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ECONOMIC AND FINANCIAL CRIMES COMMISSION (SPECIAL CONTROL UNIT AGAINST MONEY LAUNDERING SUPERVISION OF NON-PROFIT ORGANIZATIONS THAT ARE AT RISK OF TERRORISM FINANCING ABUSE) REGULATIONS, 2023



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ECONOMIC AND FINANCIAL CRIMES COMMISSION (SPECIAL CONTROL UNIT AGAINST MONEY LAUNDERING SUPERVISION OF NON-PROFIT ORGANIZATIONS THAT ARE AT RISK OF TERRORISM FINANCING ABUSE) REGULATIONS, 2023

[2nd Day of May, 2023]

Commencement.

In exercise of the powers conferred upon me by section 95 of the Terrorism (Prevention and Prohibition) Act, 2022 and all other powers enabling me in that behalf, I, **ABI BAKAR MALAMU, SAN, CON**, Attorney-General of the Federation and Minister of Justice, make the following Regulations —

PART I— OBJECTIVES AND APPLICATION

1. The Objectives of these Regulations are to —

Objectives

(a) provide guidelines for the effective implementation of the provisions of Terrorism (Prevention and Prohibition) Act, 2022 and the Countering Financing of Terrorism regime in general relating to the monitoring and supervision of “Non Profit Organizations (NPOs) that are at risk of terrorism financing abuse” ;

(b) develop and apply Counter Financing of Terrorism measures consistent with the Nigerian security imperatives, the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and international obligations, particularly in accordance with the provisions of the United Nations Security Council Resolution (UNSCR) 2462, that all states shall prevent and suppress the financing of terrorist acts and to refrain from providing support to those involved in them ; and

(c) provide guidance for NPOs that are at risk of terrorism financing abuse on the implementation of Targeted Financial Sanctions related to Terrorism and Terrorist Financing.

2. These Regulations shall apply to all identified Financial Action Task Force (FATF) NPOs in Nigeria that have been assessed to be “At-Risk of Terrorism Financing abuse under the National Non- Profit Organization Risk Assessment Report, 2022” and the subsequent assessments that may be conducted by the Special Control Unit Against Money Laundering, pursuant to section 5(2)(e) of the Terrorism (Prevention and Prohibition) Act, 2022 or the National Counter Terrorism Centre pursuant to its role under section 6(2)(g) of the Terrorism (Prevention and Prohibition) Act, 2022 with the full participation of the Civil Society Organisations.

Application

PART II—OBLIGATIONS OF SCUML AND THE NATIONAL COUNTER
TERRORISM CENTER

Obligations
of SCUML.

3.—(1) The Special Control Unit against Money Laundering (SCUML) shall —

(a) collaborate with relevant authorities including the private sector to reassess the NPO sector every two years to determine the subset that are at risk of TF abuse ;

(b) develop a risk-based framework for the supervision of at risk NPOs ;

(b) register and keep a database of NPOs operating in Nigeria ;

(c) maintain a register of Non Profit Organizations that are at risk of terrorism financing abuse which may be made available to competent authorities and the public where necessary ;

(d) develop and implement outreach programmes and create forums to develop and refine best practices to address terrorist financing risks and vulnerabilities to protect at risk NPOs from terrorist financing abuse ; and

(e) be the focal point for information exchange on international requests in relation to NPOs that are at risk of Terrorism Financing abuse.

(2) SCUML shall establish appropriate mechanisms to ensure that, when there is suspicion or reasonable grounds to suspect that a particular NPO is —

(a) involved in terrorist financing abuse or is a front for fundraising by a terrorist organization ;

(b) being exploited as a conduit for terrorist financing, including for the purpose of escaping asset freezing measures, or other forms of terrorist support ; or

(c) concealing or obscuring the clandestine diversion of funds intended for legitimate purposes, but redirected for the benefit of terrorists or terrorist organisations.

that the information is promptly shared with competent authorities, in order to take preventive or investigative action.

(3) SCUML shall put all necessary measures in place to ensure effective co-operation, co- ordination and information-sharing to the extent possible among all levels of appropriate authorities or organizations that hold relevant information on NPOs.

Confidentiality
of
information.

4.—(1) SCUML recognizes the confidentiality of information provided by beneficiaries for assessing humanitarian aid or intervention.

(2) Any request for the disclosure of beneficiary information shall be subject to the provisions of section 16(1)(a) and (b) of the Terrorism (Prevention and Prohibition) Act, 2022 ; in respect of terrorism or terrorism financing

investigation; and for the purpose of establishing a criminal case against any person.

5.—(1) The National Counter Terrorism Center shall in line with its coordinating role as enshrined in the Terrorism (Prevention and Prohibition) Act, 2022 collaborate with SCUMI, and ensure that Non Profit Organizations that are at risk of terrorism financing abuse are adequately supervised.

(2) The National Counter Terrorism Center shall ensure that all competent authorities share information on operations and activities of Non Profit Organizations that are at risk of terrorism financing abuse with SCUMI, from time to time.

Obligations
of the
National
Counter
Terrorism
Center

PART III — OBLIGATIONS OF NON-PROFIT ORGANIZATION

6.—(1) Non Profit Organizations that are at risk of terrorism financing abuse shall conduct and implement realistic and reasonable terrorism financing risk assessment and develop management strategies for their operations.

(2) The risk assessment under sub-regulation (1) of this regulation shall cover the nature of their operations, risk assessment of their thematic focus, geographic and security context of their operations, delivery mechanisms or channels, assets, nonprofit funds, reputation, partners, donors, grantees, sub-grantees, volunteers and staff, and any other matter that the Unit may prescribe, from time to time.

(3) This risk assessment may be incorporated as part of the existing operational risk assessment framework of the NPO rather than a standalone framework provided that the risk assessment must clearly cover all the elements of Counter Financing of Terrorism risk assessment enumerated in sub-regulation (2) of this regulation.

(4) NPOs that are at risk of terrorism financing abuse shall take cognizance of the National Non Profit Organizations Terrorism Risk Assessment Report, 2022 and subsequent assessments, in the conduct of their individual risk assessment.

(5) NPOs that are at risk of terrorism financing abuse shall grant SCUMI and other relevant authorities full access to information on its administration and management, including financial and programmatic information during the course of an inspection or investigation activity.

(6) NPOs that are at risk of terrorism financing abuse shall maintain information on the—

- (a) purpose and objectives of their stated activities ; and
- (b) identity of the persons who own, control or direct their activities, including senior officers, board members and trustees.

Risk
Assessment.

(7) NPOs that are at risk of terrorism financing abuse shall on demand issue and submit annual financial statements that provide detailed breakdowns of incomes and expenditures to SCUML.

(8) NPOs that are at risk of terrorism financing abuse shall have appropriate controls in place to ensure that all funds are fully accounted for, and are spent in a manner that is consistent with the purpose and objectives of the NPO's stated activities.

(9) NPOs that are at risk of terrorism financing abuse shall review and update their risk assessment once in two years or as prompted by the —

(a) publication of a new National Terrorism Financing Risk Assessment of the NPO sector by relevant organisations ;

(b) extension of operation into new thematic area that pose a different or higher Terrorism Financing risk or other risk considerations that may impact on the NPO's Terrorism Financing Risk profile ;

(c) extension of activities into geographical locations considered to be of higher risk of terrorism financing or with active terrorist activities ;

(d) engagement with a new donor or funder from a jurisdiction or country where NPOs are believed to poses higher risk of Terrorism Financing ; or

(e) significant change of members of Board of Trustees, Governing Council or management staff.

(10) NPOs that are at risk of terrorism financing abuse shall review and update their risk assessment before or upon engagement with a new —

(a) donor or funder whose donation may account for up to 10% of the total programme income of the NGO in any given year ; and

(b) partner sub-grantee, vendor, contractor, financial services provider, or such other person or organization, who the NPO engages, partners or works with, for the purpose of providing a service or achieving its programme objectives.

Obligations
to develop
Counter
Financing of
Terrorism
Programmes
and
Strategies

7.—(1) In compliance with their obligations under the Terrorism (Prevention and Prohibition) Act, 2022, NPOs that are at risk of terrorism financing abus. shall develop and implement programmes and policies for preventing and combating abuse of their organization's funds, assets or goodwill for terrorism financing.

(2) The policy under sub-regulation (1) of this regulation shall include—

(a) policies to implement targeted financial sanctions related to terrorism financing for donors or funders, beneficiaries, vendors or partners ;

(b) regular awareness creation for staff on Counter Terrorism issues ; and

(c) robust financial and accounting control which shall include appropriate segregation of duties and internal financial oversight.

(3) The Board of Trustees or the Governing Board of an NPO shall ensure that a comprehensive Counter Financing of Terrorism policy and procedure manual is developed by the management and presented to the Board of Trustees or the Governing Board for approval.

(4) The Counter Financing of Terrorism Policy and Procedure Manual approved by the Board of Trustees of an NPO that is at risk of terrorism financing abuse shall be exposed to existing staff and new staff at their induction training and every staff shall be required to sign an undertaking to comply with the provisions of the manual.

8.—(1) NPOs that are at risk of terrorism financing abuse shall preserve and keep at the disposal of the SCUML and other competent authorities —

Record keeping and preservation.

(a) list of the NPO's trustees, directors and senior managers and any changes made within a period of time prescribed by SCUML ;

(b) list of the NPO's donors, the donors' trustees, directors, principal officers, country officers, incorporation or origin, and their financial commitments to the NPO ;

(c) all financial, programme and administrative expenditure records ;

(d) reports of programme and project monitoring and evaluation ;

(e) reports of statutory and internal audit conducted where applicable ;

(f) records of Terrorism Financing risk assessment and management strategies ;

(g) records of sanction screening conducted ; and

(h) any other records as may be prescribed by SCUML, from time to time.

(2) The records listed under sub-regulation (1) of this regulation shall be kept for a minimum of five years after completion or exit of the NPO from the programme.

9.—(1) NPOs that are at risk of terrorism financing abuse shall undertake every reasonable measure, in conformity with International Humanitarian Law, International Refugee Law and allied international conventions and UN Resolutions guiding humanitarian actions, under which Nigeria has made commitments, to identify or confirm the identity, credentials and good standing of beneficiaries and associates and that they are not involved with or use the charitable funds to support terrorists or terrorist organizations.

Obligation to identify donors, beneficiaries and other related persons

(2) NPOs that are at risk of terrorism financing abuse may not identify each specific individual beneficiary, except where there is a suspicion of affiliation to a terrorist group or proscribed entity, or involvement in an act of terrorism or terrorist financing.

(3) The identification requirement stated in sub-regulation (1) of this regulation does not apply to donors or funders who are government aid agencies, bilateral and multilateral aid organizations.

(4) NPOs that are at risk of terrorism financing abuse shall undertake all reasonable measures to confirm the identity, credentials and good standing of their vendors, contractors, financial service providers and such other persons, entities or organizations that provide service for a fee or voluntarily to the NPO.

(5) The identification documents under this regulation shall include —

(a) registration or incorporation documents inclusive of particulars of their directors ;

(b) beneficial ownership information ; and

(c) prescribed national identification documents including, International Passport, Drivers' license, National Identity Card, Permanent Voters Card (PVC) and such other identification documents that may be prescribed by the SCUML, from time to time.

(6) Ppayments for services rendered or products supplied shall be made into a bank account bearing the names of the persons or entities as provided on the identification documents.

(7) When engaging with a partnering NPO or sub-grantees, an NPO that is at risk of terrorism financing abuse shall take reasonable measures to confirm the identity, credentials and good standing of the organization, its trustees and directors.

Counter
Terrorism
Financing
Risk
Assessment
Questionnaire.

10.—(1) NPOs that are at risk of terrorism financing abuse shall fill the Counter Terrorism Financing Risk Assessment Questionnaire every year to allow SCUML conduct ongoing risk assessment and monitoring.

(2) NPOs that are at risk of terrorism financing abuse shall submit the Counter Terrorism Financing Risk Assessment Questionnaire to SCUML not later than 31st March of every year.

Quarterly
Reporting

11. NPOs that are at risk of terrorism financing abuse shall file reports on their activities before the last day of every quarter of the year in a manner and format that shall be prescribed by SCUML.

PART IV — IMPLEMENTATION OF TARGETED FINANCIAL SANCTION
RELATED TO TERRORISM AND TERRORISM FINANCING

12.—(1) In the conduct of their operations, NPOs that are at risk of terrorism financing abuse are mandated to put in place measures to comply with the implementation of Targeted Financial Sanction related to Terrorism and Terrorism Financing.

Measures to comply with the implementation of Targeted Financial Sanction

(2) In respect of the provisions of sub-regulation (1) of this regulation, an NPO is to ensure that none of its funds, asset or goodwill are used directly or indirectly to assist in, sponsor, or provide support for acts of terrorism or to support individuals, groups, undertakings or entities listed as terrorists being associated with terrorist groups under the following instruments —

- (a) UN Security Council Resolutions 1267(1999)(relating to Al-Qaida);
- (b) UN Security Council Resolutions 1988(2011)(relating to Taliban);
- (c) Designation instruments made by the Attorney-General of the Federation under section 49 of the Terrorism (Prevention and Prohibition) Act, 2022 ;
- (d) UN Security Council Resolution 1718(2006) and its successor resolutions;
- (e) UN Security Council Resolution 1737(2006) and its successor resolutions; and
- (f) any other instrument that may be added, from time to time, by relevant authorities.

(3) NPOs that are at risk of terrorism financing abuse shall screen identities of their donors, grantees, sub-grantees, partners, vendors, payment service providers, contractors, staff and volunteers and such other persons of interest to the NPO, against the Consolidated List of designated persons and entities and the Nigeria list as shall be provided by Nigeria Sanction Committee.

(4) Screening for the purposes of implementing targeted financial sanction relating to terrorism and terrorism financing, shall apply to all categories of persons without recourse to any minimum financial limit or other threshold that may determine when to conduct screening.

13.—(1) Where an NPO detects a true positive match, it shall take the following actions —

Actions to be taken

- (a) avoid any action that might tip - off the subject ;
- (b) immediately file a Suspicious Transaction Report to the Nigerian Financial Intelligence Unit ;
- (c) file report of sanction screening conducted at the head office of an NPO on a subject within Nigeria to the Nigerian Sanction Committee without delay ; and

(d) keep all records of screening whether true, false or positive for a period of not less than five years.

(2) Where an NPO records a striking similarity in names and other identifiers, it must conduct appropriate investigation to obtain reasonable assurance as to the identity of the subject.

(3) Where the NPO do not have the capacity to conduct such investigation, it shall make report to the Nigeria Sanction Committee for clarification and all measures to ensure that the subject is not tipped-off shall be maintained in the circumstance.

PART V—OFFENCES AND SANCTIONS

**Terrorism
Financing
Offences**

14. Terrorism financing offences extends to any individual, group, undertaking or entity within or outside Nigeria, in any manner, who directly or indirectly, and willingly provides, solicits, acquires, collects, receives, possesses, or make available property, funds or other services, or attempts to provide, solicit, acquire, collect, receives, possess or make available property, funds or other services with the intention or knowledge, or having reasonable grounds to believe that it will be used, in full or in part to finance a terrorist or terrorist group in line with relevant sections of the Terrorism (Prevention and Prohibition) Act, 2022.

Sanctions

15. The sanctions contained in Counter Financing of Terrorism (CFT) Regulations and the Terrorism (Prevention and Prohibition) Act, 2022, shall apply to any NPO at risk of terrorism financing abuse that fails to comply with the provisions of these Regulations.

**Criminal
Penalties for
Terrorism
Financing
offences and
violation of
the
Terrorism
(Prevention
and
Prohibition)
Act, 2022.**

16.—(1) The following penalties shall apply under these Regulations —

(a) soliciting and giving support to terrorist group or individuals for the commission of acts of terrorism - liable on conviction to imprisonment for a term of at least 20 years and up to a maximum of life imprisonment ;

(b) refusal or revocation of NPO's registration and publication of NPO's name in at least two national newspapers in line with section 56 of the Terrorism (Prevention and Prohibition) Act, 2022 ; .

(c) promotion or solicitation of property for the commission of terrorist acts - liable on conviction to imprisonment for a term of at least 20 years and up to a maximum of life imprisonment ;

(d) provision of facilities in support of terrorist acts - liable on conviction to imprisonment for a term of at least 20 years ; and

(e) Financing of Terrorism in the case of a natural person, life imprisonment ; or in the case of a body corporate —

(i) a fine of at least ₦200,000,000,

(ii) imprisonment of principal officer for a term at least 20 years and up to a maximum of life imprisonment, and

(iii) the winding up of the body corporate, and its prohibition from reconstitution or incorporation under any form or guise.

(2) Membership of a terrorist group or proscribed entity shall be liable on conviction to imprisonment for a term of at least 20 years and up to a maximum of life imprisonment.

(3) Obstruction of an authorized officer of a relevant agency (including failure to comply with any lawful enquiry, request, or information) shall be liable on conviction to imprisonment for a term of at least seven years.

(4) Tipping -off in respect of Terrorism Investigation shall be liable on conviction to imprisonment for a term of at least seven years.

17.—(1) The following administrative penalties shall apply under these Regulations—

Administrative
Penalties

(a) failure to keep and preserve records: a fine of Two Hundred Thousand Naira provided that a maximum penalty of One Million Naira shall apply if the violation becomes recurrent after six months ;

(b) failure to conduct vetting of prospective employee: a fine of Two Hundred Thousand Naira in respect of each employee not vetted ;

(c) failure to conduct vetting of senior managers, trustees, directors and members of Governing Council of partner NPOs: a fine of Five hundred Thousand Naira payable in respect of each person not vetted ;

(d) failure to conduct vetting of vendors, contractors, payment service providers or other similar third parties: a fine of One Million Naira ;

(e) failure to implement Targeted Financial Sanction: a fine of One Million Naira and remedial action taken within one week ;

(f) failure to conduct risk assessment and put in place risk management strategies to combat terrorism financing: a fine of One Million Naira and remedial action taken within three months, provided that where the violation continues after three months, a maximum penalty of Five Hundred Thousand Naira shall apply for each month the violation continued ;

(g) failure to submit Counter Terrorism Risk Assessment Questionnaire before 31st of March of the year: a warning letter shall be issued and where the violation continues after one month, a maximum penalty of Two Hundred Thousand Naira shall apply ; and

(h) failure to report change of trustees, directors or senior manager responsible for decision making or persons controlling the operations and financial activities of the NPO: a fine of Five Hundred Thousand Naira shall

be imposed on the Executive Director, Country Director, Head of Mission or such other persons with the highest managerial oversight of the NPO.

(2) Where a person designated as a terrorist or affiliated to a proscribed organisation becomes an employee, senior manager, trustee, director, member of the Governing Board, vendor, contractor or payment service provider of an NPO, as a result of failure of the NPO to put in place appropriate vetting procedures, the NPO shall be wind up as a body corporate or de-registered, and shall be prohibited from reconstitution, incorporation or registration under any form or guise.

(3) The sanctions prescribed under this regulation shall apply to trustees, directors, and persons and entities acting on behalf of the NPO.

PART VI — OTHER MEASURES

Accountability
and
transparency

18.—(1) An NPO shall adhere to global and domestic best practices on Non-Profit accounting and financial management policy.

(2) Accounting Standards, practices and codes of corporate governance prescribed by the Financial Reporting Council of Nigeria for the Non-Profit Organization, shall be adhered to as a minimum measure.

(3) Donor imposed accounting and financial control measures, and other non-statutory standards adopted by NPOs that are at risk of terrorism financing abuse shall be in compliance with the standards prescribed by the Financial Reporting Council of Nigeria.

(4) NPOs that are at risk of terrorism financing abuse shall publish their financial and activity reports on their websites or where an NPO do not maintain a website, the report shall be made available to any member of the public on request.

(5) Where a donor blacklists an NPO on account of financial impropriety, the trustees of such NPOs shall report to SCUML the circumstances of such blacklists and the remedial actions being taken by the NPO.

Vetting of
Staff and
Staff of
Partner
NPOs

19.—(1) Staff Vetting shall be done for all prospective staff of an NPO that is at risk of terrorism financing abuse, and Staff of its contractors and vendors who will be working directly on the engagement with NPO.

(2) The vetting process shall involve —

(a) sanction screening on the consolidated list approved by the Nigeria Sanction Committee ;

(b) verification of past employment ; and

(c) criminal background checks with appropriate law enforcement agencies.

(3) Vetting for the staff of partner NPO shall be on a risk sensitive basis, depending on the role of the partner NPO and the value of the transaction.

(4) In respect of the provisions of the sub-regulation (3) of this regulation, vetting shall be conducted for the persons responsible for decision making and persons controlling the operations and financial activities of the partner NPO, which shall include senior managers, trustees, directors or member of Governing Council.

20.—(1) All Vendors, Contractors and Payment Service Providers shall be subjected to the vetting process described in regulation 19 of these Regulations.

Vetting of
Contractors,
Vendors and
Payment
Service
Providers

(2) NPOs shall demand and obtain information relating to the ultimate beneficial owners of the business, its affiliated and subsidiaries businesses, from all organizations in this category.

(3) NPOs shall review the good standing of all organizations in this category, including obtaining reasonable assurances of their legal status, AML, CFT and CPF compliance (where such organization has been designated for AML, CFT or CPF supervision) tax compliance, and compliance with other statutory regulations.

(4) NPOs may make recourse to other adverse information on the organizations, their directors, owners and associates, in making decision on the organizations.

(5) Where NPOs are constrained to engage unincorporated vendors due to urgent humanitarian concerns, natural persons responsible for daily management and the ultimate beneficial owners shall be verified, in addition to physical verification of their business premises.

21. Vetting of beneficiaries may apply in the following circumstances —

Vetting of
Beneficiaries.

(a) where the NPO is offering immediate lifesaving humanitarian service ;

(b) where beneficiaries are already registered in a designated refugee camp or other protective shelter, established by the Federal Government of Nigeria or its agencies, United Nation and its agencies, State Governments in whose jurisdiction the intervention is being carried out, and their agencies ;

(c) where beneficiaries are registered on an existing government database, which primary purpose is for providing humanitarian interventions ; and

(d) any other circumstances as may be prescribed by SCUML.

22. Recipients of Cash and Voucher Assistance shall be vetted and appropriately documented, with consideration for the circumstances outlined in regulation 20(5) of these Regulations provided that NPOs at risk of terrorism financing abuse shall take all reasonable measures to abide with their obligations

Cash and
voucher
assistance

under the Terrorism (Prevention and Prohibition) Act, 2022, including obligations for keeping and preservation of records.

Use of banking agent

23.—(1) NPOs that are at risk of terrorism financing abuse shall consider the use of Agent Bankers such as Mobile Money Operators to mitigate the risk associated with Cash and Vouchers Assistance such as diversion risks, among many others; and in particular, the use of informal Financial Service Providers (FSPs) shall be replaced with licensed agent bankers.

(2) NPOs that are at risk of terrorism financing abuse shall be mindful of the permissible services by Agent Bankers in accordance with Paragraphs 6.3 and 6.4 of the Central Bank of Nigeria Circular on Agent Banking.

(3) Bank accounts opened for the purpose of rendering Cash and Voucher Assistance to beneficiaries shall be limited to "Tier 1" Account, as stipulated in the Central Bank of Nigeria Financial Inclusion Policy

PART VII — SPECIFIC MEASURE APPLICABLE TO AT RISK NPOs OPERATING IN INSURGENCY AFFECTED AREAS

Permitted location of humanitarian intervention.

24.—(1) Nigeria commitments and obligations under the International Human Right Law, International Humanitarian Law, International Refugee Law and Multilateral instrument guiding humanitarian interventions in conflict zones shall apply to all operations and activities of NPOs that are at risk of terrorism financing abuse in the insurgency affected areas of the country.

(2) Without prejudice to the provision of sub-regulation (1) of this regulation, the following conditions shall apply to operations and activities of NPOs that are at risk of terrorism financing abuse in the insurgency affected areas of the country —

(a) humanitarian interventions shall be carried out in locations duly approved by a Competent authority and the command of the Nigeria Military Command which has been assigned to do so ;

(b) where an NPO that is at risk of terrorism financing abuse observed that Designated Terrorist Groups exercise de facto control over a location where they are already conducting interventions, or exercise such de facto control along their supply lines, the NPO shall immediately cease supply of humanitarian materials, movement of cash and logistics materials to the location and notify the competent authority not later than 24 hours it came into knowledge of such control ;

(c) where a target population is under life threatening humanitarian emergency in the location, the NPO and the relevant competent authorities shall review the situation with a view to obtaining humanitarian exceptions to access the location ;

(d) the review mentioned in paragraph (c) of this sub-regulation shall consider the following —

- (i) risk assessment report on the NPO activities in the location,
- (ii) an explanation of the specific safeguards and measures the NPO intend to utilize to decrease the likelihood that its humanitarian intervention will not be diverted or its programme abused to the benefit of the Designated Terrorist Group,
- (iii) a description of the measures the NPO is taking to mitigate the risk that the formal procurement of goods or services or hiring staff or consultants may benefit armed or sanctioned groups or sanctioned individuals,
- (iv) measures to mitigate the risks that sanctioned groups or individuals could receive reputational benefit from the proposed activities, such as a Designated Terrorist Group or individual claiming credit for assistance or services provided,
- (v) information regarding other internal controls and oversight mechanisms that will be implemented to comply with the relevant provisions of the Terrorism (Prevention and Prohibition) Act, 2022, and
- (vi) names of staff and volunteers that will be used for intervention shall be communicated to the relevant competent authorities ; and
- (e) movement of equipment, machineries, automobiles, and motorcycles of any kind, fuel, and power supply machines, Information and Communication gadgets and other materials that provide logistical support shall be approved by the competent authorities.

(3) The safeguards under sub-regulation (2) (d) (ii) of this regulation shall include enhanced due diligence efforts such as remote or third-party monitoring.

25. Vendors, contractors and payment service providers to be engaged in insurgency affected areas shall be vetted by the Department of State Services office responsible for the State where the intervention is to be carried or is being carried out in additions to other measures outlined in regulations 19(1) and 20(5) of these Regulations.

Vetting of
Vendors,
Contractors
and
Payment
Service
Providers to
be engaged
in
insurgency
affected
areas

26.—(1) Physical movement of cash within the insurgency affected areas shall be as may be approved by competent authorities.

Cash
Movement
Declaration

(2) NPOs that are at risk of terrorism financing abuse shall make a quarterly assessment of the anticipated cash needs on the programme location and avail SCUMI with the details of such assessment.

(3) Where movement of physical cash is contracted to a vendor or payment service provider, the provisions of regulation 24 of these Regulations shall apply without any exemption.

(4) Approval for Physical Movement of Cash shall only be granted in locations where there are no functional formal banking or financial services.

(5) NPOs shall ensure the good standing of such vendors or Payments Service Providers engaged for movement of cash with the relevant regulatory agencies.

(6) Subject to the provisions of section 2 of the Money Laundering (Prevention and Prohibition) Act, 2022, all cash transactions above the sum of Five Million Naira or its equivalent and Ten Million or its equivalent for individuals and corporate bodies respectively, shall be made or accepted through a financial institution.

PART VIII — MISCELLANEOUS

Protocol for exchange of information

27. The protocol for the exchange of information between SCUMI and other competent authorities on NPO activities shall be through Reporting Information.

Interpretation

28.—(1) In these Regulations -

"Beneficiaries" refers to those natural persons, or groups of persons who receive charitable, humanitarian or other types of services through the services of an NPO.

"De facto control" means where Designated Terrorism Financing Entity exercises physical control over an area, or is able to exercise control, such as requiring humanitarian actors to pay tolls, and other taxes.

"NPOs that are at risk of terrorism financing abuse" means NPOs that fall within the scope of the Regulations that have been identified as being at risk of terrorism financing under the National Non-Profit Organizations Report 2022 and the subsequent assessments by the Special Unit against Money Laundering and Terrorism Financing pursuant to its role under the Money Laundering (Prevention and Prohibition) Act, 2022, with full participation of the relevant authorities.

"Relevant authorities" refer to the Commission, regulators, tax authorities, FIA, and accrediting institutions, and such other entities as may be designated by the Commission.

- Terrorist financing is the support, or the provision of support, for terrorism.

- "Terrorist" means a person who is a prospective or actual perpetrator of terrorism.



(2) NPOs that are at risk of terrorism financing abuse shall make a quarterly assessment of the anticipated cash needs on the programme location and avail SCUML with the details of such assessment.

(3) Where movement of physical cash is contracted to a vendor or payment service provider, the provisions of regulation 24 of these Regulations shall apply without any exemption.

(4) Approval for Physical Movement of Cash shall only be granted in locations where there are no functional formal banking or financial services.

(5) NPOs shall ensure the good standing of such vendors or Payments Service Providers engaged for movement of cash with the relevant regulatory agencies.

(6) Subject to the provisions of section 2 of the Money Laundering (Prevention and Prohibition) Act, 2022, all cash transactions above the sum of Five Million Naira or its equivalent and Ten Million or its equivalent for individuals and corporate bodies respectively, shall be made or accepted through a financial institution.

PART VIII — MISCELLANEOUS

Protocol for exchange of information

27. The protocol for the exchange of information between SCUML and other competent authorities on NPO activities shall be through Request for Information.

Interpretations

28.—(1) In these Regulations -

“Beneficiaries” refers to those natural persons, or groups of natural persons who receive charitable, humanitarian or other types of assistance through the services of an NPO ;

“De facto control” means where Designated Terrorist Group or entity exercises physical control over an area, or is able to exert authority indicative of control, such as requiring humanitarian actors to register or pay fees, tolls, and other taxes ;

“NPOs that are at risk of terrorism financing abuse” under these Regulations means NPOs that fall within the category of Non Profit Organizations that have been identified are to be at risk of Terrorism Financing under the National Non-Profit Organization Risk Assessment, Report, 2022 and the subsequent assessments that may be conducted by the Special Control Unit against Money Laundering or the National Counter Terrorism Centre pursuant to its role under the Terrorism (Prevention and Prohibition) Act, 2022, with full participation of civil society organizations ;

“Relevant authorities” refer to competent authorities, including regulators, tax authorities, FIUs, law enforcement, intelligence authorities, accrediting institutions, and potentially self-regulatory organisations ;

"Terrorist financing abuse" refers to the exploitation by terrorists and terrorist organisations of NPOs to raise or move funds, provide logistical support, encourage or facilitate terrorist recruitment, or otherwise support terrorists or terrorist organisations and operations ; and

"Vetting" means the process by which an organization checks whether prospective staff, staff of partner organizations or contractors appears on lists of designated terrorists identified by the relevant donor or host government.

(2) All other words or terms used in these Regulations shall have the same meaning and interpretation as used in the Terrorism (Prevention and Prohibition) Act, 2022.

29. These Regulations may be cited as the Economic and Financial Crimes Commission (Special Control Unit against Money Laundering Supervision of Non-Profit Organizations that are at Risk of Terrorism Financing Abuse) Regulations, 2023.

Citation

MADE at Abuja this 2nd day of May, 2023.

ABUBAKAR MALAMI, SAN, CON
Honourable Attorney-General of the Federation
and Minister of Justice

EXPLANATORY NOTE

(This note does not form part of these Regulations, but is intended to explain its purports)

These Regulations provides guidelines for the effective implementation of the provisions of Terrorism (Prevention and Prohibition) Act, 2022 and the Countering Financing of Terrorism regime relating to the monitoring and supervision of "Non Profit Organizations (NPOs) that are at risk of terrorism financing abuse"; Counter Financing of Terrorism measures consistent with the Nigerian security imperatives, the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and international obligations, particularly in accordance with the provisions of the United Nations Security Council Resolution (UNSCR) 2462, mandating all states to prevent and suppress the financing of terrorist acts and to refrain from providing support to those involved in them; and provide guidance for Non-Profit Organisations that are at risk of terrorism financing abuse on the implementation of Targeted Financial Sanctions related to Terrorism and Terrorist Financing.