



GRF DALLEY & PARTNERS

Checklist on the
Anti-Money Laundering
Legal Framework
in Nigeria

CHECKLIST ON THE ANTI-MONEY LAUNDERING LEGAL FRAMEWORK IN NIGERIA

1. Applicable Laws

The applicable laws in relation to anti-money laundering efforts in Nigeria are:

- Money Laundering (Prohibition) Act 2011 (as Amended)
- Central Bank of Nigeria (Anti-Money Laundering and Combating the Financing of Terrorism in Banks and Other Financial Institutions in Nigeria) Regulations 2013
- Economic and Financial Crime Commission (Establishment) Act 2004
- Terrorism Prevention Act, 2012 (as amended)
- Banks and other Financial Institutions Act (BOFIA) 1991
- Central Bank of Nigeria Act, 2017
- National Drug Law Enforcement Act (1990)
- Financial Action Task Force Recommendations

The Money Laundering (Prohibition) Act 2011 (as Amended) is the primary legislation that regulates money laundering in Nigeria and is divided into three (3) parts namely Prohibition of Money Laundering, Offences, and Miscellaneous.

2. General Provisions

2.1. What amounts to money laundering under Nigerian law?

Any person or body corporate, in or outside Nigeria, who directly or indirectly conceals or disguises the origin of, converts or transfers, removes from the jurisdiction, or acquires, uses, retains or takes possession or control of any fund or property, knowingly or reasonably ought to have known that such fund or property is, or forms part of the proceeds of an unlawful act commits an offence of money laundering under the Money Laundering (Prohibition) Act 2011 (as amended).

2.2. Are the anti-money laundering provisions applicable to corporate bodies?

The anti-money laundering provisions apply equally to corporate bodies.

2.3. Is there a limitation on the acceptance of cash payments?

Section 1 of the Money Laundering (Prohibition) Act (as amended) prohibits the making or acceptance of cash payments above the sum of =N= 5,000,000.00 or its equivalent in the case of individuals; or above the sum of =N= 10,000,000.00 or its equivalent in the case of a body corporate.

2.4. What is the punishment for money laundering under Nigerian law?

A person found liable upon conviction can be sentenced to a term of not less than **seven**

(7) years but not more than **fourteen (14) years** imprisonment while a body corporate is liable upon conviction to a fine of not less than 100% of the funds and properties acquired as a result of the offence committed and a withdrawal and/or revocation of its license.

2.5. Are there requirements in the law for mandatory disclosure?

A Financial Institution or Designated Non-Financial Institution is required to report to the Economic and Financial Crimes Commission (EFCC) in writing within **seven (7) days**, any single transaction, lodgment or transfer of funds in excess of =N= 5,000,000.00 or its equivalent in the case of an individual; or =N= 10,000,000.00 or its equivalent in the case of a body corporate.

Any Financial Institution or Designated Non-Financial Institution that fails to make such disclosure is guilty of an offence and liable to a fine of not less than =N= 250,000.00 and not more than =N= 1,000,000.00 for each day the contravention continues.

A person other than a Financial Institution may voluntarily give information on any transaction, lodgment or transfer of funds in excess of =N= 1,000,000.00 or its equivalent in the case of an individual; or =N= 5,000,000.00 or its equivalent in the case of a body corporate.

3. Enforcement

3.1. Who is responsible for enforcement?

Enforcement of the Money Laundering (Prohibition) Act is primarily carried out by the following government agencies, amongst others:

- Economic and Financial Crimes Commission (EFCC)
- Central Bank of Nigeria (CBN)
- National Drug Law Enforcement Agency (NDLEA)
- Nigeria Customs Service (NCS)
- Nigeria Police Force (NPF)

3.2. Which court has jurisdiction over money laundering matters?

Section 20 of the Money Laundering (Prohibition) Act 2011 (as amended) confers, jurisdiction to try offences and impose penalties under the Act, on the Federal High Court of Nigeria.

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