

**REGIONAL COURSE ON COMBATING MONEY LAUNDERING AND
OTHER FINANCIAL CRIMES MARCH 22 – 26, 2010
FREETOWN, SIERRA LEONE**

**KEYNOTE ADDRESS BY MS ANDRINA R. COKER
DEPUTY GOVERNOR, BANK OF SIERRA LEONE**

Director General, West African Institute for
Financial and Economic Management (WAIFEM),
Directors of Bank of Sierra Leone,
Distinguish Guests,
Course Participants and Facilitators,
Ladies and Gentlemen,

1.0 Introduction

I feel greatly honoured to be given the privilege to preside over this important ceremony. On behalf of the Government and people of the Republic of Sierra Leone, I wish to welcome you to Freetown and to this opening ceremony of the course on Combating Money Laundering and Financial Crimes. I hope you all had a pleasant trip.

Please permit me to bid a special welcome to those of you visiting Freetown for the first time. Please relax and enjoy the warmth and hospitality of the good people of Freetown.

I wish to commend the organisers of this course which has come at an opportune time when the sub-region is adjusting to the negative effects of the global financial crisis to which crimes and financial risk management failure were some of the contributing factors, the relative importance of which will be debated for years.

However in this address, I wish to draw attention briefly to the menace of money laundering and international initiatives already taken to mitigate it. In doing so, make no pretensions to any exhaustive analysis, the expert faculty at your disposal will do just that.

2.0 The Menace of Money Laundering and other Financial Crimes

Money laundering is fundamentally a simple concept. It is a process by which proceeds from a criminal activity are disguised to conceal their illicit origins. Thus it could be said that money laundering involves the proceeds of criminally derived property rather than the property itself.

In the past, money laundering was mainly associated with the trafficking in drugs. Today, the designated categories of offences are numerous and include sexual exploitation, trafficking in human beings, corruption and bribery, fraud, counterfeiting currency, smuggling to name a few.

Money laundering has proved to be a menace to the world, and the efforts required in the prevention, detection and prosecution are enormous. This is so mainly because of the sophisticated techniques used by criminals to launder money. Such sophisticated techniques may involve different types of financial institutions; multiple financial transactions; the use of intermediaries, such as financial advisers, accountants, shell corporations and other service providers; transfer to, through and from different countries, and the use of different financial instruments and other kinds of value-storing assets.

Money Laundering could have devastating effects on national economies. While this menace can occur in any country, it has economic and social consequences particularly for developing countries. This is so because developing economies tend to be small and, therefore, more susceptible to disruption from criminal influences.

Ladies and gentlemen, failure to prevent money laundering permits criminals to benefit from their actions, thus making crime a more attractive proposition. It also allows criminal organisations to finance further criminal activities- thus the level of crime is increased. Money laundering activities tend to undermine financial systems putting into question its integrity. It also has adverse

macroeconomic effects and affects the exchange rate through large transfers and capital flows. Unchecked money laundering may engender contempt of the law, thereby undermining public confidence in the legal system and in the financial system, which in turn promotes economic crime such as fraud, exchange control violation and tax evasion.

Money laundering facilitates corruption; ultimately, the accumulation of economic and financial power by unscrupulous politicians or criminal organisations can undermine national economies and democratic systems.

3.0 International Initiatives Against Money Laundering and other Financial Crimes

Money laundering, being a global problem, requires an appropriate response at the international, regional and national levels. The Financial Action Task Force (FATF) was therefore established to serve as the principal international standard setting body. Other standard setting organisations include the United Nations, the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the International Organisation of Security Commissioners and the Egmont Group of Financial Intelligence Units.

On the regional front, the Inter – Governmental Action Group Against Money Laundering (GIABA) has been mandated to provide guidance to all ECOWAS member countries and ensure that they develop robust anti-money Laundering systems.

There is a truism that a chain is as strong as its weakest link. Since the fight against Money Laundering is seen as a chain in which the countries are the links, it is expected that every country will ensure the adoption of an effective anti-money laundering regime. Thus countries are obliged to comply with the requirements of the FATF forty recommendations and nine special recommendations. These requirements could be summarised to cover the legal system, preventive measures for financial institutions and Non-Financial Business and Professions, Institutional measures and International Cooperation.

Sierra Leone, though a post conflict country, has made significant efforts at beefing up its machinery for anti-money laundering. The country has promulgated an Anti- Money Laundering Law which is in the process of being revised to meet international standards. On preventive measures, the Bank of Sierra Leone, through the newly established Financial Intelligence Unit is working closely with the banks not only in putting measures in place for

customer Due Diligence but the detection of suspicious transactions for reporting purposes. Sierra Leone has ratified a significant number of the UN Conventions and protocols which have been domesticated in our laws.

The country's compliance with the forty recommendations and nine special recommendations as revealed by the second follow-up report from GIABA shows that a number of these recommendations are yet to be complied with. However, it is gratifying to note that some progress has been registered since the initial assessment in 2006 and efforts are being made to comply with the remaining recommendations.

4.0 **CONCLUSION**

Ladies and Gentlemen Before I leave the podium, I enjoin you to take advantage of the opportunity for personal and professional friendship that this course presents. This will prove beneficial in future.

On this note, it is my singular honour and pleasure to declare open the **Regional Course on Combating Money Laundering and Financial Crimes.**

Thank you for your kind attention.