obtain the following information (AML/CFT Law, art. 28):

- The company name and proof of its legal incorporation proving its legal form;
- The powers of associates and executives mentioned in the consolidated Act or their equivalent in foreign law;
- The address of the head office.

These requirements are incomplete, given that the identification obligation is limited to associates and executives explicitly mentioned in the consolidated Act on legal persons, and does not extend to all relevant persons holding managerial positions in the legal person. Moreover, there is no

obligation to ask for the address of one of the main places of activity, if it is different from the address of the registered head office.

**Criterion 10.10** – (*partly met*) As indicated in the analysis of criterion 10.5 above, FIs are required to identify the customer's BO (AML/CFT Law, art. 18, 29, and 30). The definition of beneficial owner in Article 1, item 11 is the same as that included in the FATF Glossary, and specifically refers to the beneficial owner of a legal person. In addition, this definition states that when the customer is a company, the BO of a transaction is understood to mean the natural person or persons who either hold, directly or indirectly, more than twenty-five percent of the capital or voting rights in the company, or exercise, by any other means, powers of control over the management, or administrative or management bodies of the company, or in general shareholders' meetings. This fulfills aspect (a) of criterion 10.10. However, the law does not contain any obligation that fulfills aspects (b) and (c) of this criterion.

**Criterion 10.11** – (*not met*) Even if the definition of BO makes particular reference to beneficial owners of a legal arrangement, the AML/CFT Law does not contain any obligation for FIs to identify and take reasonable measures to verify the identity of the BOs of customers which are legal arrangements, as prescribed by criterion 10.11 (a)-(b).

### ***Due Diligence Required for Beneficiaries of Life Insurance Policies***

**Criterion 10.12** – (*not met*) FIs are not required to implement the due diligence measures listed in items (a) to (c) of this criterion for beneficiaries of life insurance policies and other insurance-related investment products as soon as these beneficiaries are identified or designated. Required due diligence measures are limited to the customer and the BO, but do not concern beneficiaries as defined by the FATF.

**Criterion 10.13** – (*not met*) FIs are not required to include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced due diligence measures are applicable or not.

### ***Timing of Verification***

**Criterion 10.14** – (*partly met*) Before entering into a business relationship with a customer or assisting them in the preparation or execution of a transaction, FIs are required to identify and verify the identity of the customer and, where applicable, the BO (AML/CFT Law, art. 18, para. 1 and 2). Ivorian regulation provides for the possibility of postponing the identity verification of the customer and, where applicable, the BO, during the business relationship under the conditions stipulated by the relevant regulations<sup>3</sup> when ML/TF risk is low (art. 18, para. 3). It is not stipulated that this possibility of postponing verification be subject to conditions (a) to (c).

<sup>3</sup> Côte d'Ivoire has not issued regulations describing conditions for the implementation of simplified measures.

**Criterion 10.15** – (*not met*) FIs are not required to adopt risk management procedures regarding the conditions under which a customer can benefit from the business relationship before verification.

### **Existing Customers**

**Criterion 10.16** – (*not met*) The AML/CFT Law does not specify the mechanisms for implementing due diligence requirements for the customers of business relationships established before its entry into force.

### **Risk-Based Approach**

**Criterion 10.17** – (*partly met*) FIs are required to intensify measures provided for in Articles 19 and 20 of the AML/CFT Law, when the ML/TF risk posed by a customer, product, or transaction, appears to be high (AML/CFT Law, art. 51). However, as described above, measures covered by Articles 19 and 20 pertain to the obligation of exercising *ongoing due diligence* during the *business relationship*. Subsequently, they do not pertain to enhanced measures to be taken *prior to* entering into a business relationship or conducting an occasional transaction. In addition, although FIs are required to monitor certain transactions and intensify due diligence *in certain situations prescribed by law*, it is not an approach based on an ML/TF risk assessment by FIs themselves, but rather an approach based on rules set out in the Law (AML/CFT Law, art. 32 and 40).

**Criterion 10.18** – (*partly met*) When the ML/TF risk is low, FIs may apply simplified due diligence measures (AML/CFT Law, art. 46). They are required to inform the supervisory authority of such measures with proper justification, and indicate the reasons which allow for concluding that the scope of these measures is proportionate to the level of risk. However, such simplified measures only pertain to *ongoing due diligence measures for the business relationship*. Furthermore, ongoing due diligence measures are not mandatory for certain types of business relationships listed in the Law, provided that the FI has no ML/TF suspicions (AML/CFT Law, art. 46).

**Criterion 10.19** – (*not met*) When an FI is unable to comply with the obligation of identifying the BO, it must terminate the transaction, without prejudice to the obligation of reporting suspicions to the FIU (AML/CFT Law, art. 30). This requirement only applies to the BO, not to the customer himself. Furthermore, this requirement remains limited in scope, as it does not cover the refusal to open an account or establish a business relationship, or the termination of a business relationship.

**Criterion 10.20** – (*not met*) There is no provision allowing FIs which suspect that a transaction is related to ML or TF – and may reasonably believe that pursuing the CDD process would tip off the customer – to abstain from implementing this procedure and instead file an STR.

### **Weighting and Conclusion**

Moderate shortcomings exist in the implementation of this Recommendation, particularly with regard to exemptions from the obligation to identify and verify the identity of permanent customers

in the case of online payments. Moreover, FIs are not compelled to understand the intended purpose and nature of the business relationship.

Furthermore, specific CDD measures required for legal persons are insufficient, while no due diligence exists for customers that are legal arrangements. For legal persons, identification requirements are incomplete, since the identification obligation is limited to associates and executives explicitly mentioned in the consolidated Act on legal persons, and does not extend to all relevant persons holding managerial positions in the legal person. With respect to the identification of BOs, while the definition of BO is compliant for legal persons, the provisions for identifying them are unsatisfactory in cases of suspicion or absence of identification.

Additionally, CDD measures for beneficiaries of life insurance contracts are not compliant, similar to measures applicable at the time of verification. Finally, the risk-based approach and the obligations related to enhanced or simplified CDD measures are incomplete.

**Côte d'Ivoire has been rated partially compliant with Recommendation 10.**

### **Recommendation 11—Record-Keeping**

Côte d'Ivoire was rated largely compliant with Recommendations pertaining to record-keeping during the first assessment of its AML/CFT regime in 2012 due to (1) lack of accuracy as to the nature and availability of information elements and documents to be kept; (2) lack of an obligation to verify the availability, in a timely manner, of information and records intended for the competent national authorities; and (3) a non-compliant record-keeping duration for information relating to e-money units.

**Criterion 11.1** – *(met)* FIs must keep, without prejudice to provisions prescribing more binding obligations, for a period of ten years after the execution of a transaction, records and documents pertaining to the performed transactions (AML/CFT Law, art. 35).

**Criterion 11.2** – *(partly met)* Without prejudice to the provisions prescribing more binding obligations, FIs must keep for a period of ten years following the closing of accounts or discontinuation of business relations with their regular or occasional customers, records and documents related to customer identity (AML/CFT Law, art. 35). FIs are also required to keep accounting books and commercial correspondence for a period of ten years following the execution of the transaction. Additionally, they are required to keep the results of the implementation of enhanced due diligence measures during this period (AML/CFT Law, art. 55). Transactions covered by Article 32 of the AML/CFT Law (payments in cash or bearer negotiable instruments exceeding 50 million XOF (USD 80,000) in value, and any transaction of an amount equal to or greater than 10 million XOF (USD 16,000), performed under unusual or unwarranted circumstances, or appearing to have no economic justification or lawful objective) are the subject of a confidential written report which includes all useful intelligence concerning transaction methods as well as the identity of the originator and, where necessary, the identity of involved economic actors, and is also conserved (art. 32). However, the period of retention for such information is not specified. These obligations are

more restricted than those required by R.11, as the records to be kept do not extend to all information obtained in the CDD process, ongoing CDD in particular. Moreover, the information to be kept does not extend to the beneficial owner, nor to proxies appointed by the customer. Finally, there is no obligation to keep the results of any analysis that was conducted.

**Criterion 11.3** – (*not met*) With regard to records and documents on transactions, Article 35 of the AML/CFT Law only requires that FIs keep records on transactions they have performed, including accounting books (see c.11.1). However, FIs are not compelled to ensure that these transaction records are enough to allow for recreating individual transactions with the aim of providing evidence, where necessary, for the prosecution of a criminal activity, as required by this criterion.

**Criterion 11.4** – (*partly met*) FIs must provide competent authorities, upon request, with records and documents related to identification requirements prescribed by the AML/CFT Law (art. 19 and 26 to 32), the keeping of which is specifically mentioned in Article 35 (AML/CFT Law, art. 36). However, this provision is not in accordance with R.11 for several reasons: 1) FIs are not required to pass on records and documents related to transactions; 2) it does not compel FIs to ensure that records and documents related to identification requirements are also readily available; and 3) the scope of CDD information that FIs must keep on customer identification is limited (art. 35 – see c.11.2). These shortcomings greatly restrict the scope of information that can be made available to the competent authorities.

### **Weighting and Conclusion**

Moderate shortcomings exist, notably the fact that record-keeping obligations are limited to the identity of customers, and do not extend to all information obtained in the framework of the CDD process, nor do they extend to BOs and proxies appointed by the customer. Moreover, the provisions in place severely restrict the scope of information that can be made available to the competent authorities.

**Côte d'Ivoire has been rated partially compliant with Recommendation 11.**

### **Recommendation 12—Politically Exposed Persons**

Côte d'Ivoire was rated non-compliant with Recommendations related to politically exposed persons during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified with regard to the requirements of this Recommendation. The 2012 version of the Recommendations extends measures applicable to national PEPs and PEPs from international organizations.

The definition of PEP is consistent with that of the FATF Glossary (AML/CFT Law, art. 1, item 43). However, subject to the implementation of enhanced CDD measures based on a customer-related risk assessment, FIs are not required to consider as politically exposed a person who did not hold a prominent public position for a period of at least one year (AML/CFT Law, art. 54). This period is reduced to 6 months for FIs in the insurance sector (CIMA Regulation No. 001/CIMA/PCMA/SG/2021, art. 2). These provisions are not compliant with R.12 and have a

restrictive effect on the requirements described below, and on the rating for each of the individual criteria.

**Criterion 12.1** – *(partly met)* When establishing business relations or conducting transactions with or on behalf of foreign PEPs, FIs must apply measures required under items (a), (c), and (d) of this criterion (AML/CFT Law, art. 22 and 54). With regard to measures required under item (b), the Law only requires the authorization “of an appropriate level of the hierarchy before establishing business relations with such customers”, and not the authorization of senior management.

**Criterion 12.1(a)** – *(mostly met)* FIs must establish appropriate and adequate risk-based procedures, in order to be able to determine whether a customer or the BO of a customer is a PEP (AML/CFT Law, art. 54, para. 1, item 1).

**Criterion 12.1(b)** – *(partly met)* While FIs must receive the authorization of an appropriate level of the hierarchy before entering into a business relationship with such customers (AML/CFT Law, art. 54, para. 1, item 2), it is not specified whether authorization must be given by senior management, as required by this criterion. Moreover, there is no similar obligation with regard to maintaining a business relationship with an existing customer who becomes a PEP, as required by R.12.

**Criterion 12.1(c)** – *(mostly met)* FIs must take all appropriate measures, depending on the risk, in order to establish the source of wealth and the origin of funds belonging to customers and BOs identified as PEPs (AML/CFT Law, art. 54, para. 1, item 3).

**Criterion 12.1(d)** – *(mostly met)* FIs must conduct ongoing enhanced monitoring of the business relationship (AML/CFT Law, art. 54, para. 1, item 4).

**Criterion 12.2** – *(mostly met)* When establishing business relations or conducting transactions with or on behalf of national PEPs and PEPs from international organizations, FIs must apply measures required by items (a) and (b) of this criterion (AML/CFT Law, art. 22 and 54, para. 2).

**Criterion 12.2(a)** – *(mostly met)* FIs must put in place adequate and proportionate procedures, depending on the risk, to determine whether the customer or BO of the customer is a PEP (AML/CFT Law, art. 54, para. 2, item 1).

**Criterion 12.2(b)** – *(mostly met)* In the event of a higher-risk business relationship with or on behalf of national PEPs or PEPs from international organizations, FIs must apply measures cited in Article 54 para. 1, items 2 to 4 (AML/CFT Law, art. 54, para. 2, item 2). Also see c.12.1 (b), (c), and (d).

**Criterion 12.3** – *(partly met)* The definition of foreign PEPs specifically covers the family members of PEPs, as well as persons known to be closely associated with a PEP (AML/CFT Law, art. 1, item 43, indent 1). For family members and persons closely associated with foreign PEPs, FIs are required to apply the measures prescribed by c.12.1 and 12.2 above. However, there is no requirement for FIs to apply enhanced measures covered under c.12.1 and 12.2 to the family members or persons known to be closely associated with national PEPs or PEPs from international organizations.

**Criterion 12.4** – (*not met*) There is no provision requiring FIs to take reasonable measures to determine whether beneficiaries or the BO of a life insurance policy are PEPs.

### **Weighting and Conclusion**

Moderate shortcomings exist, considering that the law only requires the authorization “of an appropriate level of the hierarchy before establishing a business relationship with such customers”, but not that of senior management. Moreover, the definitions of national PEPs and PEPs from international organizations do not cover family members or persons known to be closely associated with such PEPs. Finally, persons who have not held a prominent public function for a period of at least one year are not considered PEPs.

**Côte d’Ivoire has been rated partially compliant with Recommendation 12.**

### **Recommendation 13—Correspondent Banking**

Côte d’Ivoire was rated partially compliant with Recommendations relating to correspondent banking during the first assessment of its AML/CFT regime in 2012, due to (1) the lack of an obligation to obtain approval from senior management prior to establishing correspondent banking relations; (2) the lack of an obligation for financial bodies to exchange documents on their respective AML/CFT responsibilities; and (3) a lacking implementation which is limited to a few institutions. The 2012 version of the Recommendations adds requirements prohibiting relations with shell banks.

**Criterion 13.1** – (*mostly met*) The AML/CFT Law specifies obligations for FIs regarding correspondent banking (art. 38 and 53). The following deficiencies relating to items (a) and (d) of this criterion are observed however:

- Although FIs are required to gather sufficient information on the contracting institution in order to identify the nature of its activity and assess, based on publicly accessible and usable information, its reputation and the quality of supervision it is subject to, it is not mentioned that this information should allow it to ascertain whether the correspondent was subject to an investigation or to measures from a supervisory authority in relation to ML/TF (art. 53, item 1);
- FIs must assess the AML/CFT system put in place by the establishment (AML/CFT Law, art. 53, item 2);
- The decision to enter into a business relationship must be made by a member of the executive body or any other person authorized to do so by the executive body (AML/CFT Law, art. 53, item 3); and
- There is no obligation to clearly understand the respective AML/CFT responsibilities of every institution. FIs must provide for a method of communication of information, upon their request, in the correspondent banking or financial instruments distribution agreement (art. 53, para. 4). However, this provision only partially fulfills criterion c.13.1(d).

**Criterion 13.2** – (*mostly met*) When receiving, in the framework of correspondent banking services, correspondent accounts that are used directly by independent third parties for the execution of transactions for their own account, FIs must ensure that the contracting CI has verified the identity of customers with direct access to such correspondent accounts, and has applied to these customers CDD measures consistent with those outlined in Articles 18 and 19 of the AML/CFT Law (art. 53, para. 5). This obligation fulfills c.13.2 (a) and (b) to a large extent. However, one must take into consideration the deficiencies identified in the analysis of R.10.

**Criterion 13.3** – (*met*) FIs are prohibited from establishing or pursuing a correspondent banking relationship with shell banks (AML/CFT Law, art. 52). Furthermore, FIs must take appropriate measures to ensure that correspondents do not authorize shell banks to use their accounts.

### **Weighting and Conclusion**

Minor shortcomings exist, particularly the lack of an assessment of the AML/CFT regime adopted by the establishment. Moreover, the decision to enter into a business relationship is not made by a member of the executive body. Finally, there is no obligation to clearly understand the AML/CFT responsibilities of each institution.

**Côte d'Ivoire has been rated largely compliant with Recommendation 13.**

### **Recommendation 14—Money or Value Transfer Services**

Côte d'Ivoire was rated non-compliant with the Recommendations related to money or value transfer services during the first assessment of its AML/CFT regime in 2012, due to the deficiencies identified with regard to the relevant requirements. R.14 imposes new requirements, particularly regarding the identification of unauthorized or unregistered money or value transfer service providers, as well as the definition of sanctions in case of non-compliance with these obligations.

**Criterion 14.1** – (*met*) Express money transfer is an activity carried out by banks and Decentralized Financial Systems (DFSs). These FIs are licensed by the Minister of Finance. They are authorized to appoint subagents to carry out this activity. Methods for the performance of such activity by subagents are determined by BCEAO Instruction No. 013-11-2015.

**Criterion 14.2** – (*not met*) There is no indication that Côte d'Ivoire has adopted measures aimed at identifying natural or legal persons offering money value transfer services without a license, or that the country has applied proportionate and dissuasive measures to such persons.

**Criterion 14.3** – (*met*) The BC, the BCEAO, and the Ministry of Finance, within the scope of their respective powers in terms of bank and DFS supervision, have the authority to monitor subagents involved in the execution of express money transfers, including for AML/CFT purposes (AML/CFT Law, art. 10-see R.26).

**Criterion 14.4** – (*partly met*) Money or value transfer services provided by (sub)agents are not directly licensed by a competent authority. However, banks and DFSs licensed for this activity must

notify the BC, the BCEAO, and the Minister of Finance, of the list of natural and legal persons they have authorized to operate as (sub)agents, no later than 30 days from the end of each calendar year (Instruction No. 013-11-2015, art. 7).

**Criterion 14.5** – *(partly met)* The AML/CFT program in banks and DFSs also applies to activities carried out by subagents under their responsibility (art. 3 para. 2 of BCEAO Instruction No. 007/09/2017 on methods of implementation of the AML/CFT Law). However, there is no obligation for banks and DFSs carrying out money transfer services and using (sub)agents, to monitor these agents' compliance with such programs.

### **Weighting and Conclusion**

Moderate shortcomings exist, notably the fact that no measures have been defined for the identification of natural or legal persons operating money or value transfer services without a license. Moreover, measures requiring banks and DFSs to submit lists of their (sub)agents once per year only partially meet the requirements of the Recommendation. Finally, there is no obligation for banks and DFSs which conduct money transfer activities and use (sub)agents, to monitor these agents' compliance with such programs.

**Côte d'Ivoire has been rated partially compliant with Recommendation 14.**

### **Recommendation 15—New Technologies**

Côte d'Ivoire was rated non-compliant with Recommendations relating to new technologies during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to the requirements of this Recommendation. The 2012 version of Recommendations focuses on the prevention of risks stemming from the use of new technologies in general and does not specifically target contracts concluded online. Since then, the FATF has added specific measures pertaining to virtual assets and virtual asset service providers (VASPs).

#### ***New Technologies***

**Criterion 15.1** – *(partly met)* Côte d'Ivoire recently conducted an NRA (see R.1) but did not specifically assess ML/TF risks linked to new technologies. FIs are required to identify and assess ML/TF risks (AML/CFT Law, art. 37) that may arise from:

- The development of new products or business practices, including new delivery mechanisms;
- The use of new or developing technologies for both new and existing products.

**Criterion 15.2** – *(met)* The risk assessment stipulated by paragraph 1 of Article 37 must take place prior to the launch of new products or new business practices, or prior to the use of new or developing technologies. Financial institutions must take appropriate measures for the management and mitigation of these risks.

### **Virtual Assets and Virtual Asset Service Providers**

**Criteria 15.3 to 15.11** – *(not met)* Côte d'Ivoire has not assessed ML/TF risks stemming from activities related to virtual assets and VASP activities or transactions and has not issued any provisions relating to virtual assets and VASPs.

### **Weighting and Conclusion**

The outstanding deficiencies are major, especially as Côte d'Ivoire recently conducted an NRA (see R.1) but has not specifically assessed ML/TF risks stemming from new technologies. Furthermore, Côte d'Ivoire has not assessed ML/TF risks stemming from activities related to virtual assets and VASP activities or transactions, in spite of the presence of unlicensed service providers in the country. Besides, Côte d'Ivoire has issued no provisions relating to virtual assets and virtual asset service providers.

**Côte d'Ivoire has been rated Non-compliant on Recommendation 15.**

### **Recommendation 16—Wire Transfers**

Côte d'Ivoire was rated non-compliant with the Recommendations concerning wire transfers during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to the requirements of this Recommendation. R.16 does not apply to wire transfers made through credit, debit, or prepaid cards for the purchase of goods and services, as long as the card number accompanies transfers resulting from the transaction.

There is a customs and monetary union for WAEMU member States, and wire transfers among these States are considered as domestic transfers. Ivorian legislation makes no distinction between cross-border and domestic transfers.

### **Ordering Financial Institutions**

**Criterion 16.1** – *(met)*:

**Criteria 16.1 (a) and (b)** – *(met)* Cross-border wire transfers must include the information required by this criterion, both for the originator and the beneficiary (AML/CFT Law, art. 33, para. 1 to 3).

**Criterion 16.2** – *(not met)* There is no specific obligation for cross-border wire transfers emanating from a single originator and bundled in a batch file for transmission to beneficiaries, to ensure that this information is fully traceable within the recipient jurisdiction.

**Criteria 16.3 and 16.4** – *(not applicable)* Côte d'Ivoire does not apply a minimum threshold. Measures stipulated by Article 33 of the AML/CFT Law apply to all wire transfers.

**Criterion 16.5** – *(met)* Domestic transfers must contain the same information on the originator within the conditions specified by criterion c.16.1.

**Criterion 16.6** – (*partly met*) All domestic wire transfer orders must therefore include the information required by criterion 16.1 and the AML/CFT Law. FIs are required to submit records and documents relating to the identification requirements, upon request, to judicial authorities and State officials tasked with detecting ML/TF violations, acting within their judicial mandate (AML/CFT Law, art. 36). This obligation, which specifically refers to Article 19 and Articles 26 to 31 (on customer identification), does not extend to records and documents linked to transactions, wire transfers more specifically. However, law enforcement authorities may order the submission of information and documents, even if the relevant parties are allowed some time to execute the order, and it is not guaranteed that this period of time is less than three days (CPC, art. 64 – R.31).

**Criterion 16.7** – (*met*) The AML/CFT Law comprises a general obligation on keeping information and documents related to transactions for a period of 10 years, including information collected on the originator and the beneficiary (art. 35 – c.11.1).

**Criterion 16.8** – (*not met*) The AML/CFT Law does not contain any provision stipulating that the ordering FI should not be authorized to execute wire transfers if they do not fulfill the requirements outlined in criteria 16.1 to 16.7. While Article 34 specifies provisions to be taken for FIs *receiving* wire transfers in case of incomplete information on the originator, such provisions are not relevant for the fulfillment of criterion 16.8, which targets the ordering FI.

### **Intermediary Financial Institutions**

**Criterion 16.9** – (*not met*) The AML/CFT Law does not contain any explicit provision stipulating that intermediary FIs must ensure that all information on the originator and the beneficiary, which accompanies a wire transfer, remains attached to the transfer.

**Criterion 16.10** – (*not met*) The AML/CFT Law does not contain any provision addressing situations where technical limitations prevent the submission of information relating to cross-border money transfers.

**Criterion 16.11** – (*partly met*) There is no explicit provision compelling FIs to take reasonable measures consistent with end-to-end processing, in order to identify cross-border wire transfers which lack the required information on the originator or the beneficiary. The authorities make reference to Article 34 of the AML/CFT Law, which comprises measures that FIs must take when receiving transfers with incomplete information on the originator. This provision does not explicitly include the obligation of identifying such transfers. Nevertheless, this requirement stems from the obligation that FIs must take measures when receiving transfers with incomplete information on the originator, which implies the prior identification of these flows. However, there is no such provision targeting incomplete information *on the beneficiary*.

**Criterion 16.12** – (*partly met*) FIs receiving wire transfers with incomplete information on the originator, must take the necessary measures to obtain the missing information from the ordering institution or the beneficiary (AML/CFT Law, art. 34 – see c.16.11). In the event that FIs fail to obtain the requested information on the originator, they must refrain from executing the transfer, and

inform the FIU. However, the AML/CFT Law does not compel FIs to have the risk-based policies and procedures in place required for the fulfillment of these obligations, as prescribed by this criterion. Moreover, the issue of incomplete *beneficiary* information is not covered by this provision, nor by any other provision.

### **Beneficiary Financial Institutions**

**Criterion 16.13** – (*partly met*) There is no explicit obligation for beneficiary FIs to take reasonable measures to identify cross-border wire transfers that lack the required information on the originator or the beneficiary. As indicated in c.16.11 above, this provision does not explicitly require the identification of such transfers, yet this requirement stems from the obligation that FIs must take measures when receiving transfers with incomplete information *on the originator*, which implies the prior identification of these flows. However, there is no provision of this kind which targets incomplete information *on the beneficiary* (AML/CFT Law, art. 34).

**Criterion 16.14** – (*not met*) There is no provision requiring beneficiary FIs to verify, in the case of cross-border transfers of USD/EUR 1,000 or more, the identity of the beneficiary which had not previously identified, nor to maintain this information in line with R.11.

**Criterion 16.15** – (*partly met*) See C.16.12.

### **Money or Value Transfer Service Operators**

**Criterion 16.16** – (*met*) MVTS operators are also subject to the AML/CFT Law (art. 1, item 34d). Furthermore, the (sub)agents of MVTS operators are required to have internal procedures in place to ensure compliance with legal and regulatory provisions for the prevention of ML/TF in the WAEMU (BCEAO Instruction No. 013-11-2015, art. 5).

**Criterion 16.17** – (*not met*) FIs, including MVTS operators, receiving wire transfers with incomplete information on the originator, must take measures to obtain the missing information in order to complete and verify such information (AML/CFT Law, art. 34). If they fail to obtain this information, they must refrain from executing the transfer and inform the FIU. However, this provision does not cover situations where complete information on the beneficiary is not available. Moreover, the obligation of filing an STR and providing the FIU with all information only targets the Côte d'Ivoire FIU, and does not extend to FIUs in other jurisdictions linked to this wire transfer.

### **Implementation of Targeted Financial Sanctions**

**Criterion 16.18** – (*partly met*) Since the execution of wire transfers is considered as a (financial) service – be it to the benefit of the originator or of the beneficiary – the analysis of the compliance of the relevant provisions with criteria 6.5 (b) and (c) applies. More specifically, the deficiency cited by virtue of criterion 6.5(b)(iv), namely the fact that the freezing does not extend to funds or other assets belonging to persons and entities acting on behalf of, or upon instruction by designated persons or entities – unless they are themselves designated entities, is important.

### **Weighting and Conclusion**

Moderate shortcomings exist, since the AML/CFT Law contains no provision stipulating that ordering FIs must not be authorized to execute wire transfers if they are not compliant. Moreover, the AML/CFT Law does not require FIs to have risk-based policies and procedures in place for the fulfillment of these obligations. In addition, there is no explicit provision requiring beneficiary FIs to take reasonable measures aimed at detecting cross-border wire transfers which lack the required information on the originator or the beneficiary. Finally, there is no provision compelling beneficiary FIs to verify, in the case of cross-border wire transfers of USD/EUR 1,000 or more, the identity of the beneficiary which had not been previously identified.

**Côte d'Ivoire has been rated partially compliant with Recommendation 16.**

### **Recommendation 17—Reliance on Third Parties**

Côte d'Ivoire was rated non-compliant with Recommendations concerning reliance on third parties during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to the requirements of this Recommendation. The revised FATF requirements shed particular focus on third-country risk.

**Criterion 17.1** – (*not met*) FIs are authorized to rely on third parties to execute CDD requirements cited in Articles 18 to 20 of the AML/CFT Law, without prejudice to the ultimate responsibility of complying with their obligations (art. 56). R.17 limits third-party reliance to the performance of CDD measures related to the identification of the customer, identification of the BO, and understanding of the nature of the business. However, Articles 19 and 20 of the AML/CFT Law include ongoing CDD measures for the business relationship and all customer transactions. Therefore, the scope of Ivorian provisions greatly exceeds that of the simple CDD measures on customer identification.

**Criterion 17.1(a)** – (*not met*) There is no text requiring FIs which rely on third parties to take measures ensuring that the third party is able to provide, upon request and without delay, copies of the identification information and other relevant documents relating to customer due diligence. The AML/CFT Law imposes obligations upon third parties applying CDD measures. More specifically, it requires them to provide, without delay, any Ivorian FI relying on them with information relating to the identification of the customer, identification of the BO, and the purpose and nature of the business relationship (art. 58). However, FIs must have access to information collected by the third party only under the conditions set out by the supervisory authority. Yet, there is no text that defines such conditions for FI access to information collected by third parties. (art. 57).

**Criterion 17.1(b)** – (*not met*) Third parties are required to submit, on first request, to FIs which rely on them, a copy of the identification documents of the customer and, where necessary, the BO, as well as any relevant document ensuring the performance of these procedures (art. 58). Furthermore, FIs are not explicitly required to take measures to ensure that the third party is able to provide, upon request and without delay, a copy of the identification documents and other relevant documents for CDD purposes.

**Criterion 17.1(c)** – *(not met)* There is no explicit obligation for FIs in Côte d'Ivoire to ensure that the third party they rely on is subject to monitoring or supervision, and that it has taken measures aimed at fulfilling the CDD and record-keeping requirements in line with R.10 and 11.

**Criterion 17.2** – *(not met)* The business-introducing third party may be based in Côte d'Ivoire, or in another WAEMU member country, or in a third country which imposes equivalent AML/CFT obligations (see c.17.1(c)). Furthermore, there is no indication that the available information on the country's risk level must be taken into consideration, be it a WAEMU Member State or a third country. Finally, DNFBPs may also be business-introducing third parties.

**Criterion 17.3** – *(not met)* There is no requirement which fulfills items (a) to (c) of this criterion.

### **Weighting and Conclusion**

Major shortcomings exist, notably due to the possibility of entrusting third parties with obligations other than those set out in the framework of this Recommendation, particularly with regard to ongoing due diligence. Moreover, while third parties are required to provide FIs with a copy of the identification documents of the customer and, where necessary, the BO, as well as any other relevant document as part of due diligence, FIs are not required to take measures ensuring that such third parties are in a position to do so.

**Côte d'Ivoire has been rated non-compliant with Recommendation 17.**

### **Recommendation 18—Internal Controls and Foreign Branches and Subsidiaries**

Côte d'Ivoire was rated non-compliant with the Recommendations concerning internal controls and foreign branches and subsidiaries during the first assessment of its AML/CFT regime in 2012. The Recommendation sets forth new requirements concerning the establishment of an independent audit function for internal controls, and of AML/CFT programs for financial groups.

**Criterion 18.1** – *(mostly met)*: FIs are required to develop and implement harmonized ML/TF prevention programs, which take into account ML/TF risks and the size of the business (AML/CFT Law, art. 23 to 25). The AML/CFT Law includes the following policies, procedures, and internal controls:

**Criterion 18.1(a)** – *(met)* An internal controls system to ensure compliance, observance, and effectiveness of the measures adopted in view of the implementation of the AML/CFT Law, as well as the appointment of a compliance officer at the management level, in charge of applying the AML/CFT system (art. 24, para. 1, items 2 and 4).

**Criterion 18.1(b)** – *(partly met)* FIs are not specifically required to implement selection procedures which guarantee the recruitment of employees based on high standards. The AML/CFT Law only requires taking into account, for staff recruitment, based on the level of responsibilities to be exercised, the ML/TF risks (art. 25, para. 1, item 5). However, Article 10 of the CIMA Regulation fulfills criterion 18.1(b), by stipulating that insurance companies must apply appropriate procedures for

staff recruitment, particularly staff deemed sensitive, in order to ensure such recruitment is made according to high standards.

**Criterion 18.1(c)** – (*met*) FIs are required to develop and implement ML/TF prevention programs which include the regular training of staff, in order to help them identify transactions and behaviors likely linked to ML/TF (art. 23 and 24, para. 1, item 3). In addition, the BCEAO, the CREPMF, and CIMA have fulfilled these obligations through other provisions which apply to FIs under their supervision, and which extend the scope of mandatory regular training to other aspects of AML/CFT, particularly raising awareness about AML/CFT in general, and legal and regulatory requirements more specifically (BCEAO Instruction No. 007-09-2017, art. 9, para. 2, items 3 and 4; Instruction No. 59/2019/CREPMF, art. 25, para. 2, items 3 and 4; and Regulation No. 001/CIMA/PCMA/PCE/SG/2021, art. 11, para. 2, items 3 and 4).

**Criterion 18.1(d)** – (*mostly met*) FIs must implement an internal controls system to verify compliance, observance, and effectiveness of measures taken in application of the Law (art. 24, para. 1, item 4). Furthermore, FIs are required to establish an independent audit function, tasked with testing policies, procedures, and controls related to due diligence, reporting, record-keeping, internal controls, compliance management, and audits on reporting entities. For CIs, EMLs, DFSs, and FX bureaus, such programs must be examined periodically by the internal audit function in order to ensure their effectiveness, at least once per month. The audit takes into account the evolution of activity, and the nature, volume, and complexity of FI operations, as well as the legal and regulatory environment (BCEAO Instruction No. 007-09-2017, art. 4 and 10). For other FIs, this requirement does not always apply. It only applies “when appropriate considering the size and nature of the establishment” (AML/CFT Law, art. 11, para. 4).

**Criterion 18.2** – (*partly met*) FIs that are part of a group must implement, at the group level, AML/CFT policies and procedures, which must be implemented effectively at the level of branches and subsidiaries established in member States and in third States (AML/CFT Law, art. 89, para. 1). However, it is not stipulated that such policies and procedures must be adapted to these branches and subsidiaries. Moreover, the provisions of the AML/CFT Law are not in line with the requirements listed in items (a) and (c) of this criterion, while the requirement listed under item (b) is not met.

1. *partly met*: FIs that are part of a group must implement policies and procedures, at the group level, in relation to the sharing of information within the group for AML/CFT purposes (AML/CFT Law, art. 89, para. 1). These provisions do not specify that the exchange of information should focus on the information required for CDD purposes;
2. *not met*: Branches and subsidiaries which are part of a group are not required to provide information related to customers, accounts, and transactions, when deemed important for AML/CFT purposes, to the compliance, audit, and/or AML/CFT functions at the group level. There is no obligation for the group-level compliance functions to provide branches and subsidiaries with such information when relevant and appropriate;
3. *partly met*: FIs must implement policies and procedures at the group level, for the protection of personal data. However, these obligations do not specify that they must uphold the non-

disclosure of data, the confidentiality of STRs, and the use of this information for AML/CFT purposes (AML/CFT Law, art. 89).

**Criterion 18.3** – *(partly met)* When an FI has representative offices, branches, or subsidiaries in third States where minimum AML/CFT requirements are less strict, they must apply obligations in force in Côte d'Ivoire, including those pertaining to personal data protection, to the extent permitted by legislative and regulatory provisions in such third States (AML/CFT Law, art. 89, para. 2).

If host country laws do not permit the implementation of measures required in Côte d'Ivoire, particularly with regard to *the implementation of policies and procedures at the group level*, FIs are required to take additional measures in order to effectively address ML/TF risks, and to inform Ivorian supervisory authorities of the fact (AML/CFT Law, art. 89, para. 4). However, this requirement does not extend to *all AML/CFT measures* which are in force in Côte d'Ivoire, but only to policies and procedures related to the sharing of information within the group for AML/CFT purposes.

### **Weighting and Conclusion**

Moderate shortcomings exist, since FIs are not compelled to implement selection procedures which ensure the recruitment of staff based on high standards. Moreover, FIs must implement AML/CFT policies and procedures at the level of branches and subsidiaries, yet it has not been specified that such policies and procedures must be adapted to these branches and subsidiaries. Branches and subsidiaries which are part of a group, are not required to provide information on customers, accounts, and transactions, when deemed necessary for AML/CFT purposes, to the compliance, audit, and/or AML/CFT functions at the group level.

**Côte d'Ivoire has been rated partially compliant with Recommendation 18.**

### **Recommendation 19—Higher-Risk Countries**

Côte d'Ivoire was rated non-compliant with the Recommendations concerning higher-risk countries during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to the relevant requirements. Recommendation 19 reinforces the requirements that countries and FIs must meet with regard to higher-risk countries.

**Criterion 19.1** – *(partly met)* The AML/CFT Law does not contain any provision requiring FIs to apply enhanced due diligence to natural and legal persons from countries for which this is called for by the FATF. However, Regulation No. 001/CIMA/PCMA/SG/2021, which requires enhanced due diligence towards non-cooperative countries and territories, specifies in paragraph 1 of its Article 19 that insurance companies are required to give special attention to transactions conducted with the countries, territories and/or jurisdictions declared as non-cooperative by the FATF. Moreover, Instruction No. 59/2019/CREPMF contains a similar provision for regional financial market (RCM) actors (art. 10, para. 1).

**Criterion 19.2** – *(partly met)* The AML/CFT Law does not contain any provision allowing Côte d'Ivoire to compel FIs to apply countermeasures proportionate to risks (a) when called for by the

FATF. The BCEAO has the power to extend, by virtue of an Instruction, the obligation to report suspicious transactions to the FIU, to own-account or third-party account transactions conducted by FIs with natural or legal persons, including their subsidiaries or facilities, which are domiciled, registered, or established in States or territories where deficiencies in legislations or practices hinder the countering ML/TF (AML/CFT Law, art. 79, para. 6). The BCEAO shall determine the terms and the minimum amount for transactions subject to reporting. Such an Instruction would constitute a countermeasure that Côte d'Ivoire may impose upon FIs (b) regardless of any call from the FATF. However, the BCEAO has not issued any Instruction of the sort.

**Criterion 19.3** – (*partly met*) The country indicates that, during periodic meetings between the FIU and compliance officers, FIs are informed of the deficiencies in the AML/CFT systems of other countries. In March and August 2020, the FIU informed FIs by mail that some jurisdictions showed deficiencies in their AML/CFT systems and were thus publicly identified by the FATF and the European Commission. However, in spite of these one-off initiatives, it does not seem that Côte d'Ivoire has put measures in place which ensure that FIs are systematically informed when the FATF and/or other international organizations update their publications on higher-risk countries.

### ***Weighting and Conclusion***

Moderate shortcomings exist, notably the fact that the AML/CFT Law does not contain any provision requiring FIs to apply enhanced CDD measures to natural or legal persons from countries for which this is called for by the FATF. Moreover, the AML/CFT Law does not contain any provision allowing Côte d'Ivoire to compel FIs to apply proportionate countermeasures to risks when called for by the FATF.

**Côte d'Ivoire has been rated partially compliant with Recommendation 19.**

### **Recommendation 20—Reporting of Suspicious Transactions**

Côte d'Ivoire was rated partially compliant with the Recommendations concerning the reporting of suspicious transactions during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to these requirements.

**Criterion 20.1** – (*partly met*) FIs are required to report to the FIU, within the conditions set by the law and pursuant to a reporting model set by virtue of a decree from the Minister of Finance, the amounts registered in their books, or the transactions related to amounts which they suspect, or have reasonable grounds to suspect, derive from an ML or TF offense (AML/CFT Law, art. 79, para. 1). However, this provision clearly limits the obligation to report suspicions of ML or TF violations (with the limitations outlined in c.3.2 and c.5.2). The provision makes no reference to the proceeds of a criminal activity which constitutes a predicate offense to ML, with the exception of tax fraud, which fulfills certain criteria set forth by regulation (art. 79, para. 2). This wording implies that in the absence of one of the criteria prescribed by the regulations, FIs are also not required to report a suspicion that the amounts or transactions might be the result of tax fraud. Furthermore, these criteria have not been defined yet and, to date, FIs are not required to report a tax fraud suspicion.

Additionally, the AML/CFT Law does not stipulate that the report be made immediately, as required by this criterion. With the exception of Instruction No. 59/2019/CREPMF which applies to RCM actors, there is no other binding mechanism requiring that the reporting be made immediately (art. 17, para. 2).

**Criterion 20.2** – *(met)* The AML/CFT Law does not set a reporting threshold, and FIs are thus required to report all suspicious transactions, whatever the transaction amount. The reporting model determined by Ministerial Decree (MEF/FIU 391, dated October 30, 2017) instructs FIs to specify the status of the transaction, including attempted transactions.

### **Weighting and Conclusion**

Moderate shortcomings exist, particularly since the obligation to report suspicions is limited to ML/TF offenses, and makes no reference to the proceeds of a criminal activity which constitutes a predicate offense to ML, with the exception of tax fraud which fulfills certain criteria set for by the regulations. Furthermore, there is no obligation to report suspicions immediately.

**Côte d'Ivoire has been rated partially compliant with Recommendation 20.**

### **Recommendation 21—Tipping-Off and Confidentiality**

Côte d'Ivoire was rated largely compliant with the requirements of the Recommendations on tipping-off and confidentiality during the first evaluation of its AML/CFT regime in 2012.

**Criterion 21.1** – *(met)* FIs, their directors, and employees are protected from criminal or civil liability for the breach of any restriction on the disclosure of information imposed by contract or by any legislative, regulatory, or administrative provision, if they report their suspicions in good faith to the FIU, even if they did not know precisely what the underlying criminal activity or predicate offense was, and regardless of whether the illegal activity subject to suspicion actually occurred (AML/CFT Law, art. 83 and 97).

**Criterion 21.2** – *(mostly met)* FIs, as well as their directors and staff, are prohibited from tipping-off the owner of funds or author of a transaction leading to an STR, or tipping-off third parties other than supervisory authorities, professional orders, and national competent authorities, about the submission of an STR to the FIU or the content thereof, and communicating information regarding the FIU follow-up on the STR (AML/CFT Law, art. 82, para. 1 and 2). However, it is not specified that this prohibition is not aimed at obstructing the sharing of information in line with R.18.

### **Weighting and Conclusion**

Minor shortcomings exist, since the wording of the provision on tipping-off does not specify that this prohibition is not aimed at preventing the sharing of information in line with R.18.

**Côte d'Ivoire has been rated largely compliant with Recommendation 21.**

## **Recommendation 22—Designated Non-Financial Businesses and Professions (DNFBPs): Customer Due Diligence**

Côte d'Ivoire was rated non-compliant with the requirements of the Recommendations on DNFBPs-customer due diligence during the first evaluation of its AML/CFT system in 2012, due to deficiencies identified in relation to the requirements of this Recommendation.

Business agents, which are part of the legal professionals' category, are not classified as DNFBPs under the AML/CFT Law, and no preventive measures under this Law apply to this profession. This deficiency impacts compliance with criteria 22.1(d) and 22.2 to 22.5.

**Criterion 22.1** – (*partly met*) DNFBPs are required to fulfill CDD requirements set out by R.10 in the following situations:

**Criterion 22.1(a)** – (*partly met*) Casinos, including online casinos, are designated as DNFBPs (AML/CFT Law, art. 1, item 23, a). Casinos, including national lotteries, are subject to the provisions of Titles II (AML/CFT preventive measures, including some due diligence measures) and III (identification of ML and TF) of the AML/CFT Law (art. 5). Furthermore, some *additional* requirements apply, particularly to casinos and gaming establishments. One of these additional measures requires casinos and gaming establishments to verify the identity – through the presentation of a valid official and original document bearing a photograph, of which a copy is made – of gamblers who purchase, bring, or exchange tokens or chips, if the amount of the relevant transaction(s) exceeds XOF 1,000,000 (approx. USD 1,800 – AML/CFT Law, art. 44, para. 1, item 2). The deficiencies identified in relation to criteria 10.2, 10.3, 10.5, 10.7, and 10.16 to 10.18 also apply to criterion 22.1(a). Moreover, the AML/CFT Law does not contain any provision which imposes requirements related to criteria 10.19 and 10.20 upon DNFBPs.

**Criterion 22.1(b)** – (*partly met*) Real estate agents and developers are designated as DNFBPs (AML/CFT Law, art. 1, item 23, b). Such professionals, including rental agents, are subject to the provisions of Titles II (AML/CFT preventive measures, including some due diligence measures) and III (identification of ML and TF) of the AML/CFT Law (art. 5). Furthermore, some *additional* requirements apply, mainly to persons who perform, control, or provide advice in relation to real estate transactions. These persons must comply with the CDD requirements set out in R.10 when they are involved in real estate purchase or sale operations (AML/CFT Law, art. 45). The deficiencies identified in relation to criteria 10.3 to 10.5, 10.7 to 10.11, and 10.16 to 10.18 are also identified under criterion 22.1(b). Moreover, the AML/CFT Law contains no provision which imposes the requirements of criteria 10.4, 10.19, and 10.20 upon DNFBPs.

**Criterion 22.1(c)** – (*partly met*) The persons who regularly deal in or organize the sale of precious stones, precious metals, antiquities, and works of art are designated as DNFBPs (AML/CFT Law, art. 1, item 23, c). They are required to comply with certain provisions of Titles II (AML/CFT preventive measures, including some due diligence measures) and III (identification of ML and TF) of the AML/CFT Law (art. 5). They must comply with CDD measures prescribed by R.10. The deficiencies identified under criteria 10.2 to 10.5, 10.7 to 10.11, and 10.16 to 10.18 are also identified in relation

to criterion 22.1(c). Moreover, the AML/CFT Law contains no provision which imposes the requirements of criteria 10.4, 10.19, and 10.20 upon DNFBPs.

**Criterion 22.1(d)** – *(partly met)* Lawyers, notaries, and other independent legal professionals are designated as DNFBPs when they prepare or carry out transactions for a customer in relation to activities listed under criterion 22.1(d) (AML/CFT Law, art. 1, item 23, d). Accounting and auditing professionals are also designated as DNFBPs, without limitations (AML/CFT Law, art. 1, item 23, e). All of these professionals are required to comply with the CDD requirements set out in R.10 (art. 6). The deficiencies identified under criteria 10.3 to 10.5, 10.7 to 10.11, and 10.16 to 10.18 are also identified under criterion 22.1(d). Moreover, the AML/CFT Law contains no provision which imposes requirements related to criteria 10.4, 10.9, and 10.20 upon DNFBPs.

**Criterion 22.1(e)** – *(partly met)* Trust and company service providers, which are not otherwise listed under DNFBP categories, are considered as DNFBPs when they provide, on a commercial basis, the services listed under criterion 22.1(e) to third parties (AML/CFT Law, art. 1, item 23, f). They are required to comply with the CDD measures set out in R.10 (AML/CFT Law, art. 5). The deficiencies identified under criteria 10.3 to 10.5, 10.7 to 10.11, and 10.16 to 10.18, are also identified under criterion 22.1(d). Moreover, the Uniform AML/CFT Law contains no provision which imposes requirements related to criteria 10.19 and 10.20 upon DNFBPs.

**Criterion 22.2** – *(partly met)* The provisions of the AML/CFT Law relating to record-keeping do not extend to DNFBPs. Therefore, there is no obligation for DNFBPs to keep documents obtained in the framework of CDD measures or commercial correspondence. Casinos and gaming establishments are required to maintain a register of all transactions for a period of 10 years, which is in accordance with criteria 11.1 and 11.3 (AML/CFT Law, art. 44). Furthermore, the Uniform Act on accounting law and financial information (OHADA) stipulates that accounting books or records serving as such, as well as documentary evidence, shall be kept for a period of 10 years (art. 24). This provision can ensure that all transaction records are kept as required by criterion 11.1, yet is not sufficient to fulfill criterion 11.3. The records that are kept must be placed at the disposal of the competent national authorities (AML/CFT Law, art. 36). However, it is not specified that these records must be made available swiftly, as required by criterion 11.4.

**Criterion 22.3** – *(partly met)* DNFBPs are required to have appropriate risk management systems in place in order to determine whether the customer is a PEP (AML/CFT Law, art. 22). This Article stipulates that they must, where necessary, apply the specific measures cited in Article 54. The deficiencies identified under criterion 12.1 also apply under this criterion.

**Criterion 22.4** – *(not met)* There is no requirement for DNFBPs to comply with the new technologies requirements set out in R.15.

**Criterion 22.5** – *(not met)* There is no requirement for DNFBPs to comply with the requirements related to the reliance on third parties, set out in R.17

### **Weighting and Conclusion**

Moderate shortcomings exist, particularly since DNFBPs are required to comply with CDD requirements, but the deficiencies identified under criteria 10.2, 10.3, 10.5, 10.7, and 10.16 to 10.18 also apply under criterion 22.1(a). The AML/CFT Law contains no provision which imposes requirements related to criteria 10.19 and 10.20 upon DNFBPs. There is no requirement for DNFBPs to keep documents obtained in the framework of CDD measures. In addition, there is no requirement for DNFBPs to comply with the requirements set out in R.15 and R.17. Finally, business agents are not subject to the AML/CFT Law, and the measures in force do not apply to this profession.

**Côte d'Ivoire has been rated partially compliant with Recommendation 22.**

### **Recommendation 23—DNFBPs: Other Measures**

Côte d'Ivoire was rated non-compliant with the requirements of the Recommendations on DNFBPs—other measures during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to the requirements of this Recommendation.

Business agents, which are part of the legal professionals' category, are not classified as DNFBPs under the AML/CFT Law, and no preventive measure under this Law applies to such professionals. This deficiency has an impact on compliance with all of the criteria relating to this Recommendation.

**Criterion 23.1** – (*partly met*) DNFBPs are required to report suspicious transactions, under the circumstances outlined in items (a) to (c) of criterion 23.1 (AML/CFT Law, art. 79). However, the deficiencies identified in the analysis of R.20 also fully apply to criterion 23.1.

**Criterion 23.2** – (*partly met*) DNFBPs are required to have policies, procedures, and controls in place to effectively mitigate and manage ML/TF risks, with a particular focus on due diligence, reporting, record-keeping, internal controls, and requirement compliance management<sup>4</sup> (AML/CFT Law, art. 11, para. 3). However, these provisions do not include all elements targeted by criterion 18.1. Only the requirements related to staff training and internal audit functions are explicitly required (AML/CFT Law, art. 11 and 23). Moreover, with regard to internal audit functions, the requirements do not cover – as in the case of FIs – all elements cited under criterion 18.1(d).

**Criterion 23.3** – (*not met*) There is no requirement for DNFBPs to implement measures for higher-risk countries as set out in Recommendation 19.

**Criterion 23.4** – (*partly met*) The tipping-off and confidentiality requirements established in R.21 also apply to DNFBPs, except for business agents (AML/CFT Law, art. 82, 83, and 97). However, the deficiencies identified in relation to criterion c.21.2 also apply to DNFBPs which are part of a group.

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<sup>4</sup> Including, if the size and nature of the business allow it, the appointment of an officer in charge of overseeing compliance with the requirements

### **Weighting and Conclusion**

Moderate shortcomings exist, particularly since while DNFBPs are required to report suspicious transactions, the deficiencies identified in the analysis of R.20 and R.21 also apply to DNFBPs. Moreover, there is no requirement for DNFBPs to establish measures for higher-risk countries set out in Recommendation 19. In addition, the deficiencies relating to internal controls set out in R.18 also apply to DNFBPs. Finally, business agents are not subject to the AML/CFT Law, and the measures in force do not apply to this profession.

### **Côte d'Ivoire has been rated partially compliant with Recommendation 23.**

### **Recommendation 24—Transparency and Beneficial Ownership of Legal Persons**

Côte d'Ivoire was rated non-compliant with the requirements of the Recommendations on transparency and beneficial ownership of legal persons during the first assessment of its AML/CFT regime in 2012, due to the deficiencies identified.

**Criterion 24.1** – *(partly met)* The categories of commercial companies that can be established in Côte d'Ivoire are prescribed by the OHADA Uniform Act, dated January 30, 2014, in relation to commercial companies and economic interest groupings (see Chapter 1). These legal persons must all be registered with the trade and personal property credit register (RCCM) (Uniform Act on the General Commercial Law, art. 35). Furthermore, foreign companies that have branches or representative offices in Côte d'Ivoire must also request registration with the RCCM (art. 35).

Information surrounding the various forms and basic features of legal persons in the country, the procedures and required documents for establishment, as well as the methods for obtaining and keeping basic information, are made available to the public by the Center for Development and Investment (CEPICI). They are directly accessible by visiting the CEPICI website ([www.cepici.gouv.ci](http://www.cepici.gouv.ci)). However, there was no confirmation as to the existence of a mechanism which identifies and describes to the public, in an accessible manner, the methods for obtaining and keeping information on BOs, whether through the CEPICI website or through the tax administration.

With regard to other categories of legal persons, particularly associations (see R.8) and non-profit organizations, there is no mechanism allowing for public access to information on the establishment of such organizations, or the methods for obtaining and keeping basic information about them, or information on BOs.

**Criterion 24.2** – *(not met)* Côte d'Ivoire has not assessed ML/TF risks associated with all types of legal persons operating in the country, despite the preliminary but insufficient efforts deployed by the FIU and the PPEF to that end.

**Criterion 24.3** – *(partly met)* All basic information required by this criterion in relation to all types of companies are kept in a file deposited in the RCCM at the clerk's office of the commercial court, or, in the meantime, the first instance court (see 24.1) of the competent jurisdiction where the head office or main place of business is located (Uniform Act on General Commercial Law, art. 35 and 46-

47). The information registered at the Clerk's Office of the Abidjan Commercial Court is publicly accessible through the Court's website ([www.tribunaldummerceabidjan.org](http://www.tribunaldummerceabidjan.org)) and the CEPICI website. However, basic information on companies registered in other jurisdictions is not yet accessible to the public.

Basic information on other types of legal persons, including associations and non-profit organizations, is accessible by authorities, but not wholly accessible to the public. The AML/CFT Law defines NPOs and stipulates their registration in a dedicated register, but the competent authority has yet to be designated (see R.8). Associations must be declared (including the entity's name, purpose, Articles of association, and address, as well as the names, positions, and addresses of its directors) before the prefecture or administrative district where they are headquartered, and their existence must be made public for it to take effect. As for non-profit companies, they are not required to register at the RCCM, but are required to register at the tax authorities which maintain such information, but not make it public.

**Criterion 24.4** – (*partly met*) There is no requirement for legal persons, regardless of their type, to keep basic information required by criterion 24.3 at a location in Côte d'Ivoire which is notified to the RCCM. The tax law requires PLLCs and simplified JSCs to *make available to the tax administration* a record of their registered shares, with details about the number of shares held by each shareholder as well as the categories of shares (including the nature of voting rights associated with them). Furthermore, PLLCs and simplified JSCs are required to maintain a register of bearer shares which were issued and are still in circulation, with particular emphasis onto the identity of shareholders and owners, in addition to the number and value of shares. LLCs, SNCs, SCAs, EIGs, and civil companies, must *make available to the tax administration* a register of their shareholders or associates, including details about the holding and distribution of securities, units, and shares (Tax Procedures Book (LPF), art. 49-1 *bis*, 1 and 2). However, it is not specified that this information should be kept in Côte d'Ivoire.

**Criterion 24.5** – (*partly met*) Any change during the life of legal person requiring a correction or addition to the information submitted in the RCCM registration form, must be communicated to the RCCM within 30 days following the occurrence of the change (Uniform Act on the General Commercial Law, art. 35 and 52). However, there is no requirement to inform the RCCM in case of amendment to Articles which does not affect the information in the registration form, notably in case of changes in associates or shareholders, with the exception of LLCs for which a transfer of shares is only enforceable to third parties once the RCCM is notified. The tax law also requires that registers held by companies be updated with all changes to the ownership, holding, or distribution of company securities, units, and shares, and must be submitted upon request to the tax administration (LPF, art. 49-1 *bis*, 3). Moreover, Côte d'Ivoire has no mechanism in place ensuring that the information specified by criteria 24.3 and 24.4 and updated where necessary, is accurate. OHADA legal texts do not specify a retention period for the information contained in the RCCM. In practice, however, the register maintains its information indefinitely, including information on companies having ceased activity or having been dissolved.

**Criterion 24.6** – (*partly met*) Since 2020, the tax law requires legal persons, regardless of their form and activity, to provide the tax administration at the time of their registration with a declaration on the identity of their BOs, using the administrative form designed for this purpose (Tax Annex to Law No. 2019-1080 containing the 2020 State budget, art. 71, para. 1).<sup>5</sup> This requirement applies to commercial and one-person companies (OPCs), partnerships, cooperatives, economic interest groupings, and associations. Furthermore, legal persons must maintain a beneficial ownership registry (PLF, art. 49, *ter*) that the tax administration can access on request.

Côte d'Ivoire also relies on FIs and DNFBPs to ensure that competent authorities have access to information on BOs. However, as mentioned in the analysis of R.10 above, there are technical deficiencies in relation to the requirements of collecting information on BOs, which affects the availability of this information (see R.10).

**Criterion 24.7** – (*not met*): The provisions of Article 49 *ter* stipulate that registers cited under c.24.6 shall be updated with all changes to the beneficial ownership of the legal person. However, no time limit has been determined for such updates. Moreover, there is no provision requiring BOs themselves to inform companies of any changes affecting them, nor is there a mechanism allowing companies to be informed of any changes affecting their BOs. Therefore, there is no mechanism in place ensuring that registers comprising information on BOs and kept by legal persons contain information that is accurate and updated as best as possible. Furthermore, the requirement for new legal persons to submit, upon their registration, information to tax authorities about their BOs is not accompanied by a requirement to notify tax authorities of any changes subsequent to their creation.

FIs and DNFBPs must, throughout the duration of the business relationship, collect, update, and analyze *the elements of information* among those included on the list drawn up by the supervisory authority to that end, which allow for developing appropriate knowledge of their customer (AML/CFT Law, art. 19, para. 2). However, with the exception of CIMA, no supervisory authority has been designated, or has provided them with a reference list for the update of customer information elements. In the DNFBP sector, no supervisory authorities have been appointed either for dealers in precious metals and stones, casinos and gaming establishments, real estate agents and developers, and service providers to companies and trusts.

**Criterion 24.8** – (*not met*) Côte d'Ivoire does not have measures in place which require legal persons to designate a natural person, a company, or a DNFBP authorized to communicate all basic information and available information on beneficial ownership, and to provide any other form of assistance to competent authorities.

**Criterion 24.9** – (*partly met*) The tax law requires legal persons – or a legal representative in case of cessation of business – to keep books, registers, documents, or records of any nature (thus including the beneficial ownership registry) for a period of ten years as of the date of the last transaction that

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<sup>5</sup> A draft text on beneficial owners is under development. This draft stipulates that the Beneficial Ownership Registry is to receive declarations on beneficial owners of all types of civil or commercial companies prescribed by the legal text in force as registered or declared in Côte d'Ivoire.

was logged in the books or registers, *or the date on which the documents or records were drafted*. This retention period also applies when the company has been dissolved or ceased to exist (LPF, art. 33). OHADA legal texts do not specify a retention period for information contained in the RCCM, but in practice, the register maintains information indefinitely, including information on companies having ceased operations or having been dissolved. The requirements of the AML/CFT Law on the keeping of information, documents, or records by FIs do not extend to information, records, and documents pertaining to beneficial ownership (see R.11). Moreover, there is no provision requiring DNFBPs to keep the documents obtained in the framework of CDD measures (see R.22).

**Criterion 24.10** – (*met*) The competent authorities, particularly law enforcement authorities, have the necessary powers to access basic information in a timely manner, as well as beneficial ownership information held by FIs and DNFBPs (AML/CFT Law, art. 36 and 93). The beneficial ownership information collected and kept by tax authorities is accessible to other competent authorities.

**Criterion 24.11** – (*mostly met*) Public limited liability companies were previously authorized to issue bearer shares (Uniform Act on the commercial companies and economic interest groupings law, art. 745). However, since 2014, Ivorian companies can no longer issue such shares. Bearer shares issued before 2014 were to be converted to nominal shares before May 5, 2016. These shares must now be registered to the account in the name of their owner. They are transferred by account-to-account transfer. The tax law requires companies to keep a registry of bearer shares in circulation, with the identification of the owner and amount of shares. However, the holders of unconverted bearer shares still can claim the rights attached to them, with no time limit. Ivorian authorities could not cite the number of entities having converted and registered their bearer shares, and have taken no measures to fulfill this requirement.

**Criterion 24.12** – (*partly met*) Côte d'Ivoire has no mechanism in place to prevent the misuse of legal persons which are able to have directors who manage the accounts of another person ("nominee directors"). However, Côte d'Ivoire has regulations in place which allow for identifying, in all cases, the actual owners in the by-laws of the relevant company (Uniform Act on the commercial companies and economic interest groupings law, art. 315, 396, and 853-3), as well as identifying actual owners in shareholder or bearer shares registers (art. 746-1 and 746-2 of the Uniform Act on commercial companies and economic interest groupings law, and LPF art. 49 *bis*). In the event of transfer of shares, the name of the agents cannot appear in the register in the place of that of the new actual owner.

**Criterion 24.13** – (*mostly met*) The OHADA (Act No. 2017-727 dated November 9, 2017), in the event of non-compliance with relevant requirements, provides for fines between XOF 100,000 and 1 million, and/or imprisonment for a period between 3 months and 3 years. These sanctions must be implemented by the courts based on reports by registers, since the RCCM itself has no sanctioning powers. In addition, the LPF stipulates – for all subject legal persons – sanctions that are applicable in case of inaccurate information, omission, outdated information, lack of record-keeping according to the prescribed periods, including in case of cessation of business, and refusal or failure to fulfill requests by the tax administration. Failure to maintain beneficial ownership registers as prescribed by the tax administration (LPF, art. 49 *ter*) is also punishable by a fine of XOF 5 million, as is the

refusal to communicate such information to the tax administration. Finally, failure to comply with the requirements on maintaining a bearer shares register is also punishable by a fine (LPF, art. 170).

**Criterion 24.14** – (*mostly met*) Basic information available at the Abidjan RCCM may be accessed by competent foreign authorities. Basic and BO information collected and kept by the tax administration may be exchanged. However, it is not clear to what extent the information contained in the files deposited with the clerks of first instance courts outside Abidjan can be exchanged. No information has been provided to assessors demonstrating that Ivorian authorities facilitate (swift) access to exchangeable information.

**Criterion 24.15** – (*not met*) Authorities indicated that the FIU can follow up on the quality of basic and beneficial ownership information received from other FIUs. However, in the absence of other information, data, or documents, it could not be determined whether such quality control based on an objective assessment occurs in practice.

### **Weighting and Conclusion**

Moderate shortcomings exist, particularly since Côte d'Ivoire did not assess ML/TF risks associated with the different categories of legal persons. Only the basic information registered with the Clerk's Office of the Abidjan Commercial Court (and not the information included in other local files) is made available to the public. There is no obligation to inform the RCCM in case of changes to associates or shareholders, and there is no mechanism in place ensuring that publicly available basic information is up to date. Furthermore, there is no mechanism allowing authorities to ensure that beneficial ownership registers maintained by legal persons or the tax administration are accurate and up to date. Finally, there is no mechanism for preventing the abuse of legal persons capable of having directors acting on behalf of another person.

**Côte d'Ivoire has been rated partially compliant with Recommendation 24.**

### **Recommendation 25—Transparency and Beneficial Ownership of Legal Arrangements**

Côte d'Ivoire was rated not applicable with regard to the requirements of the Recommendations on transparency and beneficial ownership since "Ivorian law does not recognize legal arrangements such as trusts" which thus cannot be created in the country. The amendments to R.25 specify that countries must apply minimum transparency requirements even though they do not legally recognize trusts. R.25 is therefore now applicable to Côte d'Ivoire, even though the Anglo-Saxon type of express trusts cannot be created in the country (see Chapter 7 of the MER).

**Criterion 25.1** – (*not met*) It is still not possible to set up a trust or any other similar legal arrangement in Côte d'Ivoire. However, a trust set up outside Côte d'Ivoire would be governed to a certain extent by the current Ivorian law when: (i) the manager or administrator is a fiscal resident of Côte d'Ivoire, (ii) at least one of the settlors or beneficiaries is a fiscal resident of Côte d'Ivoire, and/or (iii) assets, rights, or capitalized income located in Côte d'Ivoire are placed in the trust or any other similar legal arrangement.

Lawyers, notaries, and other trust service providers are subject to the AML/CFT Law, but not subject to AML/CFT supervision (see R.28).

**Criterion 25.1(a)** – (*mostly met*) Any natural or legal person residing in Côte d'Ivoire and acting as an administrator or manager of a trust or another legal arrangement, is required to declare the information referred to in c.25.1(a) to the Tax Administration provided that conditions are met for the trust to be governed by Ivorian law (PLP, art. 54*bis*). Therefore, trustees are effectively required to obtain this information without necessarily updating it.

**Criterion 25.1(b)** – (*not met*) There is no obligation for the trustees of any trust governed by Ivorian law to keep basic information on other regulated trust service providers and agents (although service providers are subject to the AML/CFT Law in their professional capacity).

**Criterion 25.1(c)** – (*not met*) Although service providers to trusts are subject to the AML/CFT Law, they are not required to keep the information referred to by c.25.1(a) and (b) for at least five years after their involvement with the trust ceases (see c.22.2).

**Criterion 25.2** – (*not met*) With the exception of information on the settlors of an express trust (to the extent that the latter are considered as the customers of a service provider to trusts under the provisions of the AML/CFT Law, art. 19), any information maintained in line with R.25 is not required to be as up to date as possible.

**Criterion 25.3** – (*not met*) Trustees are not specifically required to declare their status to FIs and DNFBPs when establishing a business relationship or performing an occasional transaction.

**Criterion 25.4** – (*met*) Nothing prevents trustees from providing competent authorities, FIs, or DNFBPs with any information relating to the trust/BOs and the assets of the trust.

**Criterion 25.5** – (*met*) Within the limits of available information,<sup>6</sup> the competent authorities, including the FIU as well as tax and prosecution authorities, have all necessary powers to access, in a timely manner, the information held by trustees (both as trustees *and* as reporting entities) on BOs, the trustees' place of residence, as well as information kept by FIs and DNFBPs (see c.31.1), without having professional secrecy invoked against them. See Article 36 paragraph 1 and 3 and Articles 70 and 93 of the AML/CFT Law, as well as Articles 63, 98, 188, and 189 of the CPC.

**Criterion 25.6** – (*mostly met*) Information on beneficial owners of trusts is held by the Tax Administration, as well as by FIs and DNFBPs (to the extent that the latter know that a given customer is acting as trustee and not for their own account), and may be exchanged.

**Criterion 25.6(a)** – (*mostly met*) Foreign authorities may access, upon request, basic information held by the Tax Administration. No information was provided to assessors to demonstrate that Ivorian authorities facilitate (swift) access to such information.

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<sup>6</sup> The information obtained, held, and/or kept in accordance with the requirements in force.

**Criterion 25.6(b)** – *(met)* The FIU and DGI may exchange any information they hold on the amounts or transactions related to trusts or other legal arrangements.

**Criterion 25.6(c)** – *(met)* Ivorian competent authorities are able to obtain, on behalf of foreign counterparts, any information held by FIs and DNFBPs, or by the Tax Administration, on the BOs of trusts.

**Criterion 25.7** – *(not met)* When a reporting entity fails to meet its obligations prescribed by law, the supervisory authority with disciplinary powers may act as a matter of course (AML/CFT Law, art. 112). However, lawyers, notaries, and other service providers to trusts are not subject to the supervision of a competent authority in Côte d'Ivoire.

**Criterion 25.8** – *(met)* In accordance with paragraphs 3 and 4 of Article 54 *bis* of the LPF, defaulting on the exact and timely production of the declaration specified in paragraph 1(a) above is punishable by a fine of XOF 2,000,000 (approx. USD 3,140). Producing the declaration after the deadline is punishable by a fine equal to XOF 500,000 (approx. USD 870) for each month of delay (LPF, art. 54, para. 3 and 4).

### **Weighting and Conclusion**

Major shortcomings exist, particularly since the trustees of any trust governed by Ivorian law are required to keep information on the identity of the settlor, the trustee(s), the protector, the beneficiaries or category of beneficiaries, and any other natural person exercising ultimate control over the trust, without necessarily maintaining this information and keeping it up to date. Trustees are not specifically required to declare their status to FIs and DNFBPs when establishing a business relationship or performing an occasional transaction. Information on the beneficial ownership of trusts is held by the Tax Administration, as well as FIs and DNFBPs. Lawyers, notaries, and other trust service providers are subject to the AML/CFT Law, but are not subject to AML/CFT supervision (see R.28).

### **Côte d'Ivoire has been rated non-compliant with Recommendation 25.**

### **Recommendation 26—Regulation and Supervision of Financial Institutions**

Côte d'Ivoire was rated non-compliant with the requirements concerning the regulation and supervision of FIs during the first assessment of its AML/CFT regime in 2012, due to deficiencies identified in relation to the effective supervision of the microfinance, insurance, and money transfer sectors, and the licensing of FIs, including banks.

**Criterion 26.1** – *(partly met)* Côte d'Ivoire has appointed the AML/CFT supervisory authorities for FIs. The AML/CFT Law provides for AML/CFT supervision, but with regard to FIs, such supervision is limited to preventive measures imposed by Title II of the AML/CFT Law, and does not extend to other AML/CFT obligations (AML/CFT Law, art. 86, art. 1). In particular, the competence of financial sector supervisory authorities, as prescribed by the AML/CFT Law, does not extend to measures

imposed by Title I – risk assessment by reporting entities (art. 11); Title III – appointment of a reporting officer/correspondent for the FIU (art. 64), obligations related to the reporting of suspicious transactions (art. 79 to 82), the implementation of risk assessment and management systems (art. 90), and the implementation of due diligence measures in branches and subsidiaries (art. 91); and Title IV – freezing measures for assets and other financial resources (TFS- art. 100, para. 4 to 7 and art. 104) (AML/CFT Law, art. 86). However, the majority of financial sector supervisory authorities have supervisory powers by virtue of other laws or instruments which are sufficiently broad in scope and also extend to AML/CFT as detailed below (see c.27.1).

**Credit institutions (banks and banking financial institutions): the BC/GSBC** (Convention governing the Banking Commission, art. 4(d) and Annex to the Convention governing the Banking Commission, art. 16, 2°). The BCEAO is responsible for the regulation of the banking and financial system in WAEMU member States (WAEMU Treaty, art. 17 and 34, and BCEAO Statutes, art. 43). The BC is in charge of ensuring the supervision of credit institutions defined by the banking law (Convention governing the WAEMU BC, art. 1 and 2 of the Annex to the Convention governing the WAEMU BC, and Law No. 2019-019 on banking regulation, art. 59). The BC proceeds, directly or through the BCEAO, with on-site and desk-based inspections, on an individual or consolidated basis, of reporting entities, in order to ensure compliance with applicable provisions (Annex to the Convention governing the Banking Commission, art. 21).

**DFSs,<sup>7</sup> The Minister of Finance (MF)** who, based on the level of conducted activity, delegates the supervisory work to the **BCEAO** and the **BC/GSBC** (Law regulating DFSs, art. 43 and 44).<sup>8</sup>

**EMIs: the BCEAO, the BC/GSBC, and the MF** (Instruction No. 08-05-2015 governing the terms and mechanisms for EMIs in exercising their activities, art. 36) are the supervisory authorities for EMIs.

**RCM actors:** the CREPMF is designated as the AML/CFT supervisory authority for financial market actors (Instruction No. 59/2019/CREPMF, art. 29).

**Insurance companies, brokers:** the CRCA is designated as the supervisory authority for the insurance sector (CIMA Treaty, art. 16; Insurance Code, art. 309; Regulation No. 001/CIMA/PCMA/PCE/SG/2021 of 2 March 2021, which determines procedures applicable by insurance bodies in CIMA member States in the framework of AML/CFT/CPF). Furthermore, the National Directorate of Insurance provides general supervision over the insurance market (Annex II to the CIMA Treaty, art. 1).

**FX bureaus:** the MF/DECFinEX are designated as the supervisory authority for the FX bureaus sector (Order No. 035/MEF/DGTPE DEMO of 9 February 2017, organizing the DECFinEX, art. 5).

<sup>7</sup> There are two DFS categories: 1) institutions which collect deposits and offer loans to their members or to third parties; and 2) institutions which offer loans, but do not collect deposits.

<sup>8</sup> Activity level thresholds are defined by virtue of a BCEAO instruction. These thresholds are currently set at 2 billion XOF (BCEAO Instruction No. 007-06-2010, on supervisory methods and sanctions for DFSs by the BCEAO and the WAEMU BC).

**Criterion 26.2** – (mostly met):

All categories of FIs are subject to a licensing requirement before commencing their activities or must be registered.

**Credit Institutions (banks and banking financial institutions):** credit institutions are licensed by the Minister of Finance with the agreement of the BC (Ordinance No. 2009-385 on banking regulations, art. 13).

**RCM actors:** the actors of the RCM are licensed by the CREPMF (Instruction No. 59/2019/CREPMF, art. 31).

**Insurance companies and brokers:** insurance companies providing life insurance are licensed by the Minister of Finance upon advice by the CRCA (Insurance Code, art. 326). Insurance brokers must obtain a business card from the Minister in charge of insurance supervision (i.e., the MF) (Article 510 of the Insurance Code).

**DFSs:** before commencing their activity, DFSs must obtain the authorization of the Minister or Finance, with the agreement of the BC (Law regulating DFSs, art. 7).

**EMIs:** EMIs providing this service (with the exception of banks and DFSs) are licensed by the BCEAO (Instruction No. 08-05-2015, art. 8).

**FX bureaus:** Authorization is granted by the Minister of Finance, with the agreement of the BCEAO (Instruction No. 06/07/2011 relating to the terms for exercising the activity of foreign exchange, art. 2).

**Shell banks:** While the law does not explicitly prohibit the creation and operation of shell banks, the criteria for licensing banks prevent the establishment of shell banks in Côte d'Ivoire. Applicants are required to have their head office in Côte d'Ivoire, or on the territory of another WAEMU Member State. Furthermore, a person cannot direct, administer, or manage a bank or one of its branches if they are not an Ivorian national, or a national of a WAEMU Member State, unless specifically exempted. The exercising of any direction, administration, or management functions within a CI by a person who is not a national of a WAEMU Member State, is subject to obtaining, in advance, an individual exemption from the Minister of Finance, with the agreement of the BC/GSBC (Circular No. 02-2017/CB/C relating to the terms for exercising administration and management functions within WAEMU credit establishments and financial companies, art. 6).

**Criterion 26.3** – (partly met) Each supervisory authority is required to determine the appropriate criteria for the ownership, control, or direct or indirect participation in the direction, management, or operation of an FI (AML/CFT Law, art. 86, para. 2, item 1). However, this legal framework, established by virtue of specific instructions, suffers several gaps, particularly with regard to fit-and-proper checks for BOs. In the licensing of CIs and DFSs, fit-and-proper checks are applied to all shareholders owning at least 5 percent (credit institutions and DFSs) or 10 percent of the capital or

voting rights (financial market actors), without identifying BOs as part of those shareholders. No verification is stipulated for the probity and integrity of BOs of FX bureaus and EMLs. Changes in BOs throughout the life of several FI categories (RCM actors, insurance, DFSs, EMLs, FX bureaus) are not explicitly subject to fit-and-proper verification requirements.

Cases of incompatibility are not provided for when it comes to several FI categories, particularly RCM actors, with the exception of MICs.

### **Credit institutions:**

When it comes to a licensing request, the BCEAO must obtain all information on the *capacity* of the persons which made the capital contribution and, where necessary, on that of their guarantors. The list of required documents and information for the granting of a CI license is set out in various legal texts (Framework Law on banking regulations, art. 15 and Instruction No. 017-04/2011 which establishes the list of documents and information required for licensing as credit institutions). The law provides an overview of the types of convictions preventing natural persons from investing or holding a managerial position in a credit institution (Law on banking regulation, art. 26).

For shareholders having at least 5 percent of the voting rights or capital, required documents include certified copies of identity documents, dated and signed curricula vitae (CVs), criminal record extracts or any equivalent document less than three months old, and a notarized statement of the financial position and source of funds used for subscription to the capital. Shareholder controls are to be applied equally to all shareholders having more than 5 percent of the capital or voting rights, without BCEAO identifying the BO among them. Furthermore, these controls only target persons who control capital through their shareholding or voting rights, and thus do not cover other controls that can be applied to the FI (see FATF definition of BO). There are no measures for identifying the BO and verifying their integrity when the CI is exclusively owned by another legal person. Finally, these checks are only required in the framework of a licensing request. Certain transactions likely to modify the distribution of capital, by allowing persons acting alone or collectively to acquire a blocking minority, are subject to prior authorization which is granted following the same checks as those performed during licensing – however, this blocking minority criterion is not to be confused with the BO (Law on banking regulation, art. 39 to 41).

For persons exercising management functions, the approval process includes verifying the integrity and competence of the persons called upon to “direct, run, or manage the credit institution and its branches, without listing the targeted management functions in detail” (Order No. 2009-385 of 1 December 2009 on banking regulations, art. 15). This includes the verification of the criminal record upon presentation of an extract less than three months old, or an equivalent document under foreign law. Applicants are also required to provide certified copies of the identity documents, as well as copies of their CV, describing in particular their academic background and professional experience. Changes must be communicated to the BC (not the BCEAO) 30 days before they occur, yet the nature of verifications performed in such cases is not described in a legal text (Law on banking regulation, art. 29).

**RCM actors:** the general Regulation on the organization, functioning, and supervision of the WAEMU RCM provides an overview of the types of convictions preventing natural persons from becoming shareholders, or company directors or managers. However, this Regulation only applies to MICs (art. 32).

**For all FI categories subject to CREPMF supervision:** Instruction No. 064/2020/CREPMF on the terms for processing or approving license requests requires directors, managers, and shareholders having more than 10 percent of the capital, to provide several documents to CREPMF as part of the licensing request, including a criminal record extract and a statement of these activities and/or a CV (art. 4). However, upon licensing or during the company's lifetime, the CREPMF does not identify the BOs of the FI among the shareholders and is not required to verify the fitness and probity for any of the FIs subject to its supervision.

**With regard to MICs,** Instruction No. 67/CREPMF/2021 related to the licensing of companies for MIC operations in the WAEMU RCM, and to the specific requirements for their licensing, notes that managers must have good moral character and appropriate competencies in order to assume their role, and that such companies must be managed by persons having integrity and the necessary competencies (art. 8 and 9.1). Managers must provide a criminal record extract or equivalent document according to foreign law, as part of the licensing application. MICs are also required to inform the CREPMF whenever the composition of their shareholders is significantly modified during the companies' lifetime, but the CREPMF is not required to verify the integrity and probity of shareholders owning controlling shares (General Regulation, art. 34).

For **Business Introdurers**, the general Regulation compels business introducers to provide several documents to the CREPMF as part of their licensing request, particularly, a criminal record extract, a CV, and any other document that the CREPMF might require when examining the request (art. 91). However, the Regulation does not contain any requirements relating to post-licensing changes and/or other regular follow-up.

For **Stock Exchange Investment Advisors (CIB)/Direct Sellers:** while Articles 95 and 102 of the general Regulation state that these professions must obtain a license from the CREPMF, there is no provision regarding the integrity and competence of these professions in the Regulation. The Regulation does not contain any requirement relating to post-licensing changes and/or other regular follow-up.

**Insurance companies, brokers:** the Insurance Code contains requirements relating to integrity and probity, which must be met as part of the licensing request (art. 328-3 to 328-6 relating to insurance companies and art. 506 relating to insurance brokers). The Insurance Code also provides an overview of the types of convictions which prevent a natural person from becoming the general manager of an insurance company (art. 329). However, it has not been demonstrated that these legal texts cover all senior management functions, and these criteria do not extend to BOs (art. 328).

Persons convicted of an offense cannot become brokers (Insurance Code, art. 506). No legal text prohibits persons convicted of an offense from holding a managerial position or becoming the BO of a brokerage company.

Throughout the company's lifetime, the Insurance Code stipulates that any operation which results in the conferring – directly or indirectly, to a shareholding natural or legal person, or to multiple shareholding legal persons linked by parent and subsidiary relations – of either 20, 33, or 50 percent of the company's capital, or of the majority of voting rights at the general meetings of an insurance company, is subject to prior authorization by the Minister responsible for insurance in the member State. Acquisitions of more than 10 percent must be declared only to the CRCA and to the Ministry of Finance (art. 329-7). These declaration requirements do not result in the verification of the integrity and probity of the person holding significant interest, and no supervision is provided for – since the BO is not identified. There is no provision dedicated to brokers.

**DFSs:** as part of a licensing request, the BCEAO is required to obtain all information related to the *capacity* of promoters and, where necessary, that of their guarantors, as well as the integrity and experience of persons called upon to direct, manage, or run the DFS and its branches (Law regulating DFSs, art. 8, para. 3). This Law defines the types of convictions which prevent a natural person from holding a management position (art. 30 to 32). Members of administrative, management, and control bodies of DFSs must provide a judicial record extract or a *certificate of good moral character* granted by competent authorities, less than three months old. They must also describe *the experience of directors in the banking or financial fields* (Annex to the Instruction No. 005-06-2010 defining the components of the licensing request for DFSs in WAEMU member States).

However, these licensing request components do not include documents or information which allow for verifying the integrity of the BO.

Throughout the institution's lifetime, the following are subject to prior authorization by the MF: *the acquisition or sale of holdings which results in shareholding by one person, directly or by proxy, or one group of persons acting collectively, first beyond the scope of the blocking minority, then beyond the scope of the majority of voting rights in the DFS, or the reduction of holdings below these thresholds* (Law on DFSs, art. 16). However, the implemented verifications are not defined by any legal text, and it has not been established that they address the integrity of these persons. In any event, the criteria for crossing thresholds which are subject to prior authorization are distinct from the ownership of significant or controlling interest.

**EMIs:** the managers of EMIs must have a spotless reputation, as well as the necessary competencies to ensure sound and prudent management of their establishment (Instruction No. 008-05-2015, art. 21). Any person subject to a final conviction for offenses against property or common law crimes, cannot become member of the governing body of an EMI, neither directly nor by proxy; cannot direct, manage, or control an EMI or one of its branches or subsidiaries; and cannot establish an EMI. Major shareholders and directors must provide a judicial record extract or any equivalent document less than three (3) months old (Instruction No. 008-05-2015. Annex). Any post-licensing changes to

the management of the EMI must be communicated to the BCEAO, but these changes are not subject to prior authorization. Moreover, this Instruction does not contain any provision on persons holding significant or controlling shares. Throughout the institution's lifetime, no follow-up or verification is provided for, with regard to BOs.

**FX bureaus:** FX bureaus are required to submit a criminal record extract, both for natural persons requesting a license, and managers of legal persons wanting to carry out this activity (Instruction No. 06/07/2011/RFE, art. 2). However, there is no provision which lists out other terms related to integrity (for example, exclusion in case of conviction), or to the competencies of natural persons or managers, or to BOs. Furthermore, no details are provided regarding post-licensing follow-up.

**Criterion 26.4 – (mostly met)** Supervisory authorities are required to ensure that FIs, their foreign branches, and foreign subsidiaries where they hold controlling interest, adopt and apply measures in line with the provisions of the AML/CFT Law, to the extent that local laws and regulations permit it (AML/CFT Law, art. 86, item 6).

**(a) Financial Institutions Subject to Core Principles:**

**Credit institutions:** Consolidated supervision is provided for by Decision No. 014/24/06/CB/UMOA of 24 June 2016 for CIs which are parent companies to FIs. The BC/GSBC performs, or arranges for, desk-based and on-site supervision on a consolidated basis for reporting entities, in order to ensure compliance with applicable provisions (Annex to the Convention governing the BC, as amended by Decision No. 010 of 29/09/2017/CM/UMOA, art. 21, para. 1). The frequency and scope of this supervision is determined in light of the size, structure, risk profile, nature and complexity of activities, and systemic importance (Annex to the Convention governing the BC, art. 21, para. 2).

**RCM actors:** Legal texts governing the functioning of the CREPMF provide for a risk-based approach for monitoring AML/CFT systems and controls established by RCM actors (Instruction No. 59/2019/CREPMF, art. 30). However, this does not take place in practice, and such supervision is not carried out on a consolidated basis.

**Insurance companies:** Information received in relation to the AML/CFT supervision of insurance companies does not allow for concluding that the AML/CFT supervision of the insurance sector is carried out on a consolidated basis, or in line with the Core Principles.

**(b) Other FIs:** Other FIs are subject to regulations dedicated to them (see analysis of criterion 26.1), yet there is no provision which requires that their supervision or monitoring is to be conducted in line with the ML/TF risk.

**Criterion 26.5 – (partly met)**

**Credit institutions and other FIs supervised by the BC/GSBC:** The BC/GSBC determines the frequency and scope of supervision and assessment of FIs subject to their supervision, taking into consideration their size, structure, risk profile, nature and complexity of activity, and systemic

importance (Annex to the Convention governing the WAEMU Banking Commission, art. 21, para. 2). However, it is not explicitly stipulated that the concept of risk includes ML/TF risks, the country's ML/TF risks in particular. Nevertheless, the BC has taken measures aimed at establishing the risk profile, with a sub-rating dedicated to AML/CFT for CIs. The risk profile of CIs is determined based on the formal existence of internal policies, controls, and procedures within CIs, not ML/TF risks. It is not established that a risk profile is defined for other FIs under BC/GSBC supervision, nor for groups.

**RCM actors:** AML/CFT supervision carried out by the CREPMF integrates ML/TF risks, including the ML/TF risk profile of each actor, as well as the ML/TF risks at the sectoral level (Instruction No. 59/2019/CREPMF, art. 30). In practice, however, no ML/TF risk profile is defined, and it is not specified that the frequency and scope of desk-based and on-site AML/CFT inspections for FIs or financial groups must be determined based on criteria (a) to (c). Moreover, the CREPMF does not perform AML/CFT supervision over groups.

**Other FIs:** other FIs are subject to regulations dedicated to them (see c.26.1), yet there is no provision stipulating that such supervision or monitoring be carried out in line with ML/TF risk. In these sectors, supervisory authorities have not taken measures for establishing a risk profile which accounts for criteria (a) to (c).

**Criterion 26.6 – (partly met)** The BC/GSBC and CREPMF annually update the risk profiles of FIs under their supervision, with the exception of banks for which updates are semi-annual. While the BC has indicated that it can update ML/TF risk profiles whenever important developments or changes to the management and operation of a CI occur, such updates do not appear to take place in practice. Moreover, as mentioned in c.26.4 above, there is no indication that the supervision of other types of FIs is carried out in view of an ML/TF risk-based approach. Furthermore, the deficiency relating to the scope of AML/CFT supervision identified under c.26.1, has a cascading effect on compliance with c.26.6, notably the fact that the implementation of due diligence measures in branches and subsidiaries is not part of the supervisory authority's competence.

### ***Weighting and Conclusion***

Moderate shortcomings exist, notably in relation to the frequency of AML/CFT inspections for FIs or financial groups, which are not determined based on risks within several FI categories, of which banks are the most important, and most exposed to risks. Additional deficiencies exist in the definition of supervisory or ownership criteria allowing for the verification of integrity and probity of BOs in particular, and to a lesser extent, persons holding senior management functions.

**Côte d'Ivoire has been rated partially compliant with Recommendation 26.**

### **Recommendation 27—Powers of Supervisors**

Côte d'Ivoire was rated non-compliant with the requirements relating to the powers of supervisors during the first assessment of its AML/CFT regime in 2012, due to shortcomings identified with regard to the effectiveness of implementation.

**Criterion 27.1** – (mostly met) The AML/CFT Law provides an overview of the role and responsibilities of supervisory authorities in relation to AML/CFT (art. 86 and 87).

#### **BC/GSBC – BCEAO (Credit Institutions)**

**Credit institutions:** the BC/GSBC and the BCEAO, which are responsible for the supervision of banks, must ensure that reporting entities abide by their professional obligations deriving from other laws which apply to them (Convention governing the Banking Commission, art. 4 (d)). This provision constitutes the legal basis for the power to verify compliance with the requirements of the AML/CFT Law vested in the BC/GSBC. Other regulatory and supervisory powers cited in this Convention specifically relate to prudential supervision.

**BC/GSBC – BCEAO – MF (DFSs, EMIs)** the MF, BCEAO, and BC/GSBC have the power to monitor compliance with AML/CFT provisions by DFSs (Law regulating DFSs, art. 43 and 44) and EMIs (Instruction No. 008-05-2015, art. 36).

**CREPMF:** the CREPM has all the necessary powers to enforce the implementation of legal and regulatory AML/CFT provisions on RCM actors (Instruction 59/2019/CREPMF, art. 29, para. 1).

**CRCA/MF:** the CRCA has the power to supervise CIMA insurance companies and brokers, and organizes desk-based and on-site inspections (Insurance Code, art. 310). These general provisions are provided for by Regulation No. 001/CIMA/PCMA/PCE/SG/2021 of 02 March 2021, which provides for AML/CFT supervision. Furthermore, the MF National Directorate of Insurance is responsible for the general supervision of the insurance market (art. 1 of Annex II of the CIMA Treaty).

**MF/DECFinEX (FX bureaus):** the MF is the AML/CFT supervisory authority for FX bureaus (Order No. 035/MEF/DGTPE DEMO of 9 February 2017, organizing the DECFinEX, art. 5).

**Criterion 27.2** – (mostly met):

**BC/GSBC – BCEAO (credit institutions):** the BC/GSBC or the BCEAO performs or arranges for the documentary and on-site supervision, on an individual or consolidated basis, of reporting entities to ensure their compliance with applicable provisions (Annex to the Convention governing the Banking Commission, art. 21 and 23).

**BC/GSBC – BCEAO (EMIs):** the BC/GSBC or the BCEAO may perform, at any time, an on-site inspection of EMIs, by involving, where necessary, other supervisory authorities (Instruction No. 008-05-2015, art. 37).

**BC/GSBC – BCEAO – MF (DFSs):** the MF, BCEAO, and BC/GSBC have the power to conduct on-site inspections and require DFSs to submit periodic reports (Law regulating DFSs, art. 43 to 45).

**CREPMF:** the CREPMF has the power to perform on-site inspections, with or without notice, of regional capital market actors (Instruction No. 59/2019/CREPMF, art. 29).

### **CRCA/MF**

The CRCA has the power to organize off-site and on-site inspections of insurance companies and brokers (Insurance Code, art. 310, Regulation No. 001/CIMA/PCMA/PCE/SG/2021 of 02 March 2021)

### **MF/DECFinEX**

**FX bureaus:** DECFinEX is in charge of inspecting FX bureaus. However, legal texts do not specify the types of inspections it may perform.

#### **Criterion 27.3** – (mostly met):

Designated supervisory authorities may access information held by FIs in order to ensure compliance, and require the production of any needed document (AML/CFT Law, art. 92 and 96 d). Specific legal texts enshrine this provision of the AML/CFT Law.

**BC/GSBC – BCEAO:** all FIs subject to BC/GSBC supervision are required to provide, upon demand by the BC and within specific timeframes and forms, all documents, intelligence, clarifications, and justifications necessary for the exercise of its powers (Convention governing the WAEMU Banking Commission, art. 25). *As part of its on-site inspections*, the BC/GSBC is authorized to compel banks to produce all documents and information deemed necessary to assess the quality of their AML/CFT system. Furthermore, banks are required to submit to the BC/GSBC an annual report on the implementation of their internal AML/CFT system (Instruction No. 007-09-2017, art. 11 and 12).

**BC/GSBC – BCEAO – MF (DFSs):** the MF has the power to compel DFSs to submit periodic reports (Law governing DFSs, art. 43). The MF, the BCEAO, and the BC are also authorized to request any documents, statistics, reports, and any other information deemed necessary to exercise their respective powers (Law governing DFSs, art. 56).

**BC/GSBC – BCEAO – MF (EMIs):** the MF, the BCEAO, and the CB have the power to compel EMIs, within the prescribed time limits, to provide all documents, statements, statistics, reports, and all other information they deem necessary to assess EMI activities (Instruction No. 008-05-2015, art. 36, para. 2).

**MF (FX bureaus):** the MF has the power to compel FX bureaus to provide all information deemed necessary for the smooth running of inspections, yet this provision only covers “periodic” inspections, and it is not certain that it applies to AML/CFT (Instruction No. 06/07/2011/RFE, art. 14, para. 2).

**CREPMF** The CREPMF has the power to access any document, request information on any person or transaction as part of its inspections (Instruction No. 59/2019/CREPMF, art. 29).

**CRCA** The CRCA has the power to request from entities under its supervision all information deemed necessary for the exercise of its powers. In particular, it may request the submission of auditors' reports and, more generally, all accounting documents for which it also may, where necessary, request certification. Companies must provide the CRCA with all such documents, as well as the staff deemed qualified to provide it with the information it considers necessary (Insurance Code, art. 310). However, the power to require the production of any relevant information does not extend to *situations outside the scope of on-site inspections*. Apart from such situations, entities are only required to produce an annual AML/CFT report (Regulation No. 001/CIMA/PCMA/PCE/SG/2021 of 02 March 2021, art. 25).

**Criterion 27.4 – (partly met)** At the administrative and disciplinary levels, the competent supervisory authority has the power to act in accordance with the laws and regulations in force whenever a reporting entity fails to comply with the requirements imposed by Titles II and III of the AML/CFT Law, due to a severe lack of due diligence or a deficient internal controls structure (AML/CFT Law, art. 112). However, the power to impose sanctions does not extend to Title I of the AML/CFT Law, notably the assessment of risks by reporting entities (art. 11). This deficiency is compounded by the deficiencies identified in the analysis of R.35 (see c.35.1 and c.35.2). Nevertheless, supervisory authorities have broader powers by virtue of more general legal texts.

### **BC/GSBC (Credit Institutions)**

In addition to the AML/CFT provisions above, the BC is authorized to impose disciplinary sanctions for the violation of banking regulations or any other legislation applicable to banks (Ordinance No. 2009-382 on banking regulation, art. 66, and Annex to the Convention governing the Banking Commission, art. 28 *et seq.*). A broad range of disciplinary sanctions, from a simple warning to the revoking of the license or authorization of establishment, is provided for (Annex to the Convention governing the Banking Commission, art. 31). Furthermore, the BC has the power to issue monetary sanctions, the amount of which is determined by BCEAO instruction (Ordinance, art. 77 and Annex, art. 31). Sanctions are also provided for against “the responsible directors” (suspension or compulsory resignation), and for prohibiting accountable persons from directing, leading, or managing an institution or one of its branches. Based on the gravity of the committed violation, this prohibition may be permanent or limited in time, and may even be issued after such persons have ceased their functions.

### **(BC/GSBC) – BCEAO – MF (DFSs/EMIs)**

In addition to sanctions provided for by the AML/CFT Law, the MF, BCEAO, and BC are authorized to impose, depending on the nature and severity of violations committed, disciplinary and monetary sanctions (Law governing DFSs, art. 70 and 71). Disciplinary sanctions also extend to members of the administrative bodies and senior management of DFSs.

In addition to the sanctions set out in the AML/CFT Law, the BCEAO is authorized to impose disciplinary and monetary sanctions upon EMIs. Disciplinary sanctions range from a warning to a revoking of the license, while monetary sanctions can reach up to 25 percent of the minimum share

capital (Instruction No. 008-05-2015, art. 38 to 40). However, these sanctions do not extend to members of the administrative bodies or senior management of EMLs.

**CREPMF:** in addition to the above AML/CFT provisions, the CREPMF is authorized to impose monetary, administrative, and disciplinary sanctions (Annex to the CREPMF Convention, art. 30, 31, 34, and 35). Sanctions also extend to the responsible directors. Disciplinary sanctions range from a simple warning to a temporary or final revoking of the license. Monetary sanctions range from 51,000,000 XOF (approx. USD 87,875) to 150,000,000 XOF (approx. USD 258,450), depending on the categories of actors and the gravity of the violation (Decision CM/SJ/001/03/2016 relating to the implementation of the monetary sanctions system applicable to the financial market).

**CRCA:** the CRCA is authorized to impose disciplinary sanctions upon insurance companies and brokers, ranging from a warning to a revoking of the license (Insurance Code, art. 312, 333-12, 534-2, and 822). These sanctions also apply to members of the administrative body and senior management of these insurance companies.

**FX bureaus:** DECFinEX is not specifically authorized to impose AML/CFT sanctions against FX bureaus.

### ***Weighting and Conclusion***

Moderate shortcomings exist, in relation to the limitations resulting from the supervisory and sanctioning powers of the DECFinEX against FX bureaus, as well as the limitations impacting the sanctioning powers of competent authorities in the EMI and FX Bureau sectors.

**Côte d'Ivoire has been rated partially compliant with Recommendation 27.**

### **Recommendation 28—Regulation and Supervision of DNFBPs**

Côte d'Ivoire was rated non-compliant with the requirements of the Recommendations on the regulation and supervision of DNFBPs during the first assessment of its AML/CFT regime in 2012, due to the total lack of AML/CFT supervision over DNFBPs, the general lack of awareness of the AML/CFT system when it comes to the supervision and regulation of DNFBPs, the lack of enforcement of sanctioning powers by competent authorities, and the lack of AML/CFT guidance.

#### ***Criterion 28.1 – (partly met)***

The AML/CFT Law contains a general provision applying to all DNFBPs, which stipulates that no one can exercise an activity as a DNFBP without prior registration by the competent regulatory or supervisory authority, in accordance with the conditions set out by the regulations in force (art. 88). However, neither the definition of DNFBPs nor that of "other reporting entities" cover business agents (Articles 5 and 6 of the AML/CFT Law). Furthermore, the AML/CFT Law requires regulatory and supervisory authorities to take steps to define the appropriate criteria for the ownership, control, or direct or indirect participation in the direction, management, or operation of a DNFBP, in

accordance with the regulations in force (art. 86, item 1). This provision does not apply to business agents. The AML/CFT Law also requires supervisory authorities to monitor DNFBPs' compliance with the preventive measures set out in Titles II and III (art. 86, item 2). However, this implies that this supervision does not extend to the measures set out in Title I – risk assessment by reporting entities (art. 11). Moreover, supervisory authorities for DPMS, real estate agents and developers, casinos and gambling establishments, and service providers to companies and trusts, and business agents, have not been designated. As for lawyers, notaries, chartered accountants, judicial officers, and justice commissioners, SRBs have been designated.

**Criterion 28.1 (a)** – *(met)* The operation of gambling activities in Côte d'Ivoire is organized by two regimes: concession and authorization (Law No. 2020-480 on gambling, art. 7). The granting of a concession or authorization for the operation of gambling activities, including online gambling, is subject to certain conditions (art. 9 and 11). The request is submitted to the minister of the interior who in turn refers it to a restricted technical commission comprising representatives of the ministers of interior, economy and finance, and security (Decree No. 98-371 of 30 June 1998 regulating gambling establishments).

**Criterion 28.1 (b)** – *(partly met)* The director of a gambling establishment must be approved by the Minister of Interior, following an investigation of moral standards (Decree No. 98-371, art. 10), which covers aspects related to the director's integrity, but not their competencies. In addition, any person hired to work in a gambling establishment must, prior to assuming their position, be approved by the Minister of Interior (art. 12, para. 1). This same article specifies that the approval process is carried out by order from the Minister of Interior. However, authorities have not demonstrated the existence of such a procedure. Furthermore, there is no requirement extending to BOs or to the operators of a gambling establishment. Moreover, authorities have not demonstrated that the measures relating to the director and persons hired to work in a gambling establishment at the time of approval are also applicable in the stages following initial approval.

**Criterion 28.1 (c)** – *(not met)* One of the missions of the Gaming Regulatory Authority is to monitor the implementation of gambling regulations. As such, it is particularly responsible for supervising the gambling sector, and compliance with laws and regulations as well as obligations resulting from authorizations or agreements in force in the gambling sector (Law No. 2020-480, art. 24, para. 2, indent 1). In addition, the Authority is required to contribute to the fight against ML in conjunction with other governmental authorities (art. 24, para. 2, indent 15). This obligation appears to be of a general nature, and gives no indication as to the competence of the Authority with regard to the monitoring of compliance and the implementation of AML/CFT provisions.

**Criterion 28.2** – *(partly met)* Côte d'Ivoire has designated SRBs in charge of monitoring compliance by DNFBPs with their AML/CFT obligations for notaries, lawyers, chartered accountants, justice commissioners, and judicial representatives. However, supervisory authorities for other DNFBPs (DPMS, real estate agents and developers, business agents, auditors, and service providers to companies and trusts) have not been designated (Ordinance No. 2022-237 of 30 March 2022 in

relation to the applicable AML/CFT/CPF administrative sanctions regime, and the organization of supervision of reporting entities, art. 1 and 7).

**Criterion 28.3** – *(partly met)* Côte d'Ivoire has not yet taken measures to ensure that other categories of DNFBPs are subject to monitoring mechanisms which guarantee compliance with their AML/CFT obligations (see 28.2).

**Criterion 28.4** – *(not met)*:

**Criterion 28.4 (a)** – *(not met)* No supervisory authority has been designated for real estate agents and developers, dealers in gold and precious metals, service providers to companies and trusts, auditors, and business agents). SRBs have been designated for other DNFBP categories (lawyers, notaries, chartered accountants, justice commissioners, and judicial representatives). However, supervisory methods have not been defined (Ordinance No. 2022-237 of 30 March 2022 in relation to the applicable AML/CFT/CPF administrative sanctions regime, and the organization of supervision of reporting entities, art. 9).

**Criterion 28.4 (b)** – *(partly met)* SRBs have been designated for lawyers, notaries, chartered accountants, judicial officers, and justice commissioners, but not for other DNFBPs (namely, real estate agents and developers, dealers in gold and precious metals, business agents, and service providers to companies and trusts).

With regard to lawyers, notaries, and accountants, the rules governing the profession include conditions of competence and probity, including the absence of criminal convictions. The conditions for access to the professions of judicial officers and justice commissioners have not been described.

Sectoral rules govern access to the professions of real estate agents and developers and dealers in gold and precious metals. With regard to the latter, the DGMG within the Ministry of Mines, Petroleum, and Energy is the supervisory authority for the sector. The DGMG grants licenses for the sale and purchase of gold and precious metals. Article 10 of the Mining Code provides an overview of the convictions preventing a person from becoming a dealer in gold and precious metals. However, functions to which such verifications apply are not specified, particularly whether they cover persons exercising managerial functions, or BOs. No supervision is provided for throughout the life of the company. The Minister of Construction, Housing, and Urban Planning grants licenses to the sector's companies, including real estate agents and developers. However, legal texts do not set out conditions pertaining to the integrity or probity of candidates, managers, or BOs.

With regard to business agents, the law outlines cases of incompatibility due to criminal convictions but does not define the conditions for the granting of a license (Law No. 75-352 of 23 May 1975 on business agents).

The existence of supervision for other DNFBPs has not been demonstrated.

**Criterion 28.4 (c) – (not met)** The sanctioning power of SRBs for lawyers, notaries, and public accountants has not been demonstrated. Since the ordinance had not been adopted at the time of the on-site visit, there is no practical example allowing to confirm the scope of sanctioning powers for SRBs. For other DNFBPs, supervisory authorities have not been designated.

**Criterion 28.5 – (not met)** As mentioned in criterion 28.1 (c) above, it has not been demonstrated that casinos are subject to monitoring for compliance and implementation of AML/CFT provisions. Moreover, in the absence of designated AML/CFT competent authorities or SRBs for dealers in gold and precious metals, real estate agents and developers, business agents, and service providers to companies and trusts, and in view of their recent designation and the fact that they have not begun activity for lawyers, notaries, accountants, judicial officers, and justice commissioners, the requirements of sub-criteria (a) and (b) are not met either.

### **Weighting and Conclusion**

Major shortcomings exist, notably the fact that Côte d'Ivoire has not designated all AML/CFT competent authorities or SRBs for DNFBP categories (dealers in gold and precious metals, real estate agents and developers, business agents, service providers to companies and trusts, public accountants). In addition, the powers of the Gaming Regulatory Authority do not extend to the AML/CFT supervision of casinos. Finally, there are several shortcomings in relation to the measures in place for preventing criminals or their accomplices from holding or becoming the BOs of significant control or interest in a casino, or assuming a managerial position, or becoming BOs, particularly in the gambling and real estate agents and developers sectors.

**Côte d'Ivoire has been rated non-compliant with Recommendation 28.**

### **Recommendation 29—Financial Intelligence Units**

Côte d'Ivoire was rated largely compliant with the Recommendations concerning the Financial Intelligence Unit (FIU) during the first assessment of its AML/CFT regime in 2012. The deficiencies identified were related to (1) the lack of guidance for reporting entities regarding the implementation of their reporting obligations; (2) the STR template which did not include TF; (3) the lack of feedback to FIs on the relevance of their STRs; and (4) the low number of cases disseminated by the FIU to law enforcement authorities.

**Criterion 29.1 – (mostly met)** The Côte d'Ivoire FIU was established by virtue of the AML Law 2005-554, repealed by the AML/CFT Law 2016-992. More particularly, the FIU is designated under the name of "National Financial Information Processing Unit or CENTIF" as the FIU of administrative nature placed under the supervision of the Minister of Finance (art. 59). The FIU is responsible for receiving and analyzing STRs and other information, as well as disseminating the results of this analysis for AML/CFT purposes (art. 60, para. 1, 66, and 67). However, the fact that the obligation to report suspicious transactions is limited to ML and TF offenses, and does not extend to predicate

offenses to ML (except for tax fraud, which fulfills certain criteria – see R.20 and 23) has a cascading effect on compliance with criterion 29.1.

**Criterion 29.2** – (*mostly met*) The FIU is the national authority that receives STRs from FIs and DNFBPs (AML/CFT Law, art. 79, para. 1 and 2). However, the obligation to report suspicious transactions does not comply with the requirements of R.20 and 23 (see c.29.1, c.20.1, and c.23.1).

In addition to STRs concerning ML and TF, the FIU receives cash transactions reports (CTRs) for transactions of an amount equal to or greater than XOF 15,000,000 (approx. USD 27,000), regardless of whether or not the executed transactions are unusual (AML/CFT Law, art. 15 and BCEAO Governor Instruction No. 010-09-2017). This Instruction empowers member States of the Union to introduce exemptions in favor of certain activity sectors. However, Côte d'Ivoire has not exercised this power.

FIs are also required to report to the FIU, under the terms and conditions of a BCEAO instruction, certain types of information relating to fund transfer operations executed using cash or electronic currency. However, the BCEAO has yet to issue an instruction of this kind, and this obligation is currently not implemented yet (AML/CFT Law, art. 79, para. 7).

Finally, the FIU may also receive any other information necessary to carry out its mission, in particular information sent by supervisory authorities, State administrations, Territorial Communities, Public Establishments, JPOs, and any other person entrusted with a public service mission (AML/CFT Law, art. 60, para. 1, item 2 and art. 70, para. 2). Where applicable, the FIU treats the received information as an STR.

**Criterion 29.3** – (*met*):

**Criterion 29.3(a)** – (*met*) The FIU has the power to request the sharing of information held by reporting entities as well as by any natural or legal person that is likely to allow for informing a report or information received (AML/CFT Law, art. 60, para. 1, item 3 and art. 67, para. 1). These provisions are sufficiently large in scope to ensure that reporting entities share information requested by the FIU, even if they did not file an STR or a CTR related to the analyzed relevant parties and/or transactions.

**Criterion 29.3(b)** – (*met*) The FIU may, as part of the processing of an STR, request information from foreign FIUs and from any public and/or supervisory authority at the national level (AML/CFT Law, art. 67, para. 1). The FIU may also refer to paragraph 2 of Article 70 in order to obtain from State administrations, Territorial Communities, Public Establishments, and any other person entrusted with a public service mission, all information deemed necessary for it to carry out its mission.

**Criterion 29.4** – (*mostly met*):

**Criterion 29.4(a)** – *(mostly met)* The mission of the FIU consists of processing and disseminating information related to AML/CFT (AML/CFT Law, art. 60, para. 1). In particular, the FIU is responsible for collecting, analyzing, informing, and using any intelligence that allows for establishing the origin or destination of funds, or the nature of the transactions subject to a report or information received (art. 60, para. 1, item 1). In practice, the FIU conducts operational analysis which makes use of available and obtainable information. However, the limitations to the scope of application of the suspicious transaction reporting obligation have a negative impact on the FIU's ability to conduct operation analysis in accordance with criterion 29.4(a) (see c.29.1).

**Criterion 29.4(b)** – *(mostly met)* Article 60, paragraph 1, items 4, 6, and 7 of the AML/CFT Law sets the framework for the strategic analysis carried out by the FIU (art. 60, para. 1, items 4, 6, and 7). However, from a TC perspective, these strategic analyses are limited in scope (in particular, due to the deficiencies identified in relation to c.29.1).

**Criterion 29.5** – *(mostly met)* When analyses reveal facts likely to relate to the laundering of the proceeds of criminal activity or the financing of terrorism, the FIU shall spontaneously refer to the Public Prosecutor at the Abidjan Court of First Instance (AML/CFT Law, art. 67, para. 2). Furthermore, on the condition that they relate to facts likely to be subject to an STR, the FIU may spontaneously or upon request disseminate the information it holds to the DGD, to the DGI, to the treasury, and to the judicial police (art. 66, para. 2). It may also disseminate to specialized intelligence services information and facts likely to reveal threats against the fundamental interests of the Nation in terms of public safety and State security (art. 66, para. 3). In addition, the FIU has the power to disseminate to the Tax Administration information concerning facts likely to relate to tax fraud or attempted tax fraud (art. 66, para. 4). Finally, the FIU is authorized to provide State agencies responsible for developing and implementing freezing measures or measures prohibiting the movement or transfer of funds, financial instruments, and other economic resources, with information for carrying out their mission (art. 66, para. 5). In practice, the dissemination is made on a confidential basis in the form of hard copy delivered by a JPO, which is not in accordance with c.29.5 which requires that the dissemination must be made through dedicated, secure, and protected channels. Moreover, the deficiency relating to the scope of STRs, as identified under c.20.1, c.23.1, and c.29.1, technically limits the FIU's power to disseminate, on demand, information on predicate offenses to law enforcement authorities (see c.31.4).

**Criterion 29.6** – *(mostly met)*

**Criterion 29.6(a)** – *(mostly met)* The AML/CFT Law outlines general confidentiality rules imposed upon the FIU members and staff, as well as their correspondents within other competent authorities (art. 65). Furthermore, the FIU applies confidentiality provisions established under its Code of Conduct (art. 2 to 6) and Code of Ethics (items 1 to 4). The FIU's core IT systems are housed in a secure room, with restricted biometric access. In addition, the IT systems are protected by management and monitoring tools, in order to control and limit access to information at the internal and external levels. However the FIU does not have written rules on data protection and perusal.

**Criterion 29.6(b)** – *(mostly met)* The FIU has a database called FILTRAC which allows for secure access to STRs, CTRs, and other information, with various levels of access for the staff, depending on their position and/or role. It ensures that staff members understand their responsibilities with regard to the processing and dissemination of sensitive and confidential information in line with its Code of Conduct and Code of Ethics. As mentioned in c.29.6(a), however, the FIU does not have written rules on data protection and perusal.

**Criterion 29.6(c)** – *(met)* Access to the FIU's premises is protected by a security system which includes among other things, CCTV surveillance, a 24-hour static guard made up of national police officers, a fence with electrified barbed wire, and a security gate. Documents and information relating to the cases are secured in safes.

**Criterion 29.7** – *(met)*

**Criterion 29.7(a)** – *(met)* The AML/CFT Law grants the FIU autonomous decision-making powers on matters that fall within its competence (art. 59). This provision is broad enough to ensure that the FIU has the power and capacity to freely exercise its functions, in particular to decide autonomously to analyze, request, and/or disseminate specific information.

**Criterion 29.7(b)** – *(met)* The signing of agreements between the FIU and foreign FIU counterparts requires the prior notification of the Minister of Finance (AML/CFT Law, art. 78). In practice, the FIU is able to conclude agreements and decide in complete autonomy to collaborate with foreign counterparts, as long as it informs the Minister. The powers and procedures of exchange of information between the FIU and the other national competent authorities, as well as between the FIU and professional unions and national representative bodies, are determined by the AML/CFT Law (art. 69 para. 2 and art. 66, 74, and 75). These provisions do not limit the independence of the FIU to engage in such cooperation.

**Criterion 29.7(c)** – *(met)* The FIU is an autonomous administrative authority which is not part of a ministry or another competent authority (AML/CFT Law, art. 59). It has its own premises, access to which is limited to authorized persons (see c.29.6 (c)).

**Criterion 29.7(d)** – *(met)* The FIU resources come from the State budget as well as from contributions made by WAEMU institutions and development partners (AML/CFT Law, art. 73). The FIU benefits from a budget which allows it to freely exercise its AML/CFT mission, without undue interference or external influence.

**Criterion 29.8** – *(Not applicable)* The FIU became a member of the Egmont Group in June 2010.

### **Weighting and Conclusion**

Minor shortcomings exist, namely the fact that the obligation for FIs and DNFBPs to report suspicious transactions is not in accordance with the requirements of R.20 and 23, which has a cascading effect on several criteria within R.29 (notably, c.29.1, 29.2, 29.4, and 29.5). In addition, the dissemination of information to the Public Prosecutor and other competent authorities is not made through dedicated, secured, and protected channels. Finally, the FIU does not have written rules on data protection and perusal.

**Côte d'Ivoire has been rated largely compliant with Recommendation 29.**

### **Recommendation 30—Responsibilities of Law Enforcement and Investigative Authorities**

Côte d'Ivoire was rated partially compliant with the Recommendations concerning the responsibilities of law enforcement and investigative authorities during the first assessment of its AML/CFT regime in 2012. Deficiencies identified were linked to (1) the lack of specialization of public prosecutors in AML/CFT; (2) the ineffective use of certain special investigative techniques; (3) the lack of a dedicated group for searching, seizing, confiscating, and freezing ML or TF proceeds; and (4) the lack of ML/TF vulnerability and risk assessments by competent authorities.

**Criterion 30.1** – (*met*) The Public Prosecutor is the director of the judicial police, the main initiator of public action (CPC, art. 12). Thus, JPOs,<sup>9</sup> under the direction of the prosecutors at first instance courts in their respective territorial jurisdictions, are tasked with detecting violations of the criminal law, gathering evidence thereto, and looking for the perpetrators, as long as a judicial investigation is not opened (CPC, art. 23 and 25). Once an investigation has been opened, JPOs execute the assignments delegated to them by investigating jurisdictions and refer to their instruction (CPC, art. 56).

The Public Prosecutor operating within their territorial jurisdiction entrusts the DPEF, the DPC, the PSD, the Research Section of the National Gendarmerie, the UCT, the HABG, the Ivorian Customs Narcotics and Drugs Brigade, and the Mining Code Violations Repression Brigade, to conduct ML and/or predicate offense investigations depending on their field of investigative specialty.

In January 2020, Côte d'Ivoire established the Economic and Financial Criminal Hub (PPEF) which operates under the direction of the Public Prosecutor at the Abidjan Court of First Instance (Decree No. 2020-124, art. 1). This Hub has national jurisdiction and is specifically dedicated to inquiries, investigations, and prosecutions of economic and financial offenses of particular gravity or complexity due to their transnational nature, the importance of financial flows, and the seriousness

<sup>9</sup> JPOs include: public prosecutors and their substitutes, investigating judges, division judges, mayors and their deputies, police directors, police commissioners, police officers, inspectors assigned as judicial Police officers under the conditions specified by decree, officers of the Gendarmerie, non-commissioned officers of the Gendarmerie, brigade commanders or police station chiefs, and non-commissioned officers of the Gendarmerie who have passed the judicial police officers exams, and are appointed by name under conditions set out by decree.

of the resulting consequences (art. 2). The following offenses are considered as economic and financial crimes: ML, corruption and related offenses, customs, tax, and currency offenses, capital market, banking, and FI offenses, offenses related to the financing of political parties, associations, and elections, and offenses related to commercial and economic activities (art. 3).

The Public Prosecutor at the Abidjan Court of First Instance also heads the Special Unit for Inquiry, Investigation, and Counter-terrorism (CSEI-LCT), which is exclusively dedicated to preliminary inquiries and judicial investigations of terrorist acts (Decree No. 2016-543, art. 2). This Unit also has national jurisdiction. Furthermore, on March 11, 2022, Côte d'Ivoire enacted Law No. 2022-193 which introduced TF as an economic and financial offense, and assigned the Economic and Financial Criminal Hub as the investigation and prosecution authority for TF offenses, in addition to the competencies established by the aforementioned Decree No. 2020-124.

**Criterion 30.2** – *(met)* Law enforcement authorities tasked with investigating predicate offenses, are authorized to conduct parallel financial investigations in relation to ML (CPC, art. 25 and 98). Traditional investigative agencies have strengthened their ML investigation capabilities through the establishment of specialized sections. If the criteria listed under c.30.1, para. 3 and 4 are met, investigators are able to refer the financial aspects to the Economic and Financial Criminal Hub.

**Criterion 30.3** – *(met)* Law enforcement authorities have the power to identify, trace, and initiate proceedings for the seizure of property likely to be the proceeds of crime (CPC, art. 65.3 and 98, para. 5, and AML/CFT Law, art. 93 para.1 and art. 99 and 129, para. 3 – see R.4). The DGD has the power to withhold certain types of funds as part of the control of cross-border transportation of funds (see R.32).

**Criterion 30.4** – *(met)* The authorities competent to conduct financial investigations into predicate offenses are law enforcement authorities as described in c.30.1. Furthermore, the HABG – which is not a law enforcement authority but conducts investigations into corruption and similar offenses – has the same powers and means of investigation as JPOs (Ordinance No. 2013-661, art. 36). The DGD has powers related to the control of cross-border transportation of cash and BNIs, and the prosecution of certain customs offenses which constitute predicate offenses to ML. DGD officers have the power to resort to necessary measures in order to preserve evidence (Customs Code, art. 199, para. 2). The tax administration conducts administrative investigations to prove the commission of tax offenses, and to that end, it has the power to verify the accuracy and truthfulness of tax declarations on an off-site basis, and by interviewing the relevant parties (LPF, art. 4), and, where necessary, reporting them to the Public Prosecutor.

**Criterion 30.5** – *(met)* HABG investigators have the same powers and means of investigation as JPOs (Ordinance No. 2013-661, art. 36).

### **Weighting and Conclusion**

**Côte d'Ivoire has been rated compliant with Recommendation 30.**

### **Recommendation 31—Powers of Law Enforcement and Investigative Authorities**

Côte d'Ivoire was rated largely compliant with the Recommendations concerning the powers of law enforcement and investigative authorities during the first assessment of its AML/CFT regime in 2012. The shortcomings identified were related to effectiveness due to the insufficient number of ML and TF investigations. This Recommendation was extended when FATF standards were revised in 2012, and now requires countries to have, *inter alia*, mechanisms to determine in a timely manner whether natural or legal persons own or control bank accounts.

**Criterion 31.1** – *(met)* The powers of authorities responsible for the investigation and prosecution of ML and TF are defined by the AML/CFT Law (art. 93 to 95 and 108 to 109). Furthermore, investigation and prosecution powers are also established in the CPC (Title II, art. 61 to 76 and art. 98). These provisions allow authorities responsible for the investigation and prosecution of ML and associated predicate offenses as well as TF (see c.30.1), acting within the scope of a judicial mandate, to order the sharing of records and documents held by FIs, DNFBPs, and any natural or legal person, to carry out searches and body searches, to collect witness testimonies, and to seize evidence related to the offense under investigation.

**Criterion 31.2** – *(met)* The authorities responsible for investigating and prosecuting ML, associated predicate offenses, and TF, have the power to carry out undercover or sting operations, intercept communications, carry out controlled delivery operations, and access IT systems (AML/CFT Law, art. 93 and 94).

**Criterion 31.3** – *(met)* The authorities responsible for the investigation and prosecution of ML, associated predicate offenses, and TF, acting within the scope of a judicial mandate, may access banking information relating to natural or legal persons (AML/CFT Law, art. 36). Ivorian authorities have indicated that the deadlines for such a decision to be taken depend on the needs of the investigation (urgently or through the normal route). Nothing in the law precludes obtaining information in a timely manner within the scope of investigations and prosecutions of ML, associated offenses, and TF. Furthermore, there is no legal provision compelling law enforcement authorities to notify the owner prior to the identification of their assets.

**Criterion 31.4** – *(mostly met)* Authorities in charge of the investigation and prosecution of ML, related predicate offenses, and TF, may request information held by the FIU (AML/CFT Law, art. 66, para. 2). However, the deficiency related to the scope of STRs, as identified in c.20.1, c.23.1, and c.29.1, technically limits the FIU's power to communicate, upon request, information to investigation and prosecution authorities (see c.29.5).

### **Weighting and Conclusion**

Minor shortcomings exist, particularly the fact that the deficiency in relation to the scope of STRs, as identified under c.20.1, c.23.1, and c.29.1, technically limits the FIU's power to communicate, upon request, predicate offense information to law enforcement authorities.

**Côte d'Ivoire has been rated largely compliant with Recommendation 31.**

### **Recommendation 32—Cash Couriers**

Côte d'Ivoire was rated non-compliant with the Recommendations concerning cash couriers during the first assessment of its AML/CFT regime in 2012. The deficiencies identified were in relation to the requirements of this Recommendation.

**Criterion 32.1** – *(partly met)* Any traveler coming from or going to a non-member State of the WAEMU is required to make a written declaration of any cash and BNIs of an amount or value equal to or greater than XOF 5,000,000 (approximately USD 8,900) in their possession upon entering and leaving the State's territory (AML/CFT Law, art. 12, and Instruction No. 008-09-2017, art. 1). In addition, the export of payment instruments, including traveler's checks, bank checks, foreign banknotes, and national or foreign securities, by post or by any other channel, is subject to prior authorization by the General Directorate of the Treasury and Public Accounts (DGTCP) (Regulation No. 09/2010/CM/UEMOA, art. 29). However, this system does not comply with FATF standards, since travelers coming from or going to a WAEMU Member State are not required to make a declaration. Moreover, the only rules applicable to transport by courier and freight (prior authorization from the DGTCP) do not concern imports or banknotes issued by the BCEAO.

**Criterion 32.2** – *(partly met)* Deficiencies identified under c.32.1 also apply to this criterion, with the exception of the deficiency relating to transport by courier and freight, which is specific to c.32.1, and does not fall within the scope of c.32.2.

**Criterion 32.3** – *(not applicable)* These requirements are not applicable, since the Côte d'Ivoire system requires a written declaration.

**Criterion 32.4** – *(met)* In the event that a false declaration or non-declaration is discovered, competent authorities (designated in Article 6 of Law No. 2014-134, i.e., DGD officers, JPOs, officers of the Directorate of external finance) have the power to request and obtain additional information concerning the origin of cash or BNIs, as well as the use for which they are intended.

**Criterion 32.5** – *(partly met)* Competent authorities in Côte d'Ivoire may impose sanctions upon those making false declarations (AML/CFT Law, art. 12, para. 2). Any violation of Regulation No. 09/2010/CM/UEMOA may be sanctioned, in application of the sanctions defined by Law No. 2014-134 (art. 21 and 23). While sanctions are proportionate and dissuasive, they are limited in scope, due to the deficiencies identified in c.32.1 and c.32.2. Furthermore, the competent authorities may seize

the amount of non-declared cash in full (AML/CFT Law, art. 111). However, this last provision does not cover *BNIs*.

**Criterion 32.6** – (*partly met*) In the event of seizure or withholding of cash of *BNIs* likely to be linked to ML or TF, the competent authority shall refer the incident to the Public Prosecutor who immediately opens a judicial investigation, and informs the FIU of the fact (AML/CFT Law, art. 12, para. 5). In addition, in the event of non-declaration, false declaration, or incomplete declaration, or if there is suspicion of ML or TF, the DGD shall seize the found *cash* in full, draw up a report, and refer the operation file to the FIU (AML/CFT Law, art. 111). This last provision is limited to cash and does not extend to *BNIs*. Therefore, there is no obligation for the DGD to inform the FIU on non-declared *BNIs*. Thus, there is no requirement for the DGD to inform the FIU about non-declared *BNIs* or those subject to a false or incomplete declaration.

**Criterion 32.7** – (*met*) The FIU is designated as the authority responsible for leading and coordinating, as necessary, at the national and international levels, the means of investigation available to the relevant departments or services of the Ministry of Finance, the Ministry of Justice, and the Ministry of Security, as well as affiliated bodies, in order to facilitate the search for violations leading to reporting obligations (AML/CFT Law, para. 1, item 5). The wording of this article is not clear. However, based on the combination of the aforementioned ministries and reporting obligations, it is possible to conclude that this coordination specifically focuses on declarations relating to the transport of cash and *BNIs*, covered by R.32. In fact, authorities have indicated that the implementation of R.32 in practice is subject to coordination between the officers of the DGD, the DST, the CAAT, the UCT, the State Treasury, and the FIU.

**Criterion 32.8 (a) and (b)** – (*partly met*) In the event of ML or TF suspicion, the competent authorities may seize or withhold, for a period of no more than seventy-two (72) hours, the cash or *BNIs* (AML/CFT Law, art. 12, para. 5). In case of non-declaration, false declaration, or incomplete declaration, or if there is suspicion of ML or TF, the DGD shall seize the amount of non-declared *cash* in full (AML/CFT Law, art. 12). However, these powers are limited, because they do not cover cases where it is suspected that the cash and *BNIs* can be associated with predicate offenses to ML, nor cases of non-declaration or false declaration of *BNIs*.

**Criterion 32.9 (a) to (c)** – (*partly met*) The AML/CFT Law has a special dedicated section for international cooperation, both formal and informal, and this cooperation also extends to information relating to cash and *BNI* declarations (art. 138 to 155). In particular, the customs administration can directly share the information it holds with its counterparts. Furthermore, CENTTIF can also exchange the information it holds with foreign FIUs. However, the deficiencies identified in c.32.1, 32.2, and 32.6 significantly limit the scope of information that can be exchanged.

**Criterion 32.10** – (*met*) Information collected in the context of declarations of cross-border transport of cash and *BNIs* outside the WAEMU is covered by professional secrecy. The disclosure or dissemination of information is made in strict compliance with the relevant data protection provisions. Furthermore, the WAEMU Treaty recalls that the WAEMU aims to create a space without

internal borders in which the free movement of goods, people, services, and capital, is ensured (section III, art. 96).

**Criterion 32.11 (a) and (b)** – *(partly met)* If the cash or BNIs are related to an ML or TF offense, the person carrying out the physical transport may be prosecuted based on the ML or TF offenses as analyzed under R.3 and 5. Furthermore, by virtue of sanctions listed in c.3.11 and c.5.6, cash is subject to confiscation insofar as it constitutes the result of an offense (see R.4). However, these measures do not apply if the cash or BNIs are related to a predicate offense to ML. Moreover, the deficiency identified in the analysis of R.5 (c.5.6) has a cascading effect on this criterion.

### **Weighting and Conclusion**

Moderate shortcomings exist, notably the fact that travelers coming from or going to a WAEMU Member State are not required to make a declaration. Moreover, the only rules applicable to transport by courier and freight do not concern imports or banknotes issued by the BCEAO. In addition, competent authorities may seize the amount of non-declared *cash* in full, but not *BNIs*. Subsequently, there is no requirement for the customs administration to inform the FIU about non-declared BNIs, or BNIs subject to a false or incomplete declaration.

**Côte d'Ivoire has been rated partially compliant with Recommendation 32.**

### **Recommendation 33—Statistics**

Côte d'Ivoire was rated non-compliant with the Recommendations concerning statistics during the first assessment of its AML/CFT regime in 2012, due to (1) the lack of a policy for keeping statistics, and tools for assessing the functioning and effectiveness of the AML/CFT regime; (2) the keeping of partial statistics on predicate offenses, mutual legal assistance, and other forms of cooperation; (3) the lack of statistics on ML/TF investigations, prosecutions, and convictions/sanctions; and (4) the lack of detailed statistics on extradition.

**Criterion 33.1** – *(partly met)* The keeping of statistics in relation to AML/CFT is provided for by Order No. 125 dated 9 May 2018, which addresses the jurisdiction of the national statistics service with regard to AML/CFT/CPF. Authorities have provided data on the number of STRs received by the FIU, ML investigations, seizures of illicit assets, mutual legal assistance requests issued and received by Côte d'Ivoire, and ML/TF convictions and confiscations. However, this data is not kept and organized in a manner which allows for evaluating the efficiency and effectiveness of AML/CFT efforts in Côte d'Ivoire. The national AML/CFT/CPF statistics service, once operational, should bridge these gaps in the future.

### **Weighting and Conclusion**

Moderate shortcomings exist, particularly the lack of complete and coherent data which allows for evaluating the efficiency and effectiveness of AML/CFT efforts in Côte d'Ivoire.

**Côte d'Ivoire has been rated partially compliant with Recommendation 33.**

### **Recommendation 34—Guidance and Feedback**

Côte d'Ivoire was rated non-compliant with the Recommendations concerning guidance and feedback, due to deficiencies identified in relation to the requirements of this Recommendation.

**Criterion 34.1** — *(partly met)* The AML/CFT Law contains several provisions requiring supervisory authorities to issue instructions, guidelines, or recommendations aimed at helping FIs and DNFBPs to comply with their AML/CFT obligations, including the obligation to identify and report suspicious transactions (art. 86, para. 2, items 3 and 5). It also stipulates that the FIU must provide feedback on STRs it disseminates to the Public Prosecutor (art. 71). Furthermore, the FIU is required to share with FIs and DNFBPs and their supervisory authorities the information it has on ML/TF mechanisms (AML/CFT Law, art. 92). This information is intended to help FIs and DNFBPs identify suspicious transactions. The CREPMF has adopted several guidelines with the aim of helping authorized RCM actors fulfill their AML/CFT obligations (Instruction No. 59/2019/CREPMF, and Instruction No. 61/2019/CREPMF, as well as Instruction No. 62/2019/CREPMF). The CIMA has also issued clarifications in relation to the methods for the implementation of AML/CFT regulatory mechanisms by insurance companies (CIMA Regulation No. 0001/CIMA/PCMA/PCE/SG/2021). The DECFinEX has distributed an AML/CFT system implementation guide to FX bureaus under its supervision. However, the BCEAO and the BC have not issued guidelines. Moreover, the FIU has yet to develop guidance aimed at strengthening the implementation of the suspicious transaction reporting obligation. In addition, the typologies and red flags targeted in order to improve the quality and quantity of STRs are limited both in number and scope. Furthermore, the FIU does not provide systematic feedback to reporting entities on the quantity, completeness, and usefulness of received STRs. As part of the implementation of the national AML/CFT strategy, guidelines and procedure manuals for the various DNFBPs have been developed, but they had not been issued by the time of the on-site visit.

### **Weighting and Conclusion**

Moderate shortcomings exist, notably the fact that neither the BCEAO and BC nor the FIU have issued guidelines or provided feedback.

**Côte d'Ivoire has been rated partially compliant with Recommendation 34.**

### **Recommendation 35—Sanctions**

Côte d'Ivoire was rated partially compliant during the previous assessment, due to the lack of defined monetary sanctions for violations of regulations related to the regional capital market, in addition to the fact that no sanction has been imposed upon FIs for failure to implement AML/CFT provisions, which renders it difficult to evaluate the proportionality of sanctions.

**Criterion 35.1** – (partly met)Criminal Sanctions**R. 6**

Failure to comply with freezing measures taken in accordance with R.6 is punishable by imprisonment for a period of one to two months and/or a fine of XOF 360,000 (approximately USD 620), without prejudice to administrative or disciplinary sanctions related to their professions (Decree No. 2018-439, art. 16).

**R. 8-23**

At the criminal level, failure to comply with an AML/CFT obligation is handled differently, depending on whether it is linked to ML or to TF, in the sanctioning of non-compliance.

*Unintentional Non-Compliance*

ML: natural persons incur a fine of 50,000 to 750,000 XOF (approx. USD 90 to 1,300) in the event of *unintentional* non-compliance with the majority of obligations imposed by the AML/CFT Law upon FIs and DNFBPs, in accordance with Recommendations 9 to 23 (AML/CFT Law, art. 116, para. 2). However, said provision does not cover non-compliance with several obligations provided for by the AML/CFT Law, particularly the obligations imposed under Recommendations 12, 13, and 17, as well as obligations imposed under other regulatory texts, such as those under R.19.

TF: natural persons incur a fine of 100,000 to 1.5 million XOF in the event of *unintentional* non-compliance with any due diligence obligation entrusted by the AML/CFT to reporting entities (AML/CFT Law, art. 121, para. 2). Subsequently, subject to deficiencies identified under Recommendations 9 to 23, this penalty applies to cases of unintentional non-compliance with all obligations imposed upon FIs and DNFBPs, in accordance with said Recommendations. The penalty also applies to non-compliance with obligations imposed upon NPOs in line with R.8.

*Intentional Non-Compliance*

*Intentional* non-compliance with obligations imposed upon FIs and DNFBPs in line with Recommendations 20 and 21 is punishable by imprisonment for a period of six months to two years and/or a fine of 100,000 to 1.5 million XOF (approx. USD 90 to 1,300) (AML/CFT Law, art. 116, para. 1). This penalty is doubled in the event of TF (AML/CFT Law, art. 116, para. 2). Intentional non-compliance with due diligence obligations is not covered, and is therefore not criminally punishable.

Additional penalties may be applied to natural persons convicted for the aforementioned cases of non-compliance (AML/CFT Law, art. 117 and 122).

Legal persons on behalf of whom or for whose benefit a violation covered by the AML/CFT Law is committed are punishable by a fine at a rate equal to five times the fine incurred by natural persons

(AML/CFT Law, art. 124 and 125). The fine may be complemented by other penalties such as exclusion (permanent or temporary) from public markets or dissolution.

### Administrative and Disciplinary Sanctions

Administrative and disciplinary sanctions applicable to FIs vary between sectors, and may include warnings, reprimand, suspension, prohibition from conducting all or part of the operations, revoking of the license or authorization for establishment, or monetary sanctions up to 150 million XOF in the case of central market structures (see c.27.4). The same type of sanctions is applicable to DNFBPs (Ordinance No. 2022-237 of 30 March 2022). Since the supervisory authority for NPOs has not been designated to this day (see criterion 8.4), administrative and disciplinary sanctions have not been defined for this sector.

Administrative and disciplinary sanctions may have two legal bases, depending on the involved sector and nature of the violation.

The AML/CFT Law permits supervisory authorities to issue sanctions when a violation is the result of severely lacking due diligence or a deficient structure of internal control procedures (AML/CFT Law, art. 112). This provision covers obligations imposed upon FIs, DNFBPs, and NPOs in accordance with Recommendations 8 to 23 (but not those under R.6, which is not covered by the AML/CFT Law).

Certain sectoral legal texts also permit supervisory authorities to issue sanctions in the event of non-compliance with any AML/CFT obligation, including freezing obligations provided for by R.6 (Annex to the Convention governing the WAEMU Banking Commission, art. 31.1; Decision No. CM/SJ/001/03/2016 on the implementation of the monetary sanctions system applicable to the WAEMU regional capital market, art. 3; Ordinance No. 2022-237 of 30 March 2022 on the applicable AML/CFT administrative sanctions regime, art. 8). The Insurance Code does not include a similar provision.

### Conclusion on the proportionate and dissuasive nature of applicable sanctions

For certain violations, the range of available sanctions includes criminal sanctions (both for natural and legal persons) as well as several types of administrative sanctions such as warnings, monetary sanctions, or a revoking of the license. This range allows for the implementation of proportionate and dissuasive sanctions. However, other violations are punishable by a reduced range of sanctions, which limits the possibility to impose proportionate and dissuasive sanctions. Subsequently, for example, criminal sanctions do not apply to violations of the obligations issued under Recommendations 12, 13, 17, and 19. In addition, applicable criminal sanctions in the event of non-compliance with freezing obligations are not greatly dissuasive. Non-compliance with obligations set forth by R.8 is only criminally punishable if unintentional, and cannot be sanctioned administratively. Finally, no administrative sanctions are available in the event of non-compliance with freezing obligations in the insurance sector.

**Criterion 35.2** – (partly met)

Criminal Sanctions**R. 6**

No criminal sanctions are applicable to managers in the event of non-compliance with imposed obligations in accordance with R.6.

**R. 9-23**

FI and DNFBP executives are only criminally liable when they personally commit one of the offenses listed above (c.35.1).

Administrative and Disciplinary Sanctions**R. 6**

In the event of non-compliance with freezing obligations, the only sanctions applicable to executives are those covered, where appropriate, by sectoral legal texts. These sanctions may include suspension or prohibition from running, directing, or managing a reporting entity in the case of sectors under the purview of the BC (Annex to the Convention governing the WAEMU Banking Commission, art. 31), the insurance (Insurance Code, art. 312) or the DNFBP sectors (Ordinance No. 2022-237 of 30 March 2022 on the applicable AML/CFT administrative sanctions regime, art. 4). The legal texts governing capital markets do not provide for sanctions applicable to officials. Furthermore, as mentioned above, the Insurance Code does not cover violations of freezing obligations. Therefore, for these two sectors, no sanctions are applicable to officials.

**R. 9 -23**

In the absence of direct involvement in the offense, disciplinary sanctions listed in the previous paragraph may apply to executives/officials based on either the AML/CFT Law (if the violation is the result of severely lacking due diligence or a deficient structure of internal control procedures within a reporting entity), or sectoral legal texts (except in the case of capital markets).

Conclusion on the proportionate and dissuasive nature of applicable sanctions

Depending on the level of their involvement in a violation, in general, officials may be subject to a range of criminal or administrative sanctions, which allows for the application of proportionate and dissuasive sanctions. However, this conclusion does not apply to all sectors, nor to all violations. In fact, there are violations for which no sanction is applicable to officials. The same goes for violations of freezing obligations in the insurance and capital market sectors.

***Weighting and Conclusion***

Criminal sanctions do not cover non-compliance with all obligations provided for by Recommendations 6 and 9 to 23, some of which are not fully implemented. Violations of the

obligations imposed under R.8 are only criminally punishable if unintentional, and cannot be sanctioned administratively. Finally, the range of sanctions applicable to executives does not include all sectors and types of violations. Such factors are regarded as moderate shortcomings in the implementation of preventive measures in Côte d'Ivoire.

### **Côte d'Ivoire has been rated partially compliant with Recommendation 35.**

#### **Recommendation 36—International Instruments**

Côte d'Ivoire was rated partially compliant with the Recommendations concerning international instruments during the first assessment of its AML/CFT regime in 2012. Main deficiencies identified were that the process of accession to the Palermo Convention had not been completed, and that the Vienna and Palermo Conventions had not been fully applied. Since then, Côte d'Ivoire has strengthened its legal framework in order to rectify some of the identified shortcomings.

**Criterion 36.1** – (*met*) Côte d'Ivoire is a party to:

- The Vienna Convention signed on the 20<sup>th</sup> of December 1988 and ratified on the 25<sup>th</sup> of November 1991;<sup>10</sup>
- The Palermo Convention signed on the 15<sup>th</sup> of December 2000 and ratified on the 25<sup>th</sup> of October 2012;<sup>11</sup>
- The Merida Convention signed on the 10<sup>th</sup> of December 2003 and ratified on the 25<sup>th</sup> of October 2012;<sup>12</sup> and
- The International Convention for the Suppression of the Financing of Terrorism to which Côte d'Ivoire adhered on the 13<sup>th</sup> of March 2002.<sup>13</sup>

**Criterion 36.2** – (*partly met*) For the implementation of the Vienna Convention, Côte d'Ivoire has Law No. 88-686 on narcotics in place. However, there still are gaps relating to the definition of offenses, penalties and confiscations, and international cooperation procedures on drug trafficking matters. Indeed, Law No. 88-686 does not take into account all offenses covered by the Vienna Convention, and the offenses which are taken into account are not defined in accordance with Article 3 of the Convention. Moreover, Law No. 88-686 does not explicitly stipulate the confiscation of drugs subject to trafficking, as required by Article 5(1)(b) of the Convention.

For the implementation of the Palermo and Merida Conventions, Côte d'Ivoire enacted several laws, including the Criminal Code, the AML/CFT Law, Law No. 98-749 concerning arms, Law No. 2016-1111 on human trafficking, Law No. 2018-571 on the countering migrant smuggling, Ordinance No.

<sup>10</sup> [https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=VI-19&chapter=6&clang= fr](https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=VI-19&chapter=6&clang= fr)

<sup>11</sup> [https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XVIII-12&chapter=18&clang= fr](https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XVIII-12&chapter=18&clang= fr)

<sup>12</sup> [https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XVIII-14&chapter=18&clang= fr](https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XVIII-14&chapter=18&clang= fr)

<sup>13</sup> [https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XVIII-11&chapter=18&clang= fr](https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XVIII-11&chapter=18&clang= fr)

2013-660, Law No. 2013-875, and Ordinance No. 2013-661. Shortcomings persist, however, such as those identified under R.3, 4, 12, 20, 24 to 32, and 37 to 40.

For the implementation of the TF Convention, Côte d'Ivoire enacted the AML/CFT Law and Law No. 2018-864. However, deficiencies such as those identified under R.5 persist.

### ***Weighting and Conclusion***

Moderate shortcomings exist, particularly the fact that there still are deficiencies relating to the definition of offenses, penalties and confiscations, and international cooperation procedures in relation to drug trafficking and terrorist financing. Moreover, the gaps concerning the status of Politically Exposed Persons and the transparency of legal persons in the context of the fight against corruption and money laundering, also affect the level of compliance with this Recommendation.

**Côte d'Ivoire has been rated partially compliant on Recommendation 36.**

### **Recommendation 37—Mutual Legal Assistance**

Côte d'Ivoire was rated partially compliant with the Recommendations concerning mutual legal assistance during the first assessment of its AML/CFT regime in 2012, on the grounds that the CPC imposes the principle of dual criminality, while a number of predicate offenses were not penalized at the time, such as terrorism and TF. These offenses are now criminalized by the AML/CFT Law and the Terrorism Law, and the new CPC adopted in 2018 no longer contains provisions imposing the principle of dual criminality.

**Criterion 37.1** – (*mostly met*) The provisions of the AML/CFT Law constitute the legal basis which sets the conditions for mutual legal assistance in relation to ML and TF offenses (art. 138 to 155). Mutual legal assistance for predicate offenses is not explicitly provided for by this law, nor by any other law in force. However, as soon as the request for mutual legal assistance is made within the framework of an ML or TF investigation, MLA is possible since the predicate offense is an inseparable element of the ML offense. These provisions address the conditions for mutual legal assistance in a comprehensive manner. Meanwhile, it is worth noting that insider trading and market manipulation are still not criminalized by Ivorian law, and do not qualify as predicate offenses to ML (see 3.2), and Ivorian authorities cannot fulfill MLA requests relating to those subjects.

**Criterion 37.2** – (*partly met*) The competent authority, which is the Civil and Criminal Affairs Department of the Ministry of Justice, is tasked with receiving mutual legal assistance requests (AML/CFT Law, art. 139). On the other hand, requests for the transfer of proceedings are sent through diplomatic channels. There is no procedure or case management system to prioritize and ensure the effective execution of requests.

**Criterion 37.3** – (*met*) The possibilities for refusing mutual legal assistance are restrictively set out by Article 140 of the AML/CFT Law. The Palermo Convention provides for four such cases, namely the

cases of refusal in relation to the requirements, the non-enforceable nature of the decisions which form the basis of a request, the lack of a guarantee for the right to defense, or when it is reasonable to suspect that the request targets a person due to their race, religion, nationality, ethnic origin, political opinion, gender, or status.

The Public Prosecutor may appeal refusal decisions, and the requesting State is informed of the reasons for refusal without delay. Cases of refusal are not unduly restrictive, but rather in line with the general principles of mutual legal assistance and the principles of fair trial and respect of fundamental rights, and their limited nature restricts the possibilities of refusal for reasons of expediency.

**Criterion 37.4** – *(met)* The refusal of mutual legal assistance for tax offenses is not part of the limited cases of refusal provided for by the AML/CFT Law (art. 140). Tax offenses are specifically included in the list of predicate offenses. Professional secrecy (including banking secrecy) cannot be invoked to refuse a request for assistance (AML/CFT Law, art. 140, para. 2).

**Criterion 37.5** – *(met)* The confidentiality of the request and of the produced documents is ensured by the competent authority, which notifies the requesting State in case such confidentiality cannot be preserved, and the requesting State then decides on the viability of maintaining the request (AML/CFT Law, art. 141). The confidentiality of investigations is also enshrined in Article 22 of the CPC.

**Criterion 37.6** – *(mostly met)* The dual criminality requirement does not constitute a case of refusal pursuant to the AML/CFT Law (art. 140), and no CPC provision imposes it. Thus, in theory, authorities cannot refuse a mutual legal assistance on that basis. However, while no indication in this sense has been provided by authorities, the absence of a legal provision that fully or partially excludes the principle of dual criminality should allow jurisdictions to apply this principle as a fundamental principle of the Criminal Code, and to refuse MLA accordingly.

**Criterion 37.7** – *(mostly met)* Dual criminality is not required for accepting a mutual legal assistance request. However, for the same reasons listed above, it is possible that such a principle be established through the jurisprudence of courts and tribunals alone.

**Criterion 37.8** – *(partly met)* Investigative actions set out in c.31.1 are included in the list of MLA measures (AML/CFT Law, art. 138, para. 3). This list is not restrictive, but other powers required by R.31 (c.31.2 and 31.3 in particular) are not specifically provided for. However, the refusal of a MLA request which addresses measures other than those listed, does not constitute a case of refusal. However, the deficiencies identified under c.31.2 and c.31.3 have a cascading effect on c.37.8.

### **Weighting and Conclusion**

Minor shortcomings exist, notably the fact that there is no procedure or case management system to ensure the effective execution of requests. Moreover, the absence of an explicit provision which

excludes the principle of dual criminality leaves the door open for differing interpretations by courts and tribunals.

**Côte d'Ivoire has been rated largely compliant with Recommendation 37.**

### **Recommendation 38—Mutual Legal Assistance: Freezing and Confiscation**

Côte d'Ivoire was rated partially compliant with the Recommendations concerning mutual legal assistance in matters of freezing and confiscation during the first assessment of its AML/CFT system in 2012, due to the lack of coordination mechanisms, the inadequacy of provisions relating to equivalent value confiscation, the absence of a fund for confiscated assets, as well as the impact of the non-criminalization of TF and terrorism on related mutual legal assistance.

**Criterion 38.1** – *(partly met)* The AML/CFT Law allows for mutual legal assistance in matters of freezing, seizure, and confiscation of assets in relation to ML and TF (art. 148-151). However, mutual legal assistance for predicate offenses is only possible in the context of an ML investigation, except for corruption offenses (Ordinance No. 2013-660, art. 90), or all offenses under the 1992 ECOWAS Convention on Mutual Legal Assistance, but only among signatory States. In other cases, nothing prevents authorities from providing such MLA in the context of reciprocity.

MLA based on the AML/CFT Law applies to:

- Laundered assets;
- Proceeds of the offenses (art. 148 and 149);
- Instrumentalities;
- Instrumentalities intended to be used.

On the other hand, the AML/CFT Law does not explicitly stipulate that seizure requests can target assets of equivalent value, yet confiscation requests can comprise “the obligation to pay a sum of money of corresponding value to this asset” (art. 148, para. 2).

Furthermore, there is no provision allowing for the urgent execution of these requests. Only the imposing of provisional measures on assets subject to confiscation can be considered as “expedited action” under R.38 (AML/CFT Law, art. 149).

**Criterion 38.2** – *(mostly met)* “To the extent compatible with the legislation in force”, the competent authority “shall give effect to any final court decision of seizure or confiscation (...) emanating from a foreign jurisdiction” (AML/CFT Law, art. 150). This wording implies that whenever the request relates to the decision of a judicial authority, it may be executed, even if it was related to a non-conviction-based confiscation. On the other hand, confiscation decisions made by an authority other than a judicial authority cannot therefore be subject to a MLA measure (the case of confiscation decisions

made by administrative authorities in certain countries). However, this decision must be “compatible with the legislation in force”, a wording which is likely to limit this possibility, although courts and tribunals have not, according to the authorities, ruled restrictively until now.

**Criterion 38.3** – (*Mostly met*) Côte d’Ivoire is party to the United Nations Conventions against transnational organized crime (2002) and against corruption (2003), which constitute a general legal framework for coordinating seizure and confiscation actions with other jurisdictions. Côte d’Ivoire is also party to the regional Convention on mutual legal assistance (Dakar, 1992), which calls upon member States to pool and coordinate their efforts in the freezing, seizure, and confiscation of assets. However, the country has not signed any agreements with neighboring or other countries to coordinate seizure and confiscation.

**Criterion 38.4** – (*met*) Côte d’Ivoire can enter into agreements with foreign States to waive the rule on confiscated property devolving to the Ivorian State. It can thus consider sharing confiscated property in agreement with the requesting State (AML/CFT Law, art. 151).

### **Weighting and Conclusion**

Moderate shortcomings exist, notably the fact that mutual legal assistance for predicate offenses is only possible in the context of an ML investigation, except for corruption offenses, or all offenses under the 1992 ECOWAS Convention on Mutual Legal Assistance, but only among signatory States. Moreover, confiscation decisions made by an authority other than a judicial authority cannot therefore be the subject of a MLA measure. Finally, Côte d’Ivoire has not signed agreements with neighboring or other countries to coordinate seizure and confiscation actions.

**Côte d’Ivoire has been rated partially compliant with Recommendation 38.**

### **Recommendation 39—Extradition**

Côte d’Ivoire was rated partially compliant with the Recommendations on extradition during the first evaluation of its AML/CFT regime in 2012, due to the non-criminalization of terrorism, TF, migrant trafficking, and other offenses. Moreover, there were no statistics which allow for assessing the effectiveness of the system.

**Criterion 39.1** – (*mostly met*)

(a) The extradition of all individuals prosecuted or convicted of ML or TF offenses is possible, regardless of the sentence incurred or issued (AML/CFT Law, art. 156). The extradition process is governed by the French extradition Law of 1927, which continues to serve as the basis for extradition.<sup>14</sup>

<sup>14</sup> The Ivorian Constitution stipulates that the legislation in force at the time of Côte d’Ivoire’s independence remains applicable until new laws enter into force.

(b) There is no management system for extradition requests which allows for request prioritization and follow-up.

(c) No specific condition unduly restricts the possibilities of extradition or stipulates procedures which prevent execution within the normal timeframe. Furthermore, it is stipulated that in case of refusal, the case is referred to national courts for trial (AML/CFT Law, art. 161).

**Criterion 39.2** – *(met)* The AML/CFT Law does not prohibit the extradition of nationals. In the event that a judicial decision rejects the request on such grounds, Article 161 provides for the obligation to prosecute the concerned party in national courts.

**Criterion 39.3** – *(met)* The extradition of persons prosecuted or convicted “for the offenses provided for in the present law” is possible (AML/CFT Law, art. 156). It is not required that these offenses be criminalized under the same terms, nor that they be placed within the same category of offense or denominated by the same terminology.

**Criterion 39.4** – *(partly met)* A simplified extradition process for ML and TF offenses is provided for (AML/CFT Law, art. 157). It is simplified solely by the fact that the request is addressed directly to the competent public prosecutor. Article 157 specifies which documents must be attached to support the request, but does not specify which authority makes the decision, nor according to which procedures. In the absence of a specific provision, the terms of the 1927 French Law apply, and those do not provide for any simplified measures, in particular for consent to extradition.

### ***Weighting and Conclusion***

Minor shortcomings exist, particularly the absence of a management system for extradition requests to allow for follow-up, as well as shortcomings relating to simplified extradition procedures.

**Côte d’Ivoire has been rated largely compliant with Recommendation 39.**

### **Recommendation 40—Other Forms of International Cooperation**

Côte d’Ivoire was rated partially compliant with the Recommendations concerning other forms of international cooperation during the first assessment of its AML/CFT regime in 2012. Main deficiencies identified were related to the lacking utilization of the AML/CFT framework of cooperation with foreign counterparts by supervisory authorities of the financial sector, as well as the fact that the FIU was not authorized to sign cooperation agreements with its counterparts without the prior authorization of the responsible Minister.

Côte d’Ivoire has not yet designated the competent authorities responsible for the AML/CFT supervision and monitoring of DNFBPs. For this reason, the analysis below does not contain segments on such authorities.

### ***General Principles***

**Criterion 40.1** – *(mostly met)* In general, competent authorities in Côte d'Ivoire can grant the widest possible international cooperation – spontaneously as well as upon request – in the context of AML/CFT, and, in certain cases, predicate offenses associated with ML.<sup>15</sup> Certain bilateral conventions signed by the DGI limit the exchange of information to the implementation of the conventions' provisions, and do not extend to the exchange of all relevant information, nor to information on all persons. In addition, it has not been demonstrated that all competent authorities can provide assistance in an expeditious manner.

**Criterion 40.2** – *(partly met)*:

- International cooperation granted by competent authorities has a legal basis (see c.40.1).
- There are no obstacles to using the most efficient means to cooperate.
- The FIU and the INTERPOL NCB use clear and secure channels, circuits, and mechanisms to facilitate the transmission and execution of requests. However, it has not been demonstrated that other competent authorities also use secure channels for this purpose.
- Competent authorities do not have clear procedures for prioritization and to facilitate the timely transmission and execution of requests.
- The AML/CFT Law contains clear provisions applicable to the transmission of information by the FIU to foreign FIUs (art. 78). However, neither this nor any other law defines clear procedures for the protection of information received by the FIU from its foreign counterparts. With regard to the exchange of information among law enforcement authorities, authorities have declared that exchanges via the INTERPOL NCB as well as exchanges between the HABG and its counterparts, are based on existing procedures for data protection. However, authorities could not support their statements with examples of such procedures, the existence and adequacy of which could not be determined. Moreover, no information relating to competent authorities has been provided.

**Criterion 40.3** – *(mostly met)* The FIU and the tax administration have respectively signed 18 and 12 bilateral agreements and protocols to facilitate cooperation with a number of foreign counterparts (see c.40.1). The DGD has signed one multilateral agreement and three bilateral agreements. These agreements were negotiated and signed in a timely manner. However, the number of agreements is limited, and the requirement to sign cooperation agreements with the

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<sup>15</sup> FIU: AML/CFT Law, art. 76 and 78; the HABG: Ordinance No. 2013-661, art. 39; the DGI: LPF, art. 73, and Regulation No. 08/2008/CM/UEMOA; criminal investigation and prosecution authorities: AML/CFT Law, art. 132; multilateral treaties; Decree No. 2014-675 on the Transnational Organized Crime Unit, art. 2; the DGD: the Economic Community of West African States Agreement on Mutual Administrative Assistance in Customs Matters; the International Convention on Mutual Administrative Assistance with a view to preventing, investigation, and sanctioning customs offenses; the DSE: Decree No. 2015-371 relating to the Directorate of External Services, art. 3; the BCEAO: AML/CFT Law, art. 77.

largest possible number of foreign counterparts is not met, particularly in relation to the DGI which needs agreements to be able to exchange information. The HABG started negotiations with a view to sign bilateral agreements with other WAEMU members, and signed its first agreement in October 2021.

**Criterion 40.4** – *(partly met)* The FIU provides timely feedback to requests by foreign FIUs from which it has received cooperation, as to the use and usefulness of the information obtained based on item 3 of the Egmont Group Charter (see c.40.10). Authorities have not provided any information indicating that, upon request, other competent authorities also provide such timely feedback.

**Criterion 40.5** – *(partly met)* Information provided by the FIU and law enforcement authorities does not show any refusal to exchange information, or the existence of unreasonable or unduly restrictive conditions for the exchange of information, with regard to points (a), (b), and (d) under this criterion. However, the FIU indicated that it could not provide assistance to a counterpart while criminal proceedings are underway. This is not in accordance with R.40, which stipulates that assistance may only be refused when the requested assistance is likely to obstruct an ongoing investigation or proceedings. Authorities have not provided any information regarding other competent authorities, particularly the supervisory authorities of the financial sector, which would allow to determine whether they apply unreasonable or unduly restrictive conditions to the exchange of information with their counterparts.

**Criterion 40.6** – *(partly met)* With the exception of law enforcement authorities,<sup>16</sup> authorities did not provide information demonstrating that the various competent authorities have put in place controls and protective measures in order to ensure that the information exchange is used only for the purposes and by the authorities for which the information was sought or provided, unless prior authorization is granted.

**Criterion 40.7** – *(met)* Competent authorities are required to ensure an appropriate degree of confidentiality to any request for cooperation and to the exchanged information, in compliance with the obligations concerning the respect of privacy and data protection.<sup>17</sup> The information provided by foreign authorities is protected in the same way as information received from national sources.

**Criterion 40.8** – *(not met)* The FIU may communicate, at the duly justified request of an FIU from another WAEMU Member State, all information it can obtain following an STR at the national level (AML/CFT Law, art. 76). However, in response to a request by an FIU outside of the WAEMU zone, the FIU is only authorized to communicate information it holds regarding sums or transactions likely related to the laundering of the proceeds of a criminal activity, or TF. Therefore, the FIU is not

<sup>16</sup> Law enforcement authorities: AML/CFT Law 2016-992, art. 141 and INTERPOL Resolution 7 Standard 15 (GA-2018-87-RES-07).

<sup>17</sup> FIU: AML/CFT Law 2016-992, art. 76, 78, 82, and 141; Law enforcement authorities: AML/CFT Law, art. 141; INTERPOL Resolution 7 Standard 15 (GA-2018-87-RES-07), Decree No. 2021-192 of 28 April 2021 on the establishment of the CTIP, art. 13, para. 2; DGI/UER: Decision No. 0581 of 13 February 2019, art. 4; HABG: Ordinance No. 2013-661 of 20 September 2013, art. 39.

able to obtain – on behalf of a counterpart outside of the WAEMU zone, and exchange with them – information that would be obtainable had such requests been executed domestically. With regard to other competent authorities, it has not been demonstrated that they have the powers required by this criterion.

### ***Exchange of Information between FIUs***

**Criterion 40.9** – *(met)* The FIU has an appropriate legal basis for cooperating with WAEMU FIUs (AML/CFT Law, art. 76) as well as FIUs outside the WAEMU (AML/CFT Law, art. 78).

**Criterion 40.10** – *(met)* With regard to information provided by foreign FIUs, the FIU has declared that it completes and returns the “feedback sheet” requested of it (see c.40.4). In addition, the FIU has indicated that, when disseminating to Ivorian judicial authorities the information it has received from these foreign counterparts (following authorization from the sending FIU), it automatically informs its foreign counterpart of the fact. It has clarified that it relies on a guidance document issued by the Egmont Group in relation to FIU operational activities and the exchange of information between FIUs.

**Criterion 40.11** – *(not met)* See analysis of criterion 40.8 above.

### ***Exchange of Information between Financial Sector Supervisory Authorities***

**Criterion 40.12** – *(met)* The AML/CFT Law requires all supervisory authorities to cooperate swiftly and effectively with bodies exercising similar functions in other member States or third States, including through the exchange of information (art. 86). This provision constitutes the legal basis which allows supervisory authorities to cooperate with their foreign counterparts. Specific regulations that apply to supervisory authorities for the financial sector, allow these authorities to exchange information subject to reciprocity and confidentiality, and sign cooperation agreements to facilitate such exchange (annex to the Convention governing the Banking Commission, art. 60; Instruction No. 59/2019/CREPMF, art. 30; Insurance Code, art. 310-6).

**Criterion 40.13** – *(partly met)* The AML/CFT Law stipulates that supervisory authorities cooperate swiftly and effectively with bodies exercising similar functions in other WAEMU member States or third States, including through the exchange of information (art. 86, item 8). However, this provision does not specify that these authorities may exchange with foreign counterparts all information they have access to at the national level, including information held by FIs, as required by this criterion. Meanwhile, the Insurance Code authorizes CIMA to exchange this kind of information with its counterparts in third countries, provided that this exchange be in the framework of a cooperation agreement (art. 813). The Annex to the Convention governing the WAEMU Banking Commission authorizes the BC to communicate information on the situation of a reporting entity to another supervisory or resolution authority, subject to reciprocity and confidentiality (art. 60). The BC is also authorized to sign with any competent authority cooperation agreements in relation to supervision and resolution (art. 59). The Annex to the Convention concerning the creation of the CREPMF

authorizes it to sign MLA and cooperation agreements with its counterparts (art. 27). In the absence of details regarding the content of agreements signed by CIMA, the BC and the CREPMF, it could not be determined whether, in practice, their cooperation extends to the exchange of information held by FIs.

**Criterion 40.14** – (*partly met*) The Insurance Code imbues CIMA with the necessary powers to exchange information listed under items (a) to (c) of this criterion, provided that a cooperation agreement is signed (art. 813). The BC has the power to constitute, with other supervisory and monitoring authorities, colleges of supervisors for each financial holding company or parent CI with significant international activity. As *host* supervisory authority, it can also participate, upon invitation by the originating supervisory authority, in colleges of supervisors of foreign groups (Annex to the Convention governing the Banking Commission, art. 60 and 61). It may also, subject to reciprocity and confidentiality, exchange information referred to in items (a) and (b) of this criterion, but no details have been provided to determine whether the information referred to in item (c) can also be exchanged. The Annex to the Convention on the creation of the CREPMF makes reference to investigations initiated upon request from, or on behalf of, a counterpart, but does not contain any details with regard to the nature of information that can be exchanged. Also see c.40.13 above.

**Criterion 40.15** – (*partly met*) The CREPMF is authorized to conduct investigations on behalf of its foreign counterparts (Annex to the Convention on the creation of the CREPMF, art. 28 and 29). The BC is empowered to establish, along with other supervisory authorities, a college of supervisors for each financial holding and parent CI with significant international activity. It may also participate, as *host* supervisory authority, in supervisor colleges of foreign groups, upon invitation by the originating supervisory authority (Annex to the Convention on the BC, art. 61). However, the Annex to this Convention does not specify whether the BC is also authorized to conduct investigations on behalf of its counterparts, and authorities have not demonstrated on which basis it would be authorized to do so. Authorities have not demonstrated that CIMA is able to conduct such investigations.

**Criterion 40.16** – (*not met*) No information was provided to determine the manner in which supervisory authorities can disseminate or use the information obtained from foreign counterparts.

### ***Exchange of Information between Law Enforcement Authorities***

**Criterion 40.17** – (*mostly met*) Internal Conventions, and multilateral and bilateral African and regional agreements and treaties grant law enforcement authorities the power to enter into international cooperation with their foreign counterparts for intelligence, investigation, and prosecution purposes, particularly in the context of ML investigations, investigations into predicate offenses associated with ML, and TF, including for the purpose of identifying and tracing the proceeds and instrumentalities of crime. However, the limitations identified in the analysis of R.4 have a cascading effect on the scope of cooperation that law enforcement authorities can engage in.

**Criterion 40.18** – *(not met)* Authorities have indicated that as part of their implementation of Conventions, cooperation agreements, and treaties, law enforcement authorities are able to obtain on behalf of their foreign counterparts, and share with them, all information they can obtain, including through the use of special investigative techniques cited in criterion 31.2. However, the authorities have not provided any documents or practical cases to confirm this statement.

**Criterion 40.19** – *(partly met)* Joint investigative teams (JIT) are provided for in Chapter III of the AML/CFT Law on mutual legal assistance (art. 142, para. 3). The authorities have indicated that law enforcement authorities have signed several agreements within the framework of the WAEMU, ECOWAS, and INTERPOL with the aim of strengthening advanced police and judicial cooperation, which may particularly lead to the establishment of joint investigative teams as indicated in 3.37.1. However, the authorities have not provided any documents confirming this statement.

### **Exchange of Information among Non-Counterparts**

**Criterion 40.20** – *(mostly met)* There are no legal obstacles preventing the FIU, law enforcement authorities, and the DGI, from exchanging information indirectly, and these authorities have demonstrated that they engage in this kind of exchange. In addition to indirect information exchange, the HABG is also able to enter into diagonal cooperation with the FIUs of WAEMU member States, as well as with police services through INTERPOL (Ordinance No. 2013-660, art. 91 and 92). The AML/CFT Law, the Insurance Code, the Annex to the Convention governing the Banking Commission, and the Annex to the Convention on the creation of the CREPMF, authorize supervisory authorities to exchange certain information with their counterparts, but do not provide for the power to exchange information with non-counterparts.

### **Weighting and Conclusion**

Moderate shortcomings exist, notably the fact that the FIU has indicated that it does not have the power to provide assistance to a counterpart while criminal proceedings are underway. In addition, the FIU is not authorized to exchange with a counterpart outside WAEMU all information that would be obtainable had these requests been made within the WAEMU zone.

Furthermore, some of the bilateral conventions for information exchange signed by the tax administration do not extend to the exchange of all relevant information, nor to information on all persons. In addition, the number of agreements is limited, and the requirement to sign cooperation agreements with the largest possible number of foreign counterparts is not met.

The AML/CFT Law requires every supervisory authority to cooperate swiftly and effectively with bodies exercising similar functions in other member States or third States, including through the exchange of information. However, supervisory authorities for FIs have not demonstrated that they exchange all information covered under R.40. Finally, these authorities are not empowered to exchange information with non-counterparts.

**Côte d'Ivoire has been rated partially compliant with Recommendation 40.**

## Annex II. Compliance with FATF Recommendations

Recommendations	Rating	Factor(s) which justify rating
1. Assessing risks & applying a risk-based approach	PC	<ul style="list-style-type: none"> <li>Deficiencies in the NRA which does not examine in detail financial flows linked to corruption, considered as one of the biggest ML threats, nor cross-border flows</li> <li>The AML/CFT Law provides for exemptions which are not based on a risk assessment, and the scope of which is too broad</li> </ul>
2. National cooperation and coordination	PC	<ul style="list-style-type: none"> <li>The existence of operational cooperation or coordination mechanisms for AML/CFT/CPF or even personal data protection, is not established</li> </ul>
3. Money laundering offense	LC	<ul style="list-style-type: none"> <li>Neither insider trading nor market manipulation are criminalized by Ivorian law, and therefore cannot be considered as predicate offenses to ML</li> </ul>
4. Confiscation and provisional measures	PC	<ul style="list-style-type: none"> <li>Moderate shortcomings related to bona fide third parties, the confiscation of assets resulting from predicate offenses to ML, and confiscation of corresponding value, which weaken the scope of provisions related to confiscation</li> <li>Provisions on the possibility to rely on bona fide third parties do not apply to assets confiscated as part of ML or predicate offense proceedings</li> </ul>
5. Terrorist financing offense	PC	<ul style="list-style-type: none"> <li>Moderate shortcomings related to the partial criminalization of acts cited in the conventions which constitute the annexes to the TF Convention</li> <li>The financing of a terrorist organization for any purpose whatsoever is not criminalized</li> </ul>
6. Targeted financial sanctions related to terrorism and terrorist financing	NC	<ul style="list-style-type: none"> <li>Sanctions emanating from UNSCR 1267 provisions are not implemented, or not implemented without delay, and the obligation to freeze the funds of persons and entities designated on the 1267 List does not apply to all natural and legal persons in Côte d'Ivoire</li> <li>Neither freezing measures nor "ongoing prohibition" extend to (funds or other assets belonging to) persons and entities acting on behalf of or upon the instruction of designated</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
		persons and entities, and designation criteria are unduly limited
7. Targeted financial sanctions related to proliferation	NC	<ul style="list-style-type: none"> <li>• TFS are not implemented/implemented without delay, and freezing measures do not extend to the funds or other assets of persons and entities acting on behalf of, or upon instruction by, designated persons or entities</li> <li>• No supervisory authority or self-regulating body regulates and/or monitors compliance by FIs, VASPs, and DNFBPs, with their obligations (or even obligations they might have in the future) in relation to the implementation of TFS linked to the countering PF</li> </ul>
8. Non-profit organizations	NC	<ul style="list-style-type: none"> <li>• No identification of the totality of NPOs in Côte d'Ivoire, and no in-depth analysis of the risks of exploiting NPOs for TF purposes, or ongoing awareness-raising activities in TF matters</li> <li>• No targeted risk-based supervision or monitoring of NPOs, and no effective and dissuasive sanctions against the large number of NPOs which are unaware of their AML/CFT obligations</li> <li>• Lacking investigative powers in relation to NPOs suspected of exploitation for TF purposes</li> </ul>
9. Financial institution secrecy laws	LC	<ul style="list-style-type: none"> <li>• It could not be determined whether a wide range of mechanisms exists for the sharing of operational information among competent authorities</li> <li>• Limitations in relation to the sharing of information among competent authorities at the international level</li> </ul>
10. Customer due diligence	PC	<ul style="list-style-type: none"> <li>• Exemptions to the requirement to determine and verify the identity of permanent clients, for online payments</li> <li>• FIs are not required to understand the intended purpose and nature of the business relationship</li> <li>• Shortage of due diligence measures required for legal persons: limited identification requirements for corporate associates and executives, which do not extend to all relevant persons holding management positions in the legal person; unsatisfactory provisions for BO identification, in cases of doubt or absence of identification</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
		<ul style="list-style-type: none"> <li>• There is no due diligence requirement for customers which are legal arrangements</li> <li>• Measures related to due diligence for the beneficiaries of life insurance contracts are not compliant, and the same goes for measures applicable at the time of verification</li> <li>• Incomplete risk-based approach and enhanced or simplified due diligence obligations</li> </ul>
11. Record-keeping	PC	<ul style="list-style-type: none"> <li>• Record-keeping obligations are limited to customer identity, and do not extend to all information obtained as part of the due diligence process, nor do they extend to BOs and representatives designated by the customer</li> <li>• Severely restricted nature of information that can be made available to competent authorities</li> </ul>
12. Politically exposed persons	PC	<ul style="list-style-type: none"> <li>• The law only requires authorization by “an adequate level of the hierarchy before entering into a business relationship with such customers” and not that of senior management</li> <li>• The definitions of national PEPs and PEPs from international organizations do not cover family members nor persons known to be closely associated with them</li> <li>• Persons having not held prominent public functions for a period of at least one year are not considered as PEPs (except in the insurance sector)</li> </ul>
13. Correspondent banking	LC	<ul style="list-style-type: none"> <li>• Lack of assessment of the AML/CFT system established by the institution</li> <li>• The decision to enter into a business relationship is not made by a member of the executive body</li> <li>• No requirement to understand the AML/CFT responsibilities of each institution</li> </ul>
14. Money or value transfer services	PC	<ul style="list-style-type: none"> <li>• Lack of measures aimed at identifying natural or legal persons providing money or value transfer services without a license</li> <li>• Measures requiring banks and DFSs to submit a list of their (sub)agents once per year only partially meet the requirements of this Recommendation</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
		<ul style="list-style-type: none"> <li>No requirement for banks and DFSs offering fast money transfer services and relying on (sub)agents to ensure compliance by such agents with AML/CFT programs</li> </ul>
15. New technologies	PC	<ul style="list-style-type: none"> <li>No specific assessment of ML/TF risks linked to new technologies and resulting from virtual asset services or VASP transactions</li> <li>No provisions have been issued for virtual assets and VASPs</li> </ul>
16. Wire transfers	PC	<ul style="list-style-type: none"> <li>There is no provision indicating that ordering FIs must be authorized to execute wire transfers if they are non-compliant</li> <li>The AML/CFT Law does not require FIs to have risk-based policies and procedures in place for the fulfillment of these obligations</li> <li>There is no explicit requirement for beneficiary FIs to take reasonable measures with the aim of identifying cross-border wire transfers lacking the required information on the ordering or beneficiary FI</li> <li>There is no provision requiring beneficiary FIs to verify, in the case of cross-border transfers of an amount equal to or greater than USD/EUR 1,000, the identity of the beneficiary which had not been previously identified</li> </ul>
17. Reliance on third parties	NC	<ul style="list-style-type: none"> <li>For FIs relying on third parties, there is no legal text requiring them to take measures to ensure that the third party is able to provide, upon request and without delay, a copy of identification information and other relevant documents in relation to customer due diligence</li> <li>The law permits FIs to rely on third parties which are DNFBPs, which is not in accordance with Recommendation 17</li> </ul>
18. Internal controls and foreign branches and subsidiaries	PC	<ul style="list-style-type: none"> <li>FIs are not required to implement selection procedures which ensure the recruitment of staff according to strict criteria</li> <li>It is not specified that policies and procedures FIs should implement at their branches and subsidiaries, must be adapted to these branches and subsidiaries</li> <li>Branches and subsidiaries that are part of a group are not required to provide information on customers, accounts, and transactions, when needed for AML/CFT purposes, to the</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
		compliance, audit, and/or AML/CFT functions at the group level
19. Higher-risk countries	PC	<ul style="list-style-type: none"> <li>• There is no provision requiring FIs to apply enhanced due diligence measures to natural and legal persons from countries for which the FATF calls to do so</li> <li>• There is no provision requiring FIs to apply countermeasures proportionate to risk when the FATF calls to do so</li> </ul>
20. Reporting of suspicious transactions	PC	<ul style="list-style-type: none"> <li>• The obligation to report suspicious transactions is limited to ML and TF violations, and makes no reference to the proceeds of criminal activities which constitute predicate offenses to ML, with the exception of tax fraud</li> <li>• There is no requirement to report suspicious activity immediately</li> </ul>
21. Tipping-off and confidentiality	LC	<ul style="list-style-type: none"> <li>• The wording of the provision related to tipping-off does not specify that this prohibition is not aimed at preventing the sharing of information under R.18</li> </ul>
22. DNFBPs: Customer due diligence	PC	<ul style="list-style-type: none"> <li>• Deficiencies identified in relation to criteria 10.2, 10.3, 10.5, 10.7, and 10.16 to 10.18, also apply to criterion 22.1(a)</li> <li>• There is no provision which imposes the requirements of criteria 10.19 and 10.20 upon DNFBPs</li> <li>• There is no requirement for DNFBPs to maintain documents obtained in the framework of customer due diligence measures</li> <li>• There is no requirement for DNFBPs to comply with obligations under R.15 and R.17</li> <li>• Business agents are not subject to due diligence obligations</li> </ul>
23. DNFBPs: Other measures	PC	<ul style="list-style-type: none"> <li>• Deficiencies identified in the analysis of R.20 and R.21 also apply to DNFBPs</li> <li>• There is no requirement for DNFBPs to adopt measures in relation to higher-risk countries established under R.19</li> <li>• Business agents are not subject to the AML/CFT Law, and the measures in place do not apply to this profession</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
24. Transparency and beneficial ownership of legal persons	PC	<ul style="list-style-type: none"> <li>• Côte d'Ivoire has not assessed ML/TF risks associated with the various categories of legal persons</li> <li>• Basic information recorded in certain files is not made available to the public</li> <li>• There is no requirement to inform the RCCM in the event of changes in associates or shareholders, and no mechanism to ensure that basic information is accurate and up to date</li> <li>• No mechanism which allow for ensuring that BO information held by legal persons or the tax administration, is accurate and up to date</li> <li>• No mechanism aimed at preventing the misuse of legal persons which can have managers acting on behalf of another person</li> </ul>
25. Transparency and beneficial ownership of legal arrangements	NC	<ul style="list-style-type: none"> <li>• No requirement for the trustees of a trust governed by Ivorian law to update and keep information on the identity of the settlor, trustee(s), protector, beneficiaries or the category of beneficiaries, and any other natural persons exercising final effective control over the trust</li> <li>• Trustees are not specifically required to declare their status to FIs and DNFBPs when entering to a business relationship or executing occasional transactions</li> <li>• Lawyers, notaries, and other trust service providers are subject to the AML/CFT Law, but are not subject to AML/CFT supervision</li> </ul>
26. Regulation and supervision of FIs	PC	<ul style="list-style-type: none"> <li>• The frequency of AML/CFT inspections is not determined based on risk for several FI categories</li> <li>• No supervisory authority for FX bureaus</li> <li>• Deficiencies in the inspections of changes in shareholders or management for several FI categories</li> </ul>
27. Powers of supervisors	PC	<ul style="list-style-type: none"> <li>• Limitations in relation to the DecFinEX's supervisory and sanctioning powers with regard to FX bureaus</li> <li>• Shortcomings in relation to the sanctioning powers of competent authorities, particularly with regard to EMI managers and regional financial market actors</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
28. Regulation and supervision of DNFBPs	NC	<ul style="list-style-type: none"> <li>• Lack of AML/CFT competent authorities or SRBs for certain DNFBP categories (dealers in precious metals and stones, real estate agents and developers, business agents)</li> <li>• The powers of the Gaming Regulation Authority do not extend to the AML/CFT supervision of casinos</li> <li>• Shortcomings in relation to the measures aimed at preventing criminals or their accomplices from holding or becoming the BOs of significant or controlling interest, or holding or becoming the BOs of managerial positions, particularly in the gambling and real estate agents and developers sectors</li> </ul>
29. Financial intelligence units (FIUs)	LC	<ul style="list-style-type: none"> <li>• The requirement for FIs and DNFBPs to report suspicious transactions is not in accordance with the requirements of R.20 and R.23, which has a cascading effect on several criteria within R.29</li> <li>• The dissemination of information to the Public Prosecutor and other competent authorities is not ensured through dedicated, secure, and protected channels</li> <li>• The FIU has no written rules in relation to data protection and perusal</li> </ul>
30. Responsibilities of law enforcement and investigative authorities	C	<ul style="list-style-type: none"> <li>• All criteria are met</li> </ul>
31. Powers of law enforcement and investigative authorities	LC	<ul style="list-style-type: none"> <li>• The deficiency relating to the scope of STRs, as identified under c.20.1, c.23.1, and c.29.1, technically limits the FIU 's power to disseminate, upon request, predicate offense information to law enforcement and investigative authorities</li> </ul>
32. Cash couriers	PC	<ul style="list-style-type: none"> <li>• Travelers coming from or going to a WAEMU Member State are not required to make a declaration</li> <li>• The only rules applicable to transport by courier and freight do not cover imports or bank notes issued by the BCEAO</li> <li>• Competent authorities may seize the amount of non-declared cash in full, but not that of BNIs</li> </ul>
33. Statistics	PC	<ul style="list-style-type: none"> <li>• Lack of complete and coherent data which allows for assessing the efficiency and effectiveness of AML/CFT efforts</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
34. Guidance and feedback	PC	<ul style="list-style-type: none"> <li>Neither the BCEAO and BC nothe FIU have issued guidance or provided feedback</li> </ul>
35. Sanctions	PC	<ul style="list-style-type: none"> <li>Criminal sanctions do not cover non-compliance with all obligations provided for by R.6 and R.9 to R.23, some of which have not been fully implemented.</li> <li>Violations of the obligations imposed by R.8 are only criminally punishable provided they are unintentional, and cannot be sanctioned administratively.</li> <li>The range of sanctions applicable to executive does not include all sectors and types of violations</li> </ul>
36. International instruments	PC	<ul style="list-style-type: none"> <li>Deficiencies remain in relation to the definition of offenses, penalties, and confiscations, as well as international cooperation procedures with regard to drug trafficking and terrorist financing</li> <li>Deficiencies in relation to the status of PEPs and the transparency of legal persons in the countering corruption and money laundering, also impact compliance with this Recommendation</li> </ul>
37. Mutual legal assistance	LC	<ul style="list-style-type: none"> <li>There are no procedures or file management systems ensuring the effective execution of requests</li> <li>No explicit provision which excludes the principle of dual criminality, which increases the risk of differing interpretation by courts and tribunals</li> </ul>
38. Mutual legal assistance: freezing and confiscation	PC	<ul style="list-style-type: none"> <li>Mutual legal assistance for predicate offenses is only possible in the context of an ML investigation, except with regard to corruption offenses or all offenses covered by the 1992 ECOWAS Convention on Mutual Legal Assistance, but only in signatory States.</li> <li>Confiscation decisions made by an authority other than the judicial authority cannot therefore be subject to MLA measures.</li> <li>Côte d'Ivoire has not signed agreements with neighboring or other countries in order to coordinate seizure and confiscation</li> </ul>

Recommendations	Rating	Factor(s) which justify rating
39. Extradition	LC	<ul style="list-style-type: none"> <li>Minor shortcomings, notably in relation to the absence of a management system for extradition requests which ensures follow-up and simplified extradition procedures</li> </ul>
40. Other forms of international cooperation	PC	<ul style="list-style-type: none"> <li>The FIU may not provide assistance to counterparts while criminal proceedings are underway, and is not empowered to exchange with counterparts outside the WAEMU zone, information that it may exchange with counterparts within the WAEMU zone.</li> <li>FI supervisory authorities have not demonstrated that they exchange all information covered by R.40, and are not authorized to exchange information with non-counterparts.</li> </ul>