

# AML/CFT COMPLIANCE GUIDELINE FOR DESIGNATED NON –FINANCIAL INSTITUTIONS (DNFIS)

The Special Control Unit against Money Laundering (**SCUML**) is charged with the responsibility of monitoring, supervising and regulating the activities of Designated Non Financial Institutions (DNFIs) in line with the provisions of the **Money Laundering (Prohibition) Act, 2011,(as amended) and the Terrorism (Prevention) Act (TPA) 2011 (as amended) as well as the SCUML Regulations 2013 and 2016.**

The Designated Non Financial Institutions (DNFIs) are required under the above stated laws and Regulations to carry out the following statutory obligations. :

- To register with SCUML
- To make Currency Transactions Reports (CTRs ) to SCUML of any single transaction, lodgment or transfer of funds in excess of N5,000,000 or its equivalent in the case of an individual or N10,000,000 in the of body corporate within 7 days from the date of transaction via SCUML online reporting platform on the SCUML Website: [www.scuml.org](http://www.scuml.org)
- To make **Cash Based Transactions Reports (CBTRs)** to SCUML on any single transaction in excess of \$1,000 or its equivalent within 7 days from the date of transaction via SCUML online reporting platform on the SCUML Website: [www.scuml.org](http://www.scuml.org)
- To make **Suspicious Transaction Reports (STRs)** to the Nigeria Financial Intelligence Unit (NFIU) via

([www.nfiu.gov.ng](http://www.nfiu.gov.ng)) (see SCUML Regulations 2013 for more details).

## **WHO ARE DESIGNATED NON-FINANCIAL INSTITUTION (DNFIS)**

Designated Non-Financial Institutions are:

- Dealers in jewelry,
- Dealers in luxury goods,
- Importers and dealers in cars or any other automobile
- Hotels and other Hospitality businesses
- Supermarkets
- Casinos, Pools Betting & other Lottery Businesses
- Audit firms
- Tax Consultants
- Law firms, Notaries and other independent Legal Practitioners
- Accountants and Accounting firms
- Consultants and Consulting Companies
- Clearing and Settlements Companies
- Trust & Company Service Providers
- Estate surveyors and Valuers
- Dealers in Real Estate, Estate Developers, Estate Agents and Brokers
- Dealers in Precious Stones and Metals
- Dealers in Mechanized farming equipment and machineries
- Construction Companies
- Non- Governmental Organizations ( NGOs) – Non- Profit Organizations (NPOs))
- Mortgage Brokers
- Practitioners of Mechanized Farming

and such other Businesses and Professions as the Federal Ministry of Industry, Trade & Investment or appropriate regulatory authorities may from time to time designate

## **HOW TO REGISTER A DESIGNATED NON FINANCIAL INSTITUTION IN NIGERIA**

The registration is carried out through the SCUML online registration platform. DNFIs are advised to visit SCUML website [www.scuml.org](http://www.scuml.org) for guidance

**NOTE:** All pages of required documents are to be scanned in PDF (adobe reader). Ensure that all the documents are scanned and uploaded in a single file/document not exceeding 2MB,

## **SCUML's MANDATE:**

SCUML has the mandate to Monitor, Supervise and Regulate the activities of Designated Non Financial Institutions (DNFIs) in consonance with Nigeria's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime.

All DNFIs are obligated to register with SCUML and ensure compliance with the relevant sections of the ML (P) Act 2011, (as amended) in order to **avoid sanctions for non-compliance.**

## **Note**

**SCUML collaborates with the Economic and Financial Crimes Commission (EFCC) for the enforcement of the provisions of the Act through enforcement actions including prosecution of non-compliant DNFIs.**

## HIGHLIGHTS OF RELEVANT SECTIONS OF THE MONEY LAUNDERING (PROHIBITION) ACT, 2011(AS AMENDED) AS IT RELATES TO DNFI'S

### Section 1:

- Limitation to Make and Accept Cash

### Section 2:

- Duty to Report International transfer of Funds & Securities

### Section 3:

- Identification of customers
- (Part III of SCUML Regulations Emphasizes on the Need To Know Your Customer).

### Section 4:

- Duties Incumbent upon Casinos

### Section 5:

- Registration with SCUML
- Rendition of Occasional Cash Based Transactions( CBTRS)

### Section 6

- Suspicious Transaction Reporting (Part IV of the SCUML regulations)

### Section 7

- Preservation of Records

### Section 8

- Mandatory Disclosure by DNFI

### SECTION 9

- Arouse Awareness Among Employees.

### Section 10

- Mandatory Disclosure by DNFI
- Penalty /Fine

### Section 15 & 16

- Money Laundering Offences
- Other offences

## FREQUENTLY ASKED QUESTIONS

### (FAQ)

#### **Que: What is SCUML?**

**Ans:** SCUML means Special Control Unit against Money Laundering

#### **Que: Where is SCUML located?**

- **ABUJA HQ:** No.1 Obosi Crescent, Off Ogidi Street off Ladoke Akintola Boulevard Garki 2, Abuja.
- **Benin City:** No.1, Court Road, GRA, Benin City, Edo State
- **ENUGU:** Plot 106 FGC Road, Independence Layout, Enugu
- **GOMBE:** NO.4 EFCC Street, New GRA, Gombe.
- **IBADAN:** No.16,Rev'd Oyebode Crescent Iyaganku GRA, Ibadan
- **KADUNA:** No. 4 Wurno Road off Rabah Road, Kaduna
- **KANO:** GP 360 Bida Road Civic Centre
- **LAGOS:** 15, Awolowo Road, Ikoy, Lagos
- **MAIDUGURI:** Plot 80 Baba Shehu Lamin opp El Kanemi College Tudun Wada Layout, Maiduguri
- **Port Harcourt :** No. 8 Bank Road, Off Moscow Road, Port Harcourt, Rivers State,
- **Uyo:** No 3 Akparawa Crescent Off Edet Akpan Avenue ,Ewet Housing Estate, Uyo, Akwa Ibom State.

#### **Que: What are the requirements for registration with SCUML?**

- Certificate of Incorporation/Registration
- Form CAC1.1 (Form Co2& CO7 for old registration)

- Memorandum and Article of Association
- Tax certificate or TIN print out
- Company profile
- Incorporation of Trustees
- Constitution as regards NPOs
- Professional Certificate ( for Professionals)

#### **Que: Does registration with SCUML attract any fee?**

**Ans:** No! Registration is free and application is done online via SCUML website ([www.scuml.org](http://www.scuml.org)).

#### **Que: Can DNFI's send CTRs CBTRs, STRs online?**

**Ans:** All Cash based Transaction Reports (CBTRs) and Currency Transaction Reports (CTR's can be sent to SCUML through the SCUML online reporting platform. Visit SCUML website: [www.scuml.org](http://www.scuml.org) for guidance.

Suspicious Transaction Reports (STRs) are to be reported directly to NFIU via the NFIU online reporting platform . Visit NFIU website : [www.nfiu.gov.ng](http://www.nfiu.gov.ng) for guidance

#### **Que: What is the reporting threshold for CBTR/CTR?**

**Ans:** The Cash Based Transaction Report (CBTR) reporting threshold is any single cash transaction in excess of \$1,000 or its equivalent (Section 5b, MLPA 2011 (as amended)

While Currency Transaction Reports (CTRS) reporting threshold is for any single transaction, lodgment or transfer of funds in excess of N5,000,000 or its equivalent , in the

case of an individual and N10,000,000 or its equivalent in the case of a body corporate. (Section 10,1a & 1b MLPA 2011(as amended))

**Que:** Does the rendition of statutory reports criminalize customers?

**Ans:** No. it's a legal requirement designed to protect legitimate businesses and professions as well as customers from money laundering and terrorist financing abuse.

**Que: What is Money Laundering?**

**Ans:** Money Laundering is a process by which criminals attempt to hide or disguise the true origin and ownership of their ill-gotten wealth to make it look legitimate with the aim of avoiding prosecution, conviction and confiscation.

**Que: Who should be a compliance officer and what are the functions of a compliance officer?**

**Ans:** A compliance officer is a person at the management level who coordinates AML/CFT activities within the DNFI and liaises with SCUML.

**Que: Should DNFI's accept cash payment above the statutory threshold?**

**Ans:** No. The law states that cash payments above the threshold should be made via the financial institution. (Cheques, online transfers). It is a criminal offence to accept or make cash payment above the statutory threshold.

**Que: Why has SCUML classified NGOs as DNFI when NGO sector is not covered in the Act?**

**Ans:** This is in accordance with the powers conferred on the Minister in charge of Commerce to make further designations of DNFI's subject to section 25 of the ML (P) Act 2011. Such designation is usually made where a sector is found to be vulnerable to money laundering

**Que:** Since our grants/donations are released in amounts that do not meet the reporting threshold most often, do we have to report the cumulative amount of the grant?

**Ans:** Yes, Cumulative amount of grant should be reported as soon as the agreement for the funding is signed.

**Que: How should a DNFI go about a lost certificate, what should an applicant come with?**

**Ans:** An applicant should come with the photocopy of all the documents used in obtaining the first issued certificate, a police report on the missing one and an application letter requesting for issuance of a new certificate.

**Que: How long does it take to process the Certificate?**

**Ans:** within 7 working days from the date of receipt of application provided that all relevant documents are submitted.

**Que: Is there a deadline for the registration and collection of SCUML certificate?**

**Ans:** A DNFI is expected to register with SCUML not later than 3 months after commencement of business activities.

**Que: Are there penalties for non-compliance with the provisions of the Money Laundering (Prohibition) Act, 2011?**

**Ans:** There are penalties for non-compliance which includes suspension or revocation of license, fine or imprisonment or both.

#### **ACRONYMS**

- **SCUML**-Special Control Unit against Money Laundering
- **CBTR**-Cash Based Transaction Report
- **CTR**-Currency Transaction Report
- **DNFI**-Designated Non Financial Institutions
- **STR**-Suspicious Transaction Report
- **EFCC**-Economic and Financial Crimes Commission.

#### **PHONE CONTACTS:**

**Abuja:** 08183754112, 08186886219  
**Edo** 0000000000  
**Enugu:** 07054099561  
**Gombe:** 07085937371  
**Ibadan:** 08096492000  
**Kaduna:** 08096493000  
**Kano:** 08109185147, 08082670976  
**Lagos:** 08098044926, 08058261352  
**Maiduguri** 08096495000  
**Port Harcourt:** 08167599894  
**Uyo** 08097425000

**NOTE** THAT DNFIS WILL BE SENSITIZED ON THEIR OBLIGATIONS UNDER THE MONEY LAUNDERING (PROHIBITION) ACT 2011 (AS AMENDED) PRIOR TO COLLECTION OF CERTIFICATES. *DNFIS ARE EXPECTED TO LIASE WITH THE SCUML OFFICE NEAREST TO THEM.*

*FOR FURTHER ENLIGHTENMENT, DNFIS CAN CONTACT THE SCUML OFFICES THROUGH THE HOTLINES PROVIDED ABOVE OR THROUGH THE FOLLOWING e-mail addresses*

1. **Abuja Head Office:** info@scuml.org
2. **Lagos Zonal Office:** [lagos@scuml.org](mailto:lagos@scuml.org)
3. **Enugu Zonal Office:** enugu@scuml.org
4. **Kano Zonal Office):** kano@scuml.org
5. **Port Harcourt Zonal Office;**  
**GombeZonal office:**
6. [gombe@scuml.org](mailto:gombe@scuml.org)
7. **Ibadan Zonal Office:**  
[ibadan@scuml.org](mailto:ibadan@scuml.org)
8. **Kaduna Zonal Office :**  
[kaduna@scuml.org](mailto:kaduna@scuml.org)
9. **Maiduguri Zonal Office :**  
[maiduguri@scuml.org](mailto:maiduguri@scuml.org)  
**Benin Zonal office:** [benin@scuml.org](mailto:benin@scuml.org)
10. **Uyo Zonal Office:** uyo@scuml.org