The integrity of Somalia’s financial system and institutions is our priority

2021/22
FRC
ANNUAL REPORT
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## ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>CAMS</td>
<td>Certified Anti-Money Laundering Specialist</td>
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<tr>
<td>CDD</td>
<td>Customer Due Diligence</td>
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<td>CFT</td>
<td>Countering the Financing of Terrorism</td>
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<td>CID</td>
<td>Criminal Investigation Department</td>
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<tr>
<td>CKYC</td>
<td>Certified Know Your Customer</td>
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<tr>
<td>CTMA</td>
<td>Certified Transaction Monitoring Associate</td>
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<td>CTID</td>
<td>Counter Terrorism and Intelligence Division</td>
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<td>CPF</td>
<td>Countering Proliferation Financing</td>
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<tr>
<td>DNFBP</td>
<td>Designated Non-Financial Businesses and Professions</td>
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<td>EDD</td>
<td>Enhanced Due Diligence</td>
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<td>FATF</td>
<td>Financial Action task Force</td>
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<td>FGS</td>
<td>Federal Government of Somalia</td>
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<td>FIA</td>
<td>Financial Intelligence Authority</td>
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<td>FIU</td>
<td>Financial Intelligence Unit</td>
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<td>FMS</td>
<td>Federal Member States</td>
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<td>FRC</td>
<td>Financial Reporting Center</td>
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<tr>
<td>ICT</td>
<td>Information and communication Technologies</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>KYC</td>
<td>Know Your Customer</td>
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<td>LCTRs</td>
<td>Large Cash Transaction Reports</td>
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<tr>
<td>MENAFATF</td>
<td>Middle East and North Africa FATF</td>
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<td>ML</td>
<td>Money Laundering</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>MTBs</td>
<td>Money Transfer Businesses</td>
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<tr>
<td>NAMLC</td>
<td>National Anti-Money Laundering and combatting the Financing of Terrorism Committee</td>
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<td>NCF</td>
<td>National Compliance Forum</td>
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<td>NRA</td>
<td>National Risk Assessment</td>
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<td>NPO</td>
<td>Non-Profit Organization</td>
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<td>RFI</td>
<td>Request For Information</td>
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<td>SAR</td>
<td>Suspicious Activity Report</td>
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<td>SOCAF</td>
<td>Special Operations Command Africa</td>
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<td>SOM</td>
<td>Smuggling of Migrants</td>
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<td>STRs</td>
<td>Suspicious Transactions Reports</td>
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<td>TBML</td>
<td>Trade-Based Money Laundering</td>
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<td>THB</td>
<td>Trafficking in Human Beings</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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</table>
Established in 2016 by the Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) ACT, the Financial Reporting Center (FRC) is Somalia’s financial intelligence unit (FIU) with the objective to operate as a national central agency responsible for the receipt, analysis and appropriate dissemination of all information relating to money Laundering (ML) and terrorism financing (TF) in Somalia. In addition to designated reporting entities, the FRC works closely with national supervisory bodies responsible for making Somalia’s financial system intolerant to financial crimes and abuse.
1.2 EXECUTIVE SUMMARY

This Annual Report focuses on the various workings and strategies of the FRC in addressing the financial crime that play a central role in destabilizing the security and development of the country. Eliminating TF, criminal enterprises, corruption, fraud, and abuse of financial systems are necessary for any country to prosper. The challenges associated with ML and TF are apparent throughout the economic system of Somalia and require a concerted effort from all stakeholders.

Despite the challenges, tangible achievements have been made over the last two years, including:

• Publication of the National Risk Assessment (NRA) Report;
• Internal Review of the AML/CFT Legal and Regulatory Framework;
• Establishment of the Communication Unit;
• Development and dissemination of AML/CFT related cases;
• Producing strategic analysis reports for financial institutions;
• Licensed the goAML software developed by UNODC as a strategic response to ML and TF activities;
• Signed memorandums of understanding (MOUs) enabling cooperation and information sharing between six (6) countries.
This is the biennial report of the FRC progress for the 2021/2022 years. It seeks to highlight the achievements of the Center, its priorities, and its challenges. Since the last report published in 2020, FRC has taken significant steps to advance AML/CFT institutional structure, support reporting entities to execute compliance obligations through continued guidance, establish mechanisms to undertake investigation and prosecution of financial crime, and the completion of the NRA Report. FRC has also established an updated internal strategic plan for 2022-2026 that guides internal operations.

This report highlights FRC’s activities during 2021 and 2022 in institutional development, the publication of Somalia’s NRA Report, the upcoming mutual evaluation, and legal, regulatory, and operational activities. With great honor, I introduce this report showcasing growth toward implementing an effective AML/CFT regime in Somalia.

As the primary AML/CFT institution, the Center is responsible for requesting and receiving information from reporting entities on suspected proceeds of crime, associated predicate offenses, and TF, including large cash transactions (LCTR) and suspicious transaction reports (STR), as well as reports on cross-border transport of cash or bearer negotiable instruments.

I am pleased to forward this report highlighting FRC’s significant progress in AML/CFT case development and dissemination, institutional structure, strengthening reporting entity compliance, and expanded inter-agency cooperation.
An effective AML/CFT regime is crucial for reviving and maintaining a reliable financial system in Somalia. An effective AML/CFT regime will create an environment where people can restore their trust in the financial system domestically and with the international community. Effective AML/CFT regime will ensure that the integrity of Somalia’s financial system is protected, and that justice is served through expertise in countering ML and the TF to:

- Ensure the country’s financial system is compliant with AML and CFT Act of 2016 and subsequent regulations;
- Identify and monitor developments related to ML, TF, and other financial crimes that are likely to occur and mitigate them;
- Ensure reporting entities have proper guidelines and regulations that will enable them to detect and prevent financial crimes effectively;
- Protect the country’s financial integrity;
- Create awareness through the National AML/CFT Committee (NAMLC) and other competent authorities;
- Provide confidential and secure systems that protect data from the reporting entities;
- Foster international cooperation through the exchange of information on financial crime with similar bodies in other countries focused on AML/CFT;
- Strengthening the national NAMLC as an information-sharing gateway amongst its member institutions and enhancing domestic coordination effectiveness.

Since its inception, the FRC has hired individuals who are sufficiently qualified and experienced to achieve the AML/CFT regime’s goals in Somalia. FRC currently employs 68 people, including two in senior management and 40 in middle and lower management; however, the FRC seeks to continue expanding to implement an AML/CFT regime in Somalia effectively.

The five organizational divisions in which Center staff members are organized are described briefly:

- Administration Division: Primary responsibilities include supply chain management, human resources, registration and document storage services, personnel recruiting and development, and security services.
- Regulatory Reporting Analysis and Enforcement Division: Gathers information from reporting entities and law enforcement that is evaluated to produce financial intelligence about criminal proceeds, ML, and TF. The Division also holds feedback meetings and implements training interventions while maintaining relationships with law enforcement.
- Regulatory Policy Division: Implements the AML/CFT Act, interacts with international and regional policymaking and standard-setting organizations, and offers policy guidance on strategic issues relating to ML, criminal proceeds, and the TF.
- Supervisory Review Division: Advises reporting entities and keeps track of how supervisory authorities carry out their AML/CFT Act-related duties. Focusing on AML/CFT Act compliance oversight and maintaining close contact with colleagues, supervisory authorities, and reporting organizations on compliance-related concerns are required. The Division provides recommendations and reporting formats to guarantee that the reporting entities follow the AML/CFT standards.
• IT and Data Security Division: Provides dependable and efficient technological solutions to support the FRC’s strategic goals and objectives. This includes organizing staff training and planning the Center’s ICT development and maintenance. It also includes managing the purchase of hardware and software for all essential central system operations.
1.6 CURRENT CHALLENGES

Poor coordination among the government entities within the AML/CFT regime:

- No existing guidelines on sharing information;
- Requests made to government entities may result unanswered or reply with poor quality reports;
- MOU between government entities may fail to materialize if not adequately enforced.

These realities have hindered efforts to enforce compliance initiatives and improve the AML/CFT regime.

Poor compliance by reporting entities to AML/CFT regime:

- Weak know your customer (KYC) and customer due diligence (CDD) requirements implementation;
- Reporting entities not honoring their reporting obligations resulting in limited to no STRs;
- Poor quality of STRs when they are filed;
- Requests made to reporting entities remain unanswered, incomplete, or may take time;
- Freezing orders are rarely honored or are not confirmed; however, improvements were seen in late December 2022;
- Mobile money service providers are in a grace period;
- Important legislation, such as the sanction and counterterrorism laws, has yet to be passed;
- The lack of national identification infrastructure has adversely affected the KYC and CDD requirements;
- Limited geographical coverage of the AML/CFT regime.
Somalia’s NRA Report 2020
The completion of the NRA in 2021 and its subsequent publication in 2022 was a significant achievement for Somalia. This was Somalia’s first NRA on ML and TF. It marks an important milestone as it is a good stepping stone for Somalia to combat risks associated with financial crime effectively.

The report defined the ML/TF risk characteristics for Somalia, which are prevalent threats of ML/TF, and the extent to which the country is vulnerable. The report will assist stakeholders in better understanding ML/TF risks faced by Somalia. A link to the report can be found in Annex 1.

The National AML/CFT/CPF Strategy and Action Plan
The NRA 2020 highlights the need for Somalia to address ML, TF, and proliferation financing (PF). Establishing a National AML/CFT/CPF strategy and action plan is essential to effectively mitigate the country’s ML/TF/PF risk levels.

This strategy was developed as part of the NRA; however, it has not been formally published due to further approvals being required by the Somali government.

The objectives of the National AML/CFT/CPF implementation strategy for 2022-2025 are:
- Improving coordination within regulatory bodies and AML/CFT/CPF stakeholders.
- Commence discussion and present their immediate actions to address the strategy and action plan within the period prescribed.
The proposed stakeholders responsible for acting upon and addressing each action plan might include the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>AML/CFT/CPF Stakeholders</th>
<th>NAMLC Member</th>
<th>NAMLC Taskforce</th>
<th>Proposed Taskforce Expansion</th>
</tr>
</thead>
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<tr>
<td>1</td>
<td>Ministry of Finance (Tax/Customs Authorities)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
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<td>2</td>
<td>Ministry of Planning</td>
<td></td>
<td></td>
<td>Yes</td>
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<tr>
<td>3</td>
<td>Ministry of Water and Mineral Resources</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
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<td>4</td>
<td>Ministry of Interior</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
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<td>5</td>
<td>Ministry of Petroleum</td>
<td></td>
<td></td>
<td>Yes</td>
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<tr>
<td>6</td>
<td>Ministry of Justice</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>7</td>
<td>Ministry of Humanitarian and Natural Disasters</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>Ministry of Commerce</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>Ministry of Internal Security</td>
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<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>Attorney General</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>11</td>
<td>National Intelligence Agency</td>
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<td>Yes</td>
<td>Yes</td>
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<td>12</td>
<td>Anti-Corruption Commission</td>
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<td></td>
<td>Yes</td>
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<td>13</td>
<td>Military Intelligence</td>
<td></td>
<td></td>
<td>Yes</td>
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<tr>
<td>14</td>
<td>Somali Police Force (SPF)</td>
<td></td>
<td></td>
<td>Yes</td>
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<tr>
<td>15</td>
<td>National Security Advisor (Office of the President)</td>
<td></td>
<td></td>
<td>Yes</td>
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<td>16</td>
<td>Office of the Prime Minister</td>
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<td>Yes</td>
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<td>17</td>
<td>Military Court</td>
<td></td>
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<td>18</td>
<td>FRC</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>19</td>
<td>Central Bank of Somalia</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>20</td>
<td>Academia</td>
<td></td>
<td></td>
<td>Yes</td>
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<tr>
<td>21</td>
<td>National Communication Authority</td>
<td></td>
<td></td>
<td>Yes</td>
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<tr>
<td>22</td>
<td>Law Society Sector Representatives</td>
<td></td>
<td></td>
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<tr>
<td>23</td>
<td>Chamber of Commerce</td>
<td></td>
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<td>Yes</td>
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<tr>
<td>24</td>
<td>Auditors Association</td>
<td></td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>25</td>
<td>Immigration and Naturalization Directorate</td>
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<td>Yes</td>
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</table>
Completing the National AML/CFT/CPF strategy and action plan will be used as a roadmap. It’s formalized to strengthen the country’s AML/CFT/CPF abilities. The NRA highlighted significant gaps; however, each of these gaps represents an opportunity for improvement. Once approved, the National Strategy focuses on 22 factors relating to strengthening the country’s AML/CFT/CPF abilities. These factors are organized into the following main categories:

- Improving the capacity of reporting entities to comply with the AML/CFT/CPF law and regulations and developing an environment where reporting entities may safely operate and meet their regulatory obligations. For instance, a key finding in the NRA reveals that reporting entities face several ML/TF risks due to the lack of identification systems. This challenge is amplified by the lack of public and private sources of information for reporting entities to perform their risk-based approach obligations effectively. Therefore, FGS/FMS needs to focus on a country-wide identification system.

- Enhance formalization of the economy and financial integrity. There are many unregulated economic activities, and most business operations remain unregistered, resulting in limited economic regulation. Unregistered economic activities pose challenges, making it difficult for law enforcement agencies to access transactions when investigating and prosecuting ML offenses and tracing proceeds of crime. The same is true with the level of financial integrity. To improve the quality of business and professional standards and tax transparency in the country, the country’s tax regulatory framework should provide transparency of financial matters of the citizens and companies, including the sharing of information by the tax authorities and law enforcement agencies.

- Law enforcement agencies and the country’s judicial system, including the Attorney General, must effectively coordinate with AML/CFT/CPF stakeholders and exchange information and records to tackle the ML/TF risks.

In the short term, the AML/CFT/CPF Taskforce will assist Somalia in preparing for the Middle East and North Africa-Financial Action Task Force (MENA-FATF) mutual evaluation in 2024 through the implementation of the National AML/CFT/CPF strategy and action plan.

There are interrelated actions the competent authorities and the private sector must collectively work together on and take measures to implement and use the National Strategy as the roadmap. FRC proposes the following actions be implemented ahead of the MENA-FATF mutual evaluation assessment in 2024:

- A comprehensive review of the legal and regulatory framework to align with the FATF standards and eliminate inconsistencies;
- Establishing skilled task forces;
- Identification infrastructure systems;
- Counter Terrorism Law;
- Comprehensive Asset Forfeiture Law;
- Targeted Financial Sanctions Law;
- Specialized Investigative Unit on financial crimes;
- The need to create a specialized financial crimes tribunal.

Resources to Build Skilled Task Forces to Combat ML/TF/PF Effectively

- Organizing and coordinating sustainable resources allocations;
- Skills development and training programs provided to stakeholders immediately responsible for participating in the MENA-FATF review and examination;
- Training and intergovernmental agencies skills development.
## 2023 NRA Priorities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
<th>Tentative Date</th>
<th>Modality</th>
<th>Target audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRA Guidance Document</td>
<td>The document that provides the highlights/main points of the NRA and mitigating actions that serve as guidance to the private sector in compliance with the requirement in recommendation</td>
<td>1st Quarter of 2023</td>
<td>Hybrid</td>
<td>Public authorities and private sector</td>
</tr>
<tr>
<td>Introduction to the AML/CFT/CPF International Standards</td>
<td>This course aims to familiarize competent authorities with the international AML/CFT standards. At the end of the course, participants will have an overview of the AML/CFT and CPF standards.</td>
<td>January 23, 2023</td>
<td>Hybrid</td>
<td>Delegated Taskforces “expanded” are the participants</td>
</tr>
<tr>
<td>Executive Training and Program Management</td>
<td>Management and leadership training courses to develop new leadership techniques and refine old skills. Such a course can aid assertive communication, motivation methods, and coaching.</td>
<td>March 2023</td>
<td>Virtual</td>
<td>FRC leadership</td>
</tr>
<tr>
<td>Coordination and Cooperation Workshop</td>
<td>Based on the NRA, the country’s interagency coordination should be improved; in this context, the development of a coordination workshop is proposed to define what protocols or agreements, as well as cooperation mechanisms, are required between competent authorities to enhance their cooperation. As an outcome of this workshop, it is expected to define the components of formal instruments to make coordination and cooperation operational</td>
<td>November 21-22, 2022</td>
<td>In-person</td>
<td>Delegated Taskforces “expanded” are the participants</td>
</tr>
<tr>
<td>NAMLC AML/CFT Mutual Evaluation Preparation</td>
<td>As the supreme AML/CFT body in Somalia, NAMLC is central to preparing and implementing AML/CFT policy. With the mutual evaluation of AML/CFT fast approaching, NAMLC could benefit from lessons learned by other countries in the region and FATF who have undergone this process recently and understand FATF expectations, in particular about effectiveness. This activity’s objective is to illustrate the process that is about to begin and analyze best practices in preparation for this milestone. At the end of the activity, we expect NAMLC to agree on a road map for the mutual evaluation process.</td>
<td>July 8-11, 2023</td>
<td>In-person</td>
<td>Delegated Taskforces “expanded” are the participants</td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
<td>Tentative Date</td>
<td>Modality</td>
<td>Target audience</td>
</tr>
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<tr>
<td>Legal Drafting</td>
<td>The NRA has identified several areas where legislative and regulatory changes are required to implement technical compliance with the FATF Standard.</td>
<td>Ongoing</td>
<td>Remote</td>
<td>Legal drafting</td>
</tr>
<tr>
<td>Mock exercise - On-site Mutual Evaluations</td>
<td>As Somalia approaches the mutual evaluation, Somali authorities and the private sector must be prepared for the process.</td>
<td>August 22, 2023</td>
<td>Delegated Task Forces “expanded” are the participants</td>
<td></td>
</tr>
<tr>
<td>Use of Financial Intelligence</td>
<td>The main objective of this activity is to provide a space for the exchange and discussion of information to strengthen the capacities of the FIU authorities and prosecutors regarding the appropriate management of intelligence information, emphasizing the importance of disseminating any such information to the law enforcement authorities. This workshop will last two and a half days in which aspects related to the following topics will be addressed: i) the development and dissemination of financial intelligence reports, ii) the significance of the quality thereof, iii) safeguarding the confidentiality both in information dissemination and investigation stages and iv) recent trends of multilateral information exchange. The outcome of this workshop is a guidance document for the proper use of financial intelligence.</td>
<td>Tentative date</td>
<td>Hybrid</td>
<td>FIU and law enforcement authorities</td>
</tr>
<tr>
<td>Private Sector Program</td>
<td>Develop a tailored program to enhance capacity for financial institutions and DNFBPS on preventive measure implementation. In addition, given the role of non-profit organizations (NPOs) in Somalia, raising awareness programs would support the protection of the NPO sector by ensuring proper knowledge of the TF risk that the sector might face in Somalia.</td>
<td>Tentative Date Suggestion</td>
<td>Virtual</td>
<td>FRC leadership Reporting Entity and FGS mainly stakeholders, plus Financial Institutions and DNFBPs NGOs NPOs</td>
</tr>
</tbody>
</table>
2.2 REGULATORY POLICY DIVISION

This Division of the FRC is responsible for supporting the Center to develop and strengthen its governance, regulatory and supervisory frameworks and enhancing compliance by reporting entities with the AML/CFT legal framework. The Division supports drafting, interpreting, and applying regulatory instruments, guidance notices, and legal documents. It also researches new trends, techniques, and technological innovations. It ensures that the institution remains abreast of relevant domestic and international trends and developments and informs and supports the work of the FRC.

The achievements of the Division over the past twelve months are summarized below:

**Strategic Plan Development Coordination**

The FRC developed its second strategic plan for five years, 2022-2026, which is aimed at guiding and streamlining FRC’s operations specifically tailored to deliver on its mandate as the central national agency for coordination of AML/CFT activities. The Division coordinated these efforts throughout the drafting and adoption phases.

Arising from the above key result areas and the strategic issues that need to be addressed in each area, the FRC will pursue the following strategic objectives:

- Strengthen the management of risk related to ML and TF.
- Strengthen compliance with AML/CFT law, regulations, and guidelines.
- Strengthen implementation of AML/CFT law through national coordination and response to ML and TF.
- Strengthen AML/CFT law implementation through international partnerships with other competent FIUs worldwide.
- Enhance the capacity of FRC to deliver on its mandate.
- Integrate ICT in the FRC operations and processes, including the goAML electronic reporting system rollout.
- Enhance research, data analysis, and information management to control financial information.
- Strengthen supervision and enforcement of compliance with the AML/CFT obligations.
- Strengthen policy, legal and regulatory framework to comply with international standards.

**Review of the AML/CFT Legal and Regulatory Framework**

The Division reviewed the AML/CFT Act of 2016 and documented critical gaps, deficiencies, and inconsistencies inherent in the act that hamper the Center’s effective implementation of the AML/CFT Act. The internal review of these instruments made important proposals for reform in the AML/CFT regime.

Below are the key proposals made by the Division:

- Empower FRC to implement preventive measures better;
- Power to influence transactions suspected of being linked to AML/CFT;
- Ability to stop a transaction/delay for ML or TF suspicion;
- Evident power to freeze accounts of individuals or entities for suspicion of ML or TF;
- The language that prevails in case of contradiction between texts;
- Provisions to strengthen FRC’s independence were introduced.

**Training of Employees and Reporting Entities**

The Division conducted tailored training for employees focusing on policy, legal and regulatory aspects of the AML/CFT regime and completed specialized training for compliance officers of reporting entities. This effort aims to strengthen their understanding of the AML/CFT regime and ways to comply with their obligations.
Coordination on Mutual Evaluation

The Division coordinated between the MENA-FATF and the Center for planning the mutual evaluation exercises scheduled to take place sometime in 2024. Sharing information required from the Center and answering key questions, and training employees on the mutual evaluation exercises to better equip them for the upcoming evaluation.

Development of the Human Resources Manual

The Division completed the development and review of the FRC human resources manual, an essential document for regulating and managing employees at the Center.

Mutual Legal Assistance

The Division submitted and responded to several mutual legal requests from five counterparts in South-East Asia, Africa, and the Middle East, which provided information on countering ML and the TF.

Policy Division 2023 Priorities

- Review the AML/CFT legal framework by aligning it with international standards and sharing it with stakeholders for legal reform and share with stakeholders for amendment.
- Amend and draft regulations for better implementation of the AML/CFT Act.
- Capacitate reporting entities and national institutions on the AML/CFT legal and regulatory framework.
- Coordinate between the FRC and MENA-FATF on the mutual evaluation exercise scheduled for 2024.
2.3 ESTABLISHMENT OF COMMUNICATION UNIT

In 2022, the FRC established a communication Unit, which cuts across all FRC divisions. The FRC has a 3-year communication strategy aiming to:

- Outline the strategic objectives guiding the FRC’s external and internal communications.
- Identify and inform FRC stakeholders on visibility and branding for top-of-mind awareness.
- Outline the FRC’s communications and stakeholders’ engagement channels and methods.
- Inform implementation and evaluation procedures of the FRC’s external and internal communication practices.
- The FRC communication and media strategy 2020-2023 was written by a consultant in 2020 but not implemented until 2022 as the communication mentor was onboarded.

2.4 CAPACITY BUILDING AND TRAINING

Internal FRC Training

In September 2021, the FRC signed a two-year membership contract with the Association of Certified Anti-Money Laundering Specialists (ACAMS) for the following departmental staff.

- Three analyst staff registered for the Certified Transaction Monitoring Associate (CTMA) examination.
- Three Compliance staff registered for the Certified KYC/CDD Associate (CKYCA) examination.
- Three management staff registered for the Certified Anti-Money Laundering Specialists (CAMS) examination.

Transaction monitoring is a core component of an AML and financial crimes compliance program. For institutions such as FRC, certifying employees with CTMA represents a significant commitment to AML and financial crimes compliance in increasingly complex laws, regulations, and policies.

The CKYCA certification equips FRC compliance staff knowledge required to train and support the financial institutions front line and operations teams to meet the core competencies of KYC and CDD activities.

The CAMS designation denotes a superior understanding of international AML/CFT principles. The CAMS examination distinguishes FRC senior and middle management as AML/CFT authority experts. It helps mitigate the risk posed to AML/CFT and contributes to the global fight against financial crimes.

All staff have completed the study material and mentoring session and are preparing to sit the final exams between September 2022 and March 2023.
<table>
<thead>
<tr>
<th>Training Topics</th>
<th>Date(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Foundational Course on Financial Investigation for Law Enforcement Agencies and FIUs</td>
<td>September 6-10, 2021</td>
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<tr>
<td>Counterterrorism Financial Investigation</td>
<td>February 2020, January 2021</td>
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<tr>
<td>Fraud Detection</td>
<td>April 2021</td>
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<tr>
<td>International Seminar: Trafficking in Human Beings (THB) / Smuggling of Migrants (SOM) Intelligence Sources</td>
<td>January 24-28, 2022</td>
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<td>Regional Training Workshop on Cryptocurrency and Anti-Money Laundering Measures</td>
<td>September and December 2021</td>
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<td>Workshop on Enhancing Awareness of Risks and Roles of DNFBPs</td>
<td>October 25-29, 2021</td>
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<tr>
<td>Regional Training Workshop on Asset Recovery: Confiscation, Management, and Virtual Assets</td>
<td>October 11-15, 2021</td>
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<td>Enhancing Financial Investigation Capacity of AML-THB Gold Certified Trainers in the Targeting and Disrupting the financing of THB/SOM Criminal Networks</td>
<td>September 13-17, 2021</td>
</tr>
<tr>
<td>Advanced Operational Analysis and Risk Assessment Course</td>
<td>July 5-9, 2021</td>
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<tr>
<td>Regional Training Webinar: Asset Recovery Frameworks, Standards, and Tools</td>
<td>May 17-21, 2021</td>
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<tr>
<td>Regional Webinar on FATF Standards on Effectiveness</td>
<td>December 14-17, 2021</td>
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<tr>
<td>Financial Investigation Techniques</td>
<td>November 2-3, 2021</td>
</tr>
<tr>
<td>Improving the Quality of STR Reports</td>
<td>October 26-27, 2021</td>
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<tr>
<td>Digital KYC and Remote Onboarding</td>
<td>March 24-25, 2021</td>
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<tr>
<td>Combating the Financing of Proliferation-Weapons of Mass Destruction</td>
<td>March 2-3, 2021</td>
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<tr>
<td>Ultimate Guide to ML</td>
<td>2021</td>
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<tr>
<td>Ultimate Guide to TF (CFT)</td>
<td>2021</td>
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<tr>
<td>Difference Between TF and ML</td>
<td>2021</td>
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<tr>
<td>ML Impact on Socioeconomics</td>
<td>2021</td>
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<tr>
<td>Fighting ML with AML Act and Regulation</td>
<td>2021</td>
</tr>
<tr>
<td>Protecting Financial Institutions against AML/CFT Risk and Damage</td>
<td>2021</td>
</tr>
<tr>
<td>KYC/KYCC/CDD/EDD</td>
<td>2022</td>
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<tr>
<td>The Quality of STR</td>
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<tr>
<td>Professional ML</td>
<td>2022</td>
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<tr>
<td>Trade-Based ML</td>
<td>2022</td>
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<tr>
<td>Shell and shelf companies</td>
<td>2022</td>
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<tr>
<td>Politically Exposed Persons identification and Verification</td>
<td>2022</td>
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<tr>
<td>ML and TF-Indicators</td>
<td>2022</td>
</tr>
<tr>
<td>Quality and-purpose of STR</td>
<td>2022</td>
</tr>
</tbody>
</table>
3.1 ANALYSIS DIVISION

Throughout 2021, the Analysis Division saw continued capacity development. Notably, the Division began a one-year mentorship program with UNODC, which concluded in September 2022. The UNODC mentorship program supported capacity development, case development, and formalization of analytic processes.

In 2022, the Division’s focus has progressed to operational activities utilizing the knowledge obtained through capacity development over the past several years. Several activities include supporting reactive cases from other Somali government organizations, including product publication, proactive case development, and dissemination. These operational activities are evidenced in the following subsections.

Following the President’s declaration of war against Al-Shabaab, specifically on TF, the Center drafted a financial disruption strategy for executive-level consideration.

Case Development and Dissemination

Financial analysis reports typically review and analyze account statements, but this can vary depending on the requestor’s needs. In contrast, complete case reports provide the account statement analysis and open-source intelligence and information from other Somali government organizations. Full case reports are meant to initiate cases and offer intelligence leads to investigators and prosecutors.

In 2021, the analysis team supported five (5) cases related to TF with financial analysis reports. All five (5) of the cases resulted in convictions.

In 2022, the analysis team supported four (4) cases related to TF with financial analysis reports, all of which resulted in convictions. An additional two (2) TF cases were supported with financial analysis reports for ongoing investigations.

In 2022, the analysis team proactively developed and disseminated three (3) cases to the AGO and five (5) cases to the Ministry of Interior Security for further investigation and possible prosecution. The case descriptions are as follows:

- 1x case on suspected international human trafficking-migrant extortion
- 1x case on a sanctioned company connected to TF and TBML
- 1x case on suspected TF and TBML
- 5x cases on suspected TF

The analysis team is actively working on 85 additional cases received under suspected TF connections. Once completed and approved for dissemination, these cases will be disseminated to the appropriate authorities for investigation and possible prosecution.

The Center is working on expanding interagency collaboration to acquire additional investigative leads on TF. The efforts and activities of the Center to identify, deter, counter, and prevent TF are a high priority.

Account Freezing

In 2022, FRC issued over 250 account freezing orders primarily related to TF accounts in four different banks. During 2021, there were 10 bank account freezing orders submitted due to TF connections.

Mobile Money Account Suspension

In 2022, about 160 mobile accounts were ordered to be closed in two mobile money companies for the involvement of TF and extortion. An additional two (2) merchant accounts were ordered to be closed due to TF connections.

Typology Reports

The analysis division has planned to produce three intelligence product reports in 2022.

In October 2022, the analysis division produced the first intelligence product, the Structuring
Typology Report, which aims to provide reporting entities, particularly financial institutions, with crucial information on identified structuring trends in Somalia to help reduce ML and TF risks to their organization. Red flag indicators and best practices are identified for Somalia’s financial institutions to help monitor transactions that are possibly structured for timely STR or LCTR filling. A link to the report can be found in Annex 1.

Two other intelligence products in the early stages of production are human trafficking-migrant extortion, and real estate vulnerabilities to TF. Furthermore, the Division has produced a report on mobile money merchant accounts in Somalia conducted to assess the vulnerability of merchant accounts to ML and TF. This report is based on informal interviewing of users and providers of the merchant accounts, examination of FRC records, and information from open source platforms.

National Engagements
The analysis team has provided twelve (12) intelligence reports to organizations within the Ministry of Internal Security and the Somali National Army.

To enhance the inter-agency cooperation among AML/CFT stakeholders, notably government institutions, the analysis division of the FRC raised awareness training and outreach programs on AML/CFT to over sixty (60) officers from Federal and Federal Member States Police and Federal Prosecutors. In December 2022, the FRC provided TF and financial investigation awareness training to 15 officers in CTID to enhance their understanding of the subject and more effectively handle TF cases.

International Engagements
In May and October 2021, the Center dispatched two groups of FRC Analysis and IT officers to an official study tour to the Ugandan FIA in Kampala. The main aim of the study tour was to learn about the operations of FIA and gain training on the goAML system and how it can be utilized to its full potential to fight ML and TF.

Support to FRC Departments
The Division’s role is at the heart of the FRC mission, and its work is not only limited to analysis but also gives support to other departments and the Director’s office.

The Division assisted the NRA team in identifying ML/TF vulnerabilities and threats based on the Division’s strategic findings.
It prepares ML/TF red flags or indicators for the Compliance Division to inform the financial institutions and DNFBPs of the country to be vigilant and keep them know the sophisticated techniques used by money launderers and terrorist financiers.

It identifies, assesses the feasibility, and deploys proactive research methodologies supporting FRC operational activities.

Consult the FRC Director on deficiencies and weaknesses in the national AML/CFT regime and provides recommendations to effectively remedy them.

The Division has been actively contributing to the national compliance forums with identified gaps needed to be rectified. Such as enhancing quality STRs, placing control mechanisms on their customers, monitoring and scrutinizing structuring transactions by their clients, and promptly submitting STR to the FRC for all transactions that appeared to be linked to ML and TF as stipulated in the AML/CFT Act 2016.

The Division has taken part in goAML customization by providing documentation on the various aspects of the goAML system, such as schema updates, business rules, and web user manual and report indicator document.

1. Description of XML Nodes.
2. Description of common types used in the Schema.

Formalization of FRC Analytic Processes

Throughout 2022, the Division has been working to formalize analytic processes within the FRC by establishing standard operating procedures and internal guidelines. UNODC’s mentorship program has been instrumental in moving this initiative forward. The procedures are being utilized to customize goAML and will help FRC workflows.

Analysis Division Priorities for the 2023 Reporting Period

The Division is anticipating a busy year in 2023, given Somalia’s national priority to combat al-Shabaab, the upcoming mutual evaluation in 2024, goAML going live in Somalia, expanded engagements with DNFBPs, and increased interagency cooperation. The analysis division’s priorities for 2023 are as follows:

• Continued support to al-Shabaab financial disruption;
• Preparation for the 2024 mutual evaluation;
• goAML goes live and is integrated into internal processes;
• Increased analysis and monitoring of DNFBP reports;
• Expanded training and cooperation with other Somali governmental organizations;
• Continued formalization of analytic functions;
• Increased case development and dissemination;
• Increased publication of strategic analysis products.
3.2 COMPLIANCE DIVISION

During 2021-2022, the division has embarked on capacity-building programs. The program was part of the training and upskilling to respond to the commitment made under the Somalia economic and financial reforms and AML/CFT law implementation at Federal level institutions and private sectors.

Given the FRC leadership’s priority on institutional capacity building, in 2021-2022, the focus was the staff of the division and reporting entity capacity building to improve the institution’s structural framework for combating ML and TF. This involves examining the organization and surrounding environment regarding reporting entity capacity building to update financial institutions and DNFBPs to improve their understanding of the current ML and TF techniques.

The compliance division staff provided tailor-made AML/CFT training programs to front-line staff and compliance officers and set up country-wide quarterly National Compliance Forums (NCF) and annual high-level financial industry meetings. The country-wide quarterly NCFs and annual high-level financial industry meeting addressed the industry AML/CFT combating gaps. The FRC identified significant capacity-building gaps and actively worked to improve these gaps. The department expanded AML/CFT capacity-building training throughout financial institutions, mainly banks, remittances companies (Hawala), and DNFBPs, to reduce the AML/CFT knowledge gaps. The overarching goal of the capacity-building training is to strengthen the technical capacity of reporting entity representatives on the critical compliance and standards to support the development of AML/CFT combating skills.

Compliance staff and banking mentors collectively provided 120 hours of capacity-building training during 2021-2022 and 12 weeks of training per year.

DNFBP Engagements

During 2021-2022, the compliance division undertook a considerable task to engage the DNFBPs sector and successfully held the first engagement meeting with the registered notaries, lawyers, and public accountants.

The objective of the meeting is to strengthen the collaboration between FRC and the DNFBP sector, provide a practical discussion, and raise knowledge and awareness of AML/CFT regime obligation and the FRC reporting requirement for reporting entities.

STR/LCTR Numbers and Evaluations

STR statistics submitted by Banks and MTBs 2021-2022:

2021: 2
2022: 5

LCTR statistics submitted by Banks and MTBs 2021-2022:

2021: 353
2022: 466
RFI Numbers and Evaluations

When responses are received, the average response time of RFIs is three weeks. However, many of the RFIs submitted received no response.

The number of RFIs sent to government institutions is twenty-six (26) in 2022.

The below table identifies the number of RFIs submitted to reporting entities. Many of these requests were to multiple reporting entities and often included multiple requests i.e. requesting information on 30 accounts in a single request.

![Infographic 3: Statistics of RFI 2021, 2022](image)

National Compliance Forums

During 2021-2022, the department has successfully conducted seven global standard Quarterly NCF and one High-level forum. These forums discussed and addressed various topics that will assess the country’s laws, regulations, frameworks, and institutional oversight for combating ML and TF across the financial and non-financial sectors. NCF’s objectives were to strengthen the relationship, collaboration, Conformities, and cooperation between the FRC and the reporting entities regarding compliance and AML/CFT reporting obligations.

The NCFs and High-level industry meetings addressed the following agenda:

- How financial institutions can develop an effective AML/CFT compliance program;
- Protecting financial institutions against AML/CFT Risks. The 3-Step Approach to Building an Effective AML program and recent UN Panel of Expert Report;
- Regulatory Issue and NRA and forthcoming country mutual evaluation assessment;
- The Global AML/CFT Case Studies and Lessons Learned from the Cases;
- The Threat of Structuring Transactions on AML/CFT Efforts in Somalia;
- Preventing Financial Technology crime through effective AML/CFT Practice;
- AML/CFT Regulatory Requirements;
- Current AML/CFT cases (trends and typologies discussion);
- AML/CFT reporting requirement for DNFBP/Compliance;
- The risk associated with new payment products and services;
- Current Global AML/CFT trends;
- Reporting entity requirements for building an effective AML/CFT policy and controls;
- TBML/Trade-Based TF differences and similarities;
- International trade and TBML red flags.
Compliance Division Priorities 2023

- Undertaking stakeholders’ consultation for mobile money service providers and DNFBPs to establish a close working relationship and provide a capacity-building training program for AML/CFT and reporting requirement guidance for complying with AML/CFT obligation and international standards.
- Reach out to all FMS to provide AML, CFT, and CPF awareness training.
- Continue the capacity-building program for remaining and newly established reporting entity.
- Continue Quarterly NCFs and annual high-level industry meetings.
- Publish quarterly AML/CFT trends and typologies.
- Closely collaborate with the relevant compliance focal points from Banks, MTBs, and other reporting entity to ensure appropriate staff receive the necessary training to comply with the FRC reporting systems and procedures.
- Support and strengthen the relationship between the FRC and reporting entity through the organization of monthly meetings to discuss issues of common interest.
- Facilitate consultation meetings with reporting entity to submit bi-weekly STR/LCTR and cross border transaction reports.
- Assist with the provision of financial investigation training to build the capacity of both FGS and FMS law enforcement and prosecutorial agencies to investigate and prosecute ML/TF/PF successfully.
- Continuous professional development for compliance staff, provided by seconded Banking Expert/Mentor.
3.3. ICT DIVISION

The ICT division ensures access to information that enables FRC to make timely, informed decisions by strengthening data and knowledge management approaches.

Knowledge management represents a systematic approach to capturing, organizing, and retrieving information to support the FRC’s activities and enhance decision-making. It involves creating, storing, sharing, and integrating data to increase the flow of information between Somalia’s law enforcement agencies, bureaus, etc.

The Division provides a robust and secure IT Infrastructure that supports FRC On-Demand Access to Information and enhances collaboration across the Somali Government through digital solutions to inform and engage internal and external audiences.

ICT priority and Ongoing Projects

ICT Training Certifications
- VMware VCP install; Expected start date 2023
- CISCO routers and switches; Scheduled start date 2023
- SQL administration; Expected start date 2023
- Microsoft MCSC; Expected start date 2023

- ICT Infrastructure Remediations
- VMware Virtualization TLS and security loop check; Started 2022
- ESXi SSL security remediation; Started in 2022
- HP Prolaint ILO and InSight Manager firmware updates; Ongoing
- CISCO ISO security guidelines for FRC cisco hardware; Expected to start 2023
- goAML UNODC security document follow-ups to tighten the web interface; Started 2022
- ICT Disaster Recovery Construction
- DR site construction; Expected 2023
- DR hardware and software delivery; Expected in 2022
- The server room LAN interlink Fiber connectivity Design is prepared; Expected 2023
- ICT Support & Maintenance
- FRC hardware; Software local vendor to implement SLA; Expected 2023
- FRC break fix for hardware and software; Expected 2023
- FRC Software License Renewals; Expected 2023
- goAML MM Enterprise version.
3.4 GOAML (ANTI-MONEY-LAUNDERING SYSTEM)

The FRC has acquired the goAML software license from UNODC as a strategic response to ML and TF activities for the FIUs. The goAML system allows the reporting entity to submit different types of reports uniformly, giving FRC access to more structured data and a far better basis for analysis, follow-ups, communication among stakeholders, and dissemination to law enforcement and competent authorities. However, FRC has been working on different stages of the system implementation to launch the reporting entity using the goAML system while reporting to FRC.

goAML System Implementation

FRC introduced the goAML system implementation process soon after finalizing the system infrastructure procurement with UNODC, prepared the web application and configuration environments, and provided training on the goAML application to the FRC staff from the IT and Analysis for them to understand the system. This training has paved the way to start the customization process, which must align with the existing environment and fulfill Somalia’s international obligations (FATF’s 40 recommendations) to combat ML and TF. The following activities below have been mostly customized into the goAML system:

- Finalization of the goAML schema- February 2022- March 2023
- Web applications have been translated into the Somali language- March 2022- Nov 2023
- Conducted basic training on essential features in the goAML application to the Somali banks and MTBs- Sep 2022- Oct 2022
- Submission of test reports to the goAML test environment and XML reports- Sep 2022-February 2023

Other activities to achieve the date scheduled for the goAML system to go live include:

- Finalizing the customization of the goAML client application, designing STR workflow, suspicious activity report, case workflows, XML rejection business rules, and report acceptance templates.
- Submission of test reports to the goAML test environment and XML reports.
- Providing documentation on the various aspects
of the goAML system, such as schema updates, business rules, and web user manual and report indicator document to the reporting entity.

- Prepare goAML user guidelines and processes such as goAML user Registration, Report upload, and report submission guidelines.
- Perform production-related activities and finalize the goAML Enterprise Edition Production environment for going live.
- Conduct training and awareness sessions for the reporting entities and provide the continuous technical support needed by the entities.
- Finalize the Disaster recovery site to use as the recovery site for the FRC system operations if any failure happens.

**goAML System Implementation Challenges**

FRC will face several critical challenges in IT infrastructure and reporting integration in the system implementation and its operations, even after going live in August 2023. Completing the disaster recovery construction site is necessary to keep up the go-live schedule. Further, the delays resulting from the implementation of the remaining goAML customization stages and the full deployment of the goAML system to the reporting entities, even after going live, will continue to create challenges to keep up with the system implementation. Still, the FRC is dedicated to providing the necessary guidance and support needed by the reporting entities.

**goAML Priorities in 2023**

- Finalize the remaining customization and production stages before going live.
- Full deployment of the goAML system use to the reporting entities, launching full reporting to the system and providing continuous technical support to the entities.
- Conducting awareness training sessions for the stakeholders and supervisory body government agencies.
- Finalization of the disaster recovery site to use as a recovery site for the goAML system
3.5 COMMUNICATIONS UNIT

Innovative Tolls to Strength FRC’s Internal Communication Capacity

FRC has two systems that the ICT Division has developed, INTRANET and HR Plus. The INTRANET is a tool for sharing files to track divisions’ collaboration and editing accessibility. HR PLUS has tools like booking meetings with the management staff, publishing announcements, sending tickets, chatting with colleagues, managing/requesting leaves, and calendar booking for events/ training. These two tools will support FRC staff to communicate better internally by improving their work communication. The communication team is responsible for overseeing if the system is being used for the purpose it was created.

Training and Capacity Building for Staff on Internal Communications Tools

The Unit has trained staff in essential institutional communication and using internal communication tools. 15 staff have been trained on the tools for internal communication, which has improved the efficiency of working together.

Media Engagement and Branding

FRC engaged and reached out to local and international media to depict its work to support rebuilding Somalia’s financial system and restore its credibility in the global financial networks. FRC engaged with Voice of America (VOA), the New York Times, Somali National TV (SNTv), and Radio Mogadishu. All the media outlets took part in teaching the public about FRC and giving visibility.

Development of templates and standardization for FRC’s branding. These brands will be used for presentations, documentation, and archiving of the daily work for the staff.

To make the public understand the formal work of FRC, we have started an awareness called Human Stories. The stories aim to focus on the individuals that work in FRC. So far, one staff member has been interviewed to discuss the current NRA Report released in May 2022.

Two short videos on the institution were created that discuss “What is FRC” and “What is Money Laundering”. These videos aim to educate the public on those two topics. The videos will be disseminated through SNTV and Radio Mogadishu, increasing the public’s understanding of FRC. Links to interviews and videos can be found in Annex 1.

International Partners Engagement

The Unit has been engaging with essential partners of FRC to enhance collaboration and a better way to expand FRC’s work.

2023 Communication Unit Priorities

- Expand the communication staff to increase the production of the Unit.
- Buy more production equipment to enhance the quality of the production.
- Producing goAML guideline videos to make it easy for reporting entities to register, report and submit reports.
- Engage universities and financial institutions to increase public awareness of AML/CFT.
- Training Journalists in Somalia about AML/CFT so they can better report AML/CFT cases.
3.6. 2024 MUTUAL EVALUATION PREPARATION ACTIVITIES

- Developing a risk-based action plan to implement the recommendations and risks identified through the NRA.
- Dissemination strategy for the risk assessment and the national action plan for competent authorities and the private sector.
- Developing material for disseminating the NRA and the national action plan.
- Dissemination of events of the NRA and action plan, as agreed in the strategy.
- MOU for the establishment of the mutual evaluation task force.
- Designing a schedule for the data collection for the mutual evaluation.
- Executing the schedule for the data collection and organizing the data in preparation for the mutual evaluation.
- Support the authorities and consulting firm in the execution of a mock mutual evaluation and various activities in preparation for the mutual evaluation.
4.1 DOMESTIC MOUS
Under Section 21(5) of the AML/CFT Act 2016, the FRC may sign MOUs and other agreements with national regulatory agencies, law enforcement organizations, and other competent authorities to exchange information that is required for the receiving authority to carry out its duties and obligations. No domestic MOUs were signed during the reporting period.

4.2 INTERNATIONAL MOUS
The FRC may enter MOUs and other agreements with foreign counterparts as per Article 21 (13) of the AML/CFT Act 2016 to support and enhance the effectiveness and implementation of the country’s AML/CFT regime.

In its quest to strengthen and enhance regional and continental collaborations, the FRC signed MOUs for cooperation and information sharing with its counterparts in below jurisdictions:

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<thead>
<tr>
<th>Country</th>
<th>Date</th>
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<td>United Arab Emirates</td>
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</tr>
<tr>
<td>The Republic of Mozambique</td>
<td>26/04/2022</td>
</tr>
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<td>The Republic of Madagascar</td>
<td>24/04/2022</td>
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<td>The Republic of Yemen</td>
<td>27/04/2022</td>
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<tr>
<td>The Republic of South Sudan</td>
<td>26/04/2022</td>
</tr>
<tr>
<td>The Republic of Nigeria</td>
<td>01/12/2022</td>
</tr>
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</table>

4.3 INTERNATIONAL COOPERATION
Somalia became a member of MENA-FATF, a Middle East and North African regional organization in the FATF style that was established in response to the challenges posed by ML and TF schemes in the region’s member states. It develops its policies, guidelines, norms, and practices to accomplish its goals and collaborates with other international organizations, most notably the FATF. This MENA-FATF offers a venue for the secure exchange of knowledge and financial intelligence. To fight ML and TF by upholding international AML/CFT standards, Somalia applied to join the Egmont Group. By raising awareness of ML/TF risks among its stakeholders, the Egmont Group can enhance the effectiveness of its member FIUs’ work.

4.4 EGMONT GROUP
There is an ongoing process for being a member of the Egmont Group, and the FRC is currently pursuing to meet all essential membership requirements. It now has one sponsor country and yet is seeking another sponsoring country.
4.5 OTHER DIRECTOR AND SENIOR ENGAGEMENTS

- MENA-FATF meetings;
- Participated in Anti-ML–THB regional meeting;
- Participated in NAMLC meetings;
- Participated in countering finances of violent extremist organizations meeting hosted by SOCAF.

4.6 2023 ADMINISTRATION PRIORITIES

- Assist in implementing the NRA action plan and preparing the mutual evaluation report.
- Provide guidance and facilitate a continuous working relationship with compliance and the financial institutions on the regulatory requirements.
- Regularly review and revise issued reports and guidelines.
- Strengthen the border currency reporting framework by facilitating the compliance division in training relevant officials, providing appropriate advice, and raising awareness of the requirements.
- Facilitate holding regular meetings with law enforcement agencies and information-sharing mechanisms.
- Participate in the NAMLC regular meetings and provide secretarial support to provide feedback on ML trends, cases, and developments through regular meetings and briefings.
- Strengthen relationships with existing domestic and international partners.
- Develop training manuals and create training and development programs for the staff to ensure that employees have the skills to achieve FRC’s mandate and mission and advance within the divisions.
- Develop training strategy and talent development strategy for FRC through the conduct of an institutional capacity and talent gap analysis.

4.7 FUNDING

As an independent government agency, the FRC is publicly funded with an annual budget of approximately USD 1M on current expenditures, including salaries and services. The FRC infrastructure development, technical assistance, and IT infrastructure is supported through grants from the US State Department and implemented by International Development Law Organization (IDLO).

The FRC is a recipient of the World Bank’s SCALED-UP program that supports various government agencies with experts in their respective fields to provide assistance and expertise such as the NRA, mutual evaluation, and the delivery of consultants in addition to capacity-building initiatives.
5.1. ANNEX 1: INTERVIEWS, PRODUCTS, AND VIDEOS

5.1.1. Interviews

FRC Director Interview by VOA  [click the link]

5.1.2 Products

National Risk Assessment 2020  [click the link]
Typology Report on Structuring  [click the link]
FRC Human Stories  [click the link]

5.1.3 Videos

What is FRC?  [click the link]
What is Money Laundering  [click the link]

5.1.4 Guidelines

Account Freezing  [click the link]
Requests for Information (RFI)  [click the link]

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