

THE FINANCIAL REPORTING CENTER

2025




ANNUAL REPORT

**"SAFEGUARDING SOMALIA'S FINANCIAL SYSTEM
AGAINST ILLICIT FINANCE IS OUR PRIORITY."**

 www.frc.gov.so

 info@frc.gov.so

 +252-820096



Mogadishu - Somalia

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GENERAL INFORMATION

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- **About the FRC**
- **FRC Vision and Mission**
- **Letter From the Director**
- **Overview of Somalia's
AML/CFT Efforts (2025)**

THE SOMALI FINANCIAL REPORTING CENTER 2025 ANNUAL REPORT

REPORT OVERVIEW

The Financial Reporting Center (FRC) Annual Report 2025 provides a comprehensive information of the Center's performance, key activities, and strategic progress throughout the year. The report serves as an essential accountability and transparency instrument for both domestic and international stakeholders, demonstrating Somalia's continued commitment to strengthening its anti-money laundering and counter-terrorist financing (AML/CTF) regime.

The report highlights significant developments achieved in 2025, including the implementation of enhanced policies and procedures, capacity-building and training initiatives for reporting entities and stakeholders, and strengthened collaboration with regional and international partners. Particular emphasis is placed on the FRC's active engagement in the mutual evaluation process, including preparatory activities, technical coordination, and follow-up actions aimed at demonstrating compliance with international AML/CTF standards.

The report outlines the FRC's efforts to advance international cooperation and coordination through information sharing, joint initiatives, and partnerships with foreign financial intelligence units and relevant international organizations. These efforts have contributed to improving cross-border cooperation and reinforcing Somalia's role within the global financial integrity framework.

The report presents a comprehensive assessment of progress, key challenges, and forward-looking priorities, offering strategic direction to further reinforce financial integrity, promote transparency, and protect the Somali financial system. The Financial Reporting Center (FRC) continues to uphold its mandate to combat financial crimes and support a secure, transparent, and resilient financial environment in Somalia.



ABOUT THE FINANCIAL REPORTING CENTER (FRC)

The FRC was established in 2016 under the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Act. It functions as Somalia's Financial Intelligence Unit (FIU), responsible for collecting, analyzing, and disseminating financial information related to ML and TF. As a centralized administrative body, the FRC plays a dual role: it protects Somalia's financial institutions from abuse while ensuring that law enforcement agencies have the necessary information to prosecute offenders.

The FRC acts as an intermediary between financial institutions and law enforcement, preventing the misuse of financial systems while maintaining confidentiality and professionalism. Its administrative model allows it to analyze financial transactions and forward cases to competent authorities independently. This role is vital in Somalia, where financial systems have historically been vulnerable to exploitation. By implementing the AML/CFT Act and ensuring compliance across the financial sector, the FRC contributes to rebuilding Somalia's financial credibility on a global scale.



THE FINANCIAL REPORTING CENTER

Vision and Mission

1



Vision

To be a trusted center that serves as an example of financial management excellence free of financial crimes.

2



Mission

To help in rebuilding the country's financial system and restoring credibility of a financial system that can align with international standards.

3



About Financial Reporting Center

Is Somalia's Financial Intelligence Unit (FIU)
Independent center of expertise in the analysis of suspicious financial activity and the investigation of financial crimes.

4



Roles and Responsibilities

Responsible for the receipt, analysis and appropriate dissemination of all information relating to money-laundering and terrorism financing.

5



National Anti-money Laundering Committee (NAMLC)

The committee plays a vital role in overseeing and enhancing the AML/CFT regime in Somalia, ensuring that the country effectively combats money laundering and terrorist financing activities.

LETTER FROM THE DIRECTOR



AMINA M. ALI

**Director of Financial
Reporting Center (FRC)**

The FRC supported improvements in technical compliance, inter-agency coordination, and alignment with international AML/CFT standards. We also expanded international cooperation through increased information exchange with foreign counterparts.

The progress achieved in 2025 reflects strong collaboration with AML/CFT Competent Authorities, the private sector, and international partners. I sincerely thank all stakeholders for their continued support.

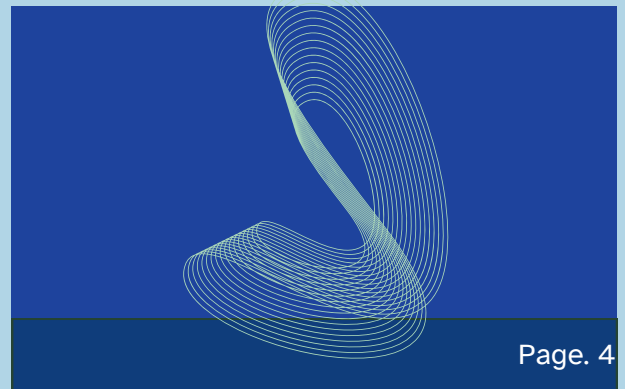
The FRC remains committed to promoting financial integrity, transparency, and resilience within Somalia's financial system.

Dear Stakeholders,

I am pleased to present the Financial Reporting Center (FRC) Annual Report for 2025, highlighting a year of meaningful progress, strengthened institutions, and expanded national and international engagement.

During the year, the FRC reinforced its core mandate by enhancing financial intelligence analysis, improving case dissemination to competent authorities, and strengthening coordination with national partners. These efforts contributed to a more effective response to money laundering, terrorist financing, and related financial crimes.

A key focus was advancing Somalia's readiness for the mutual evaluation process. Working closely with relevant authorities,



SOMALI PROGRESS IN AML/CFT

LEADERSHIP COMMITMENT



H.E. HASSAN SHEIKH MOHAMUD, PRESIDENT OF THE FEDERAL REPUBLIC OF SOMALIA

High-Level Political Commitment and National Strategy.

In 2025, Somalia achieved significant progress in strengthening its Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) framework through sustained political commitment, coordinated institutional reforms, and decisive operational measures. These achievements were guided by the leadership of the President of the Federal Republic of Somalia, Dr. Hassan Sheikh Mohamud, who declared a comprehensive national campaign against terrorist groups and elevated the fight against money laundering and terrorist financing within the country's national security and governance priorities. This high-level commitment fostered a unified national strategy built on military, ideological, and financial pillars, ensuring a comprehensive and integrated approach to disrupting terrorist networks and safeguarding the integrity of Somalia's financial system.

Strengthening Institutional Coordination and Inter-Agency Cooperation.

Within this framework, Somalia intensified efforts to combat money laundering and terrorist financing by strengthening coordination and cooperation among AML/CFT competent authorities. Inter-agency collaboration improved significantly, enabling timely information sharing between law enforcement bodies, prosecutors, security institutions, and the Financial Reporting Center. This integrated approach enhanced the country's capacity to detect, investigate, and prosecute financial crimes, contributing to improved national security, financial integrity, and institutional effectiveness.

Legislative and Regulatory Reforms.

Somalia undertook important legislative and regulatory reforms to enhance compliance with international standards. Amendments to the AML/CFT Act were introduced to address identified gaps and reinforce the legal framework.

Engagement with MENAFATF and the Mutual Evaluation Process.

At the same time, Somalia advanced its engagement with the Middle East and North Africa Financial Action Task Force by submitting its Technical Compliance documentation as part of the Mutual Evaluation process. This milestone reflects the country's commitment to aligning its legal and institutional framework with global AML/CFT standards and strengthening transparency and accountability within its financial system.

National AML/CFT Strategy and Targeted Financial Sanctions.

The National Anti-Money Laundering and Combating the Financing of Terrorism Committee developed a National AML/CFT Strategy to guide the country's efforts and establish clear national priorities in addressing financial crimes. The Committee also issued targeted financial sanctions against terrorist finance officers, enabling the freezing of their assets and restricting their access to financial resources. These measures have significantly weakened the financial capabilities of terrorist groups, strengthened national security, enhanced the integrity of the financial system, and reinforced Somalia's compliance with international AML/CFT obligations.

Terrorist Financing Risk Assessments and Risk-Based Approach.

In parallel, the Somali security sector and other AML/CFT competent authorities completed comprehensive Terrorist Financing (TF) Risk Assessments to better identify national vulnerabilities and emerging threats. The findings of these assessments have informed policy decisions, strengthened preventive measures, and enhanced the country's risk-based approach to combating terrorist financing.

A risk-based approach was further strengthened through the completion of additional Terrorist Financing Risk Assessments by the security sector and other AML/CFT competent authorities. These assessments identified national vulnerabilities and informed mitigation strategies tailored to Somalia's risk profile, improving preventive measures across financial institutions and Designated Non-Financial Businesses and Professions.



Engagement with MENAFATF and the Mutual Evaluation Process.

At the same time, Somalia advanced its engagement with the Middle East and North Africa Financial Action Task Force by submitting its Technical Compliance documentation as part of the Mutual Evaluation process. This milestone reflects the country's commitment to aligning its legal and institutional framework with global AML/CFT standards and strengthening transparency and accountability within its financial system.

Operational Measures to Disrupt Terrorist Financing Networks.

Operational measures were further intensified to directly disrupt terrorist financing networks. Authorities targeted key financiers, dismantled checkpoints and financial houses used to generate and transfer illicit funds, prosecuted AML/CFT-related cases, and implemented asset freezing and confiscation measures against individuals and entities linked to terrorist financing. These actions reduced the operational capacity of terrorist organizations and disrupted their financial infrastructure.

Operational Measures to Disrupt Terrorist Financing Networks.

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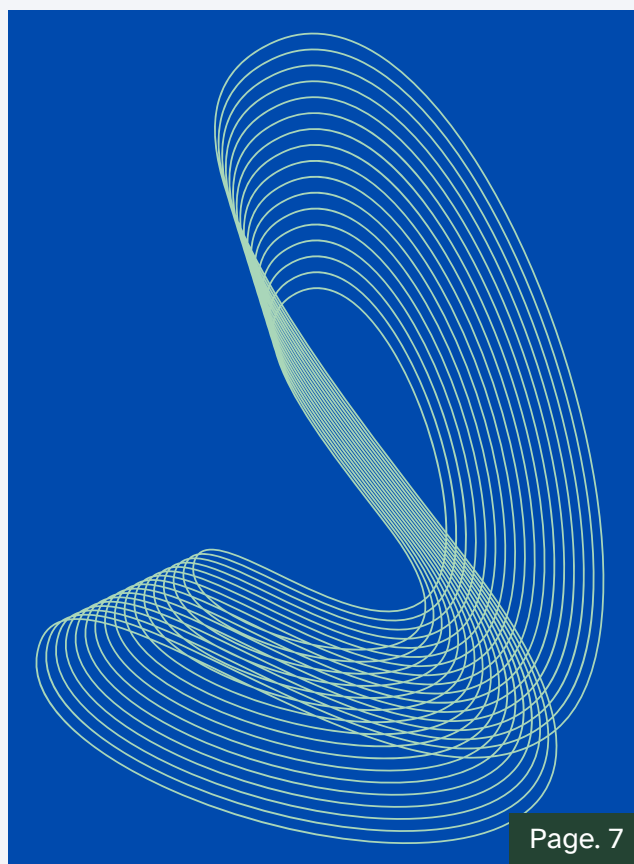
Strengthening the Role of the Financial Reporting Center.

The Financial Reporting Center played a pivotal role in advancing these reforms and operational achievements. It enhanced inter-agency coordination and strengthened its analytical and intelligence capabilities to support law enforcement and national security objectives.

The Center expanded international cooperation by improving information-sharing arrangements with regional and global Financial Intelligence Units and participating in capacity-building initiatives with international AML/CFT organizations. These efforts strengthened cross-border intelligence exchange and improved Somalia's ability to trace and disrupt transnational illicit financial flows.

Capacity Building and Compliance Enhancement.

Capacity building remained a key priority, with expanded training programs delivered to AML/CFT competent authorities to enhance technical expertise and operational effectiveness. Engagement with financial institutions and Designated Non-Financial Businesses and Professions was reinforced to promote stronger compliance with reporting obligations and preventive measures, while guidance was provided to improve the quality and timeliness of suspicious transaction reporting.



APPROVAL OF THE AML/CFT LAW AMENDMENTS.



**Federal Parliament of Somalia
Mogadishu - Somalia**

The Parliament of the Federal Republic of Somalia has officially approved amendments to the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act. This legislative reform forms part of a broader review of the country's financial legal framework and is aimed at strengthening Somalia's financial system while aligning it with international standards and best practices.

The amendments introduce enhanced measures to combat money laundering and terrorist financing by reinforcing mechanisms designed to prevent illicit financial flows and disrupt criminal financial networks. The revised law further ensures greater compliance with global AML/CFT requirements, responding to evolving international expectations and strengthening cooperation with international financial institutions.

The updated legislation enhances transparency and accountability within the financial system. It provides clearer provisions for the identification, tracing, freezing, and confiscation of assets derived from unlawful activities, thereby improving the effectiveness of enforcement and oversight mechanisms.

The approval of these amendments marks a significant step in strengthening the country's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework. It reinforces national efforts to combat money laundering and terrorist financing, enhance compliance with international AML/CFT standards, and improve the effectiveness of preventive and enforcement measures. This milestone underscores Somalia's firm commitment to advancing a robust, transparent, and resilient AML/CFT regime that safeguards the integrity of its financial system and supports sustainable economic development.



THE NATIONAL ANTI-MONEY LAUNDERING COMMITTEE (NAMLC)

- Development of a National AML/CFT Strategy
- Implementation of Targeted Financial Sanctions
- NAMLC Press Release

Development of the National AML/CFT Strategy



Somali Anti-Money Laundering and Counter Financing Terrorism Committee (NAMLC)

The National Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Committee developed a National AML/CFT Strategy to strengthen the country's framework for combating money laundering and terrorist financing.

The Strategy establishes clear national priorities, enhances inter-agency coordination, and provides a structured, risk-based approach to preventing, detecting, and responding to financial crimes. It serves as a guiding framework for government institutions, supervisory authorities, law enforcement agencies, and other relevant stakeholders to ensure effective implementation of AML/CFT measures.

The development and implementation of the National AML/CFT Strategy have strengthened institutional coordination and improved information sharing among competent authorities,

The strategy has enhanced the country's ability to identify, assess, and mitigate money laundering and terrorist financing risks through a more structured and risk-based approach.

The Strategy has also reinforced compliance with international AML/CFT standards, thereby improving the country's credibility and global standing. Furthermore, it has strengthened the integrity and stability of the financial system, supported capacity building across relevant institutions, and increased public and investor confidence in the country's financial and regulatory environment.

The Strategy contributes to greater economic security and sustainable national development.

Expansion of NAMLC Membership



March, 2025

Following the amendment of the country's AML/CFT Act by the Somali Parliament, the membership of the National Anti-Money Laundering and Combating the Financing of Terrorism Committee (NAMLC) was expanded to include the Minister of Communications and Technology, the National Communications Authority, and the Somali Police Force.

The inclusion of these institutions strengthens the national AML/CFT framework by broadening representation across key sectors and enhancing inter-agency coordination. Their addition reinforces a whole-of-government approach, ensuring stronger collaboration, improved coordination, and more effective implementation of AML/CFT measures.

This expansion will increase oversight of telecommunications and digital service providers, supporting monitoring, compliance, and information-sharing mechanisms that are vital in detecting and preventing illicit financial activities conducted through communication networks. It will also strengthen AML/CFT investigation efforts and enhance timely information sharing among competent authorities, thereby improving the country's ability to respond effectively to money laundering and terrorist financing risks.

The expansion of NAMLC membership further consolidates national efforts to combat money laundering and terrorist financing, enhances the integrity of the financial system, and supports economic stability and security. With the inclusion of these new members, the Committee now consists of eleven (11) ministries and institutions.

1. Minister of Finance (chairman)
2. Governor of the Central Bank of Somalia
3. Minister of Justice
4. Minister of Commerce and Industry
5. Minister of National Security
6. Attorney General
7. Director of the National Intelligence and Security Agency
8. Police Force Commissioner
9. Minister of Communication and Technology
10. Director General of National Communication Authority
11. Director of the Financial Reporting Center (Secretariat)

THE NATIONAL ANTI-MONEY LAUNDERING COMMITTEE (NAMLC)

Sustaining Regular Meetings and Strengthening Inter-Agency Collaboration



In 2025, the National Anti-Money Laundering Committee (NAMLC) sustained its commitment to enhancing coordination and strengthening inter-agency collaboration through the regular convening of its statutory meetings. Throughout the year, the Committee successfully held more than six (6) formal meetings, bringing together key AML/CFT competent authorities to review progress, address emerging risks, and reinforce national compliance frameworks.

Key Discussions and Strategic Focus Areas.

During these meetings, members deliberated extensively on critical Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) priorities, including the strengthening of national AML/CFT compliance mechanisms, the development and refinement of national strategies, the implementation and enforcement of targeted financial sanctions, progress under the Mutual Evaluation Process, and the need to address technical compliance and effectiveness gaps.

Action Plan Development

Following extensive discussions, the Committee issued clear directives to all competent authorities regarding the priority areas identified during the Mutual Evaluation and related assessments. In particular, the Committee mandated the development of a comprehensive national action plan specifically designed to address the gaps highlighted in the report.

This action plan sets out clear corrective measures, establishes defined timelines for implementation, assigns specific responsibilities to each AML/CFT competent authority, and introduces monitoring and reporting mechanisms to track progress effectively.

The objective is to ensure that the identified deficiencies are remedied in an effective and timely manner through structured inter-agency coordination, strengthened accountability, and continuous oversight.

Enforcement and Compliance Measures

The Committee reaffirmed its strong position against terrorism financing and related illicit activities. It warned that any individual, business, or organization found facilitating, collecting, or contributing funds or resources to terrorist groups whether directly or indirectly will face severe legal consequences in accordance with national laws and international obligations. This firm stance underscores NAMLC's commitment to protecting the financial system from abuse and ensuring strict enforcement of targeted financial sanctions.



Public Communication and Transparency

As part of its efforts to enhance transparency and public awareness, the Committee developed and issued official press releases highlighting key decisions, strategic directions, and enforcement warnings. These communications serve to inform stakeholders, financial institutions, and the general public of ongoing AML/CFT initiatives and national commitments.

Through sustained regular meetings and strengthened inter-agency collaboration in 2025, NAMLC demonstrated strong leadership in advancing the national AML/CFT agenda. The Committee remains committed to ensuring compliance with international standards, improving institutional coordination, and protecting the country's financial system from money laundering and terrorist financing risks.

STRENGTHENING SOMALIA'S AML/CFT FRAMEWORK



Somali Anti-Money Laundering and Counter Financing Terrorism Committee (NAMLC)

On 13 August 2025. The National Anti-Money Laundering and Terrorist Financing Committee (NAMLC) convened to review national progress and identify priority actions to further strengthen Somalia's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regime. The session brought together key government institutions, regulators, and law enforcement agencies to assess ongoing reforms and ensure alignment with international standards, particularly those of the Financial Action Task Force (FATF).

The Committee reviewed legislative, regulatory, supervisory, and operational measures, noting progress made while emphasizing the need to accelerate reforms and strengthen implementation across all responsible institutions.

Advancing Legislative Reform and Risk-Based Supervision.

The Committee resolved to prioritize the completion and amendment of outstanding legislative and regulatory frameworks necessary to achieve full AML/CFT compliance. Particular emphasis was placed on strengthening the implementation of Targeted Financial Sanctions (TFS) to ensure alignment with international obligations and to enhance enforcement effectiveness.

The Committee agreed to enhance supervisory mechanisms through a risk-based approach, ensuring effective monitoring of financial institutions, mobile money operators, and Designated Non-Financial Businesses and Professions (DNFBPs). Improved compliance oversight and regulatory coordination were emphasized as essential components of a resilient financial system.

Strengthening Inter-Agency Coordination and Enforcement Outcomes.

The Committee emphasized the need to operationalize effective inter-agency coordination mechanisms and streamline processes for tracing, freezing, confiscating, and managing illicit assets to enhance enforcement outcomes and protect financial integrity.

It also prioritized improving the quality and volume of financial intelligence reporting, particularly Suspicious Transaction Reports (STRs), and strengthening investigative capacity. Achieving measurable results in investigations, prosecutions, and asset recovery remains essential to demonstrating effectiveness and ensuring compliance with FATF standards.





National Targeted Financial Sanction List

December 2025, the National Anti-Money Laundering & Counter-Terrorist Financing Committee (NAMLC) formally issued a National Targeted Financial Sanctions List identifying eight individuals suspected of financing Al-Shabab terrorist group. The designated individuals are believed to include senior operatives, key financiers, and procurement facilitators who have contributed to sustaining terrorist activities through financial transfers, logistics coordination, and resource mobilization.

The issuance of this sanctions list represents a decisive national security and financial integrity measure implemented in accordance with the Anti-Money Laundering and Counter-Terrorist Financing Act, the Counter-Terrorism Act, and the Targeted Financial Sanctions Act of 2023, as well as relevant United Nations Security Council Resolutions.

Prohibition on Dealings.

The Committee has expressly prohibited any individual, institution, or entity from engaging in direct or indirect dealings with the persons listed.

This prohibition includes the provision of funds, financial services, goods, economic resources, or any other form of support. No financial or non-financial assistance may be made available to or for the benefit of the designated individuals. Any attempt to circumvent or facilitate evasion of these sanctions constitutes a serious violation of national law and may result in criminal prosecution, administrative penalties, license revocation, and asset seizure.

Mandatory Suspicious Transaction Reporting

The National Committee emphasized that all reporting entities must immediately submit Suspicious Transaction Reports (STRs) on any past, attempted, or ongoing transactions involving the listed individuals to the Financial Reporting Center (FRC).

The Committee further stressed that these sanctions are intended to disrupt the financial networks of Al-Shabaab, strengthen national security, and protect the integrity of the financial system. It reaffirmed its zero-tolerance policy toward terrorist financing and called on all institutions to strictly comply with the directives.



Approval of the 2026 Action Plan 17th Dec, 2025, Mogadishu

The National Anti-Money Laundering and Countering the Financing of Terrorism Committee convened its regular monthly meeting to review progress on national priorities related to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT).

A key outcome of the meeting was the approval of the 2026 Action Plan, a strategic framework developed by the Financial Reporting Center. The plan outlines national priorities and coordinated measures aimed at addressing the recommendations contained in the Mutual Evaluation Report issued by the Middle East and North Africa Financial Action Task Force (MENAFATF).

The Committee also resolved to undertake a review of the Terrorist Financing Risk Assessment Report to ensure that national policies and preventive strategies remain responsive to evolving threats and emerging security dynamics. This review is intended to ensure that mitigation measures are aligned with current and anticipated risks.

Furthermore, the Committee instructed the National Communications Authority to prepare a comprehensive report on the status and regulatory framework governing the registration of SIM cards. The Authority is also required to conduct broad consultations with relevant stakeholders to prevent the misuse of telecommunications services for terrorist purposes or other activities that may undermine national security and public safety, The Committee reiterated its strong commitment to strengthening cooperation among government institutions and relevant stakeholders in order to build a transparent and resilient financial system that is safeguarded against terrorist financing.

Institutional Development



MANAGEMENT
DIVISION

REGULATORY
POLICY
DIVISION

MUTUAL
EVALUATION
PROCESS

COMPLIANCE
DEPARTMENT

ANALYSIS
DIVISION

ICT
DIVISION

Institutional Development



MANAGEMENT
DIVISION

REGULATORY
POLICY
DIVISION

MUTUAL
EVALUATION
PROCESS

COMPLIANCE
DEPARTMENT

ANALYSIS
DIVISION

ICT
DIVISION

THE FINANCIAL REPORTING CENTER

MANAGEMENT DIVISION



Day-to-Day Activities Control



Coordination with Other Units

THE FINANCIAL REPORTING CENTER MANAGEMENT DIVISION

Management Division Achievements

The Management Division of the Financial Reporting Center (FRC) plays a central role in ensuring effective leadership, coordination, and operational support across the institution. The Division oversees and manages key functional areas including Administration, Finance, Human Resources, Procurement, Facilities, and Security, all of which operate under its strategic direction. Through integrated management and oversight, the Division ensures that institutional resources are efficiently utilized and aligned with the FRC's mandate and strategic objectives.

During 2025, the Management Division remained responsible for providing leadership to the finance, human resources, and facilities management units, while also coordinating administrative services, procurement activities, and security operations. The Division contributed significantly to institutional performance by strengthening planning mechanisms, improving budget utilization, and promoting value-for-money principles in the use of public resources. Through enhanced coordination, policy development, and capacity building, the Management Division supported the FRC in achieving operational effectiveness, accountability, and sustainability.

Enhanced Administration Management

The Management Division achieved notable improvements in administrative management by strengthening internal coordination, streamlining workflows, and improving service delivery across departments. Administrative systems were reviewed and refined

to enhance efficiency, ensure timely support to operational units, and improve compliance with institutional procedures. Enhanced documentation practices and records management contributed to better organizational memory and more effective decision-making. These improvements created a more structured and responsive administrative environment that supported the FRC's core functions.

Procurement Process Strengthening

Significant progress was made in strengthening procurement processes to ensure transparency, efficiency, and compliance with applicable regulations. The Management Division improved procurement planning, enhanced coordination between user departments and the procurement function, and strengthened oversight throughout the procurement cycle. These efforts resulted in more timely acquisition of goods and services, improved contract management, and better alignment between procurement activities and institutional priorities. The strengthened procurement framework contributed to improved value for money and reduced operational delays.

Capacity Building for Human Resources Unit Staff

Recognizing the importance of a capable and professional workforce, the Management Division prioritized capacity building for Human Resources unit staff throughout 2025. Targeted training and professional development initiatives were implemented to enhance skills in human resource planning, staff administration, performance management, and compliance with employment policies. Through continuous learning and on-the-job mentoring, HR staff improved their ability to support recruitment processes, staff welfare, and institutional development, thereby strengthening overall organizational effectiveness.

Implementation of the FRC Financial Management Strategy

During the reporting period, the Management Division successfully implemented the FRC Financial Management Strategy, which provided a structured framework for sound financial governance. The strategy guided budgeting, expenditure control, reporting, and internal financial controls. Its implementation strengthened financial discipline, improved accountability, and ensured that financial resources were managed in line with institutional priorities and regulatory requirements. This strategic approach enhanced confidence in the FRC's financial management systems.

Financial Forecasts

The Management Division regularly updated financial forecasts in 2025 to support informed decision-making and proactive financial planning. Improved forecasting practices enabled the FRC to anticipate funding needs, manage expenditures more effectively, and respond to emerging operational requirements. These updates strengthened budget execution and ensured better alignment between planned activities and available financial resources.

The Management Division enhanced maintenance and asset management systems to ensure the effective use and preservation of FRC facilities and assets. Improved asset tracking, maintenance planning, and oversight contributed to extended asset life cycles and reduced operational disruptions. These efforts ensured a safe, functional, and well-maintained working environment, supporting staff productivity and institutional resilience.

Collaboration and Coordination Across FRC Departments

The Management Division strengthened internal collaboration by coordinating activities across FRC departments and ensuring alignment with institutional plans and priorities. Through regular engagement and administrative support, the Division reinforced coordination mechanisms and promoted a unified approach to achieving organizational objectives. This collaborative environment enhanced operational efficiency and strengthened institutional cohesion.

Coordination with AML/CFT Competent Authorities

In line with the FRC's mandate, the Management Division supported coordination with Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) competent authorities, including law enforcement agencies, relevant government institutions, and private sector stakeholders. The Division facilitated administrative and logistical support for inter-agency engagements, information-sharing initiatives, and joint activities, contributing to stronger cooperation and more effective implementation of AML/CFT frameworks.

THE FINANCIAL REPORTING CENTER

REGULATORY & POLICY DIVISION



**Coordination of the Mutual
Evaluation Process**



**National Terrorist Financing
Risk Assessment**



National AML/CFT Roadmap



**Implementation of Targeted
Financial Sanctions (TFS)**

REGULATORY & POLICY DIVISION

The Regulatory and Policy Division of the Financial Reporting Center (FRC) plays a pivotal role in shaping, strengthening, and operationalizing Somalia's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework. The Division provides policy leadership, drafts regulatory and supervisory instruments, supports governance reforms, and ensures that reporting entities and competent authorities comply with national and international AML/CFT standards. It also monitors emerging ML/TF risks domestically and globally to ensure Somalia's framework remains responsive to evolving threats.

Coordination of the Mutual Evaluation Process

The Division successfully spearheaded Somalia's participation in the MENAFATF mutual evaluation, ensuring full national alignment and readiness. Work included extensive coordination with MENAFATF Secretariat, preparation of Somalia's Technical Compliance (TC) and Immediate Outcomes (IO) submissions, and shepherding all stakeholders through the evaluation timeline.

Completion of the National Terrorist Financing Risk Assessment

The Division successfully led the completion of the National Terrorist Financing Risk Assessment in close collaboration with national security agencies, regulatory authorities, law enforcement bodies, and key stakeholders within the financial sector.

This comprehensive assessment provided a detailed analysis of terrorism financing vulnerabilities, threat exposures, and sector-specific risks across the national landscape. The findings now serve as a strategic framework for implementing targeted, risk-based interventions and strengthening preventive measures within identified high-risk sectors.

The assessment further enhances inter-agency coordination, supports evidence-based policy formulation, and reinforces the country's commitment to international standards on combating terrorism financing.

National AML/CFT Roadmap

The Division finalized a comprehensive National AML/CFT Roadmap aimed at enhancing the effectiveness, coordination, and sustainability of Somalia's anti-money laundering and countering the financing of terrorism (AML/CFT) framework.

The roadmap outlines strategic reforms, priority actions, institutional responsibilities, measurable milestones, and clear implementation timelines. It serves as a structured implementation framework for government institutions, supervisory authorities, reporting entities, and other stakeholders within the national AML/CFT ecosystem.

Training and Capacity Building

Capacity-building trainings were delivered to enhance staff proficiency in FATF standards, Somalia's AML/CFT legal framework, and mutual evaluation methodology. Additional specialized sessions focused on risk-based supervision, regulatory policy development, financial intelligence analysis, typologies of money laundering and terrorist financing, and the application of effectiveness criteria under international assessment frameworks.

These trainings strengthened the technical competence, analytical capacity, and operational readiness of FRC staff, enabling them to better support national AML/CFT reforms, provide informed regulatory guidance, and effectively contribute to Somalia's preparation for international evaluation processes.

The Division conducted multiple workshops targeting banks, MMOs, DNFBPs, NPOs, and competent authorities, improving compliance culture, STR quality, and institutional coordination.

The workshops provided practical guidance on customer due diligence (CDD), enhanced due diligence (EDD), suspicious transaction reporting obligations, risk assessment methodologies, internal controls, and governance standards.

Engagement sessions also promoted greater inter-agency cooperation, strengthened public-private dialogue, and enhanced understanding of sector-specific money laundering and terrorist financing risks. As a result, reporting entities demonstrated improved regulatory compliance, higher-quality STR submissions, and more structured AML/CFT compliance frameworks across sectors.

Representation in MENAFATF Meetings

The Division represented Somalia in MENAFATF plenaries and working groups, increasing the country's visibility and influencing strategic policy discussions.

Through active participation in technical working groups, mutual evaluation discussions, and typology forums, the Division contributed to regional dialogue on emerging money laundering and terrorist financing risks, supervisory practices, and effectiveness assessment standards.

The engagement provided Somalia with valuable insights into evolving regional and international AML/CFT developments, enabling the alignment of national reforms with MENAFATF and FATF expectations. It also strengthened diplomatic and technical relationships with member countries, observers, and partner organizations.

Planned Activities for 2026

The Division has strategically outlined a set of priority activities for 2026 to accelerate ongoing reforms, strengthen institutional effectiveness, and enhance national preparedness for the upcoming MENAFATF onsite visit. These planned initiatives are designed to consolidate recent progress, address identified gaps, and demonstrate measurable improvements across Somalia's AML/CFT framework.

Finalization and Approval of the AML/CFT Regulations.

The Division will finalize the drafting, stakeholder consultations, and approval of the implementing regulations under the amended AML/CFT Act, targeted for completion before March 2026. The regulations will provide clear operational guidance on compliance obligations, supervisory powers, and enforcement measures, strengthening the legal framework and supporting preparedness for the upcoming MENAFATF onsite assessment.

Strengthening Risk-Based Supervision

The Division will support the rollout of a comprehensive risk-based supervisory framework for financial institutions, mobile-money operators, and DNFBPs.

This will include sectoral risk profiling, the development of risk assessment and supervisory tools, and targeted training for supervisory authorities. The initiative aims to ensure proportionate oversight, enhance compliance monitoring, and strengthen effectiveness across higher-risk sectors in line with FATF standards.

Implementation of Targeted Financial Sanctions (TFS)

The Division will work closely with national security agencies to strengthen the implementation of Targeted Financial Sanctions (TFS). This will include updating and clarifying screening guidance for reporting entities, supporting NAMLC in expanding and maintaining the national sanctions list, and enhancing compliance monitoring across obligated institutions.

These efforts are intended to improve timely identification and freezing of designated assets, reinforce preventive controls within reporting entities, and ensure effective implementation of sanctions obligations in line with international standards.

Follow-Up to Technical Compliance Recommendations and Preparation for MENAFATF On-Site Visit.

The Division will lead national efforts to address the remaining gaps identified in the 2025 MENAFATF Technical Compliance Report, with the objective of achieving full implementation by June 2027. This will involve coordinated legal, regulatory,

and institutional reforms to ensure sustained alignment with FATF standards and measurable progress in technical compliance. In parallel, preparations for the MENAFATF on-site visit will continue throughout 2026, notwithstanding the pending confirmation of the visit date. Efforts will focus on compiling updated evidence demonstrating effectiveness, strengthening inter-agency coordination mechanisms, and conducting pre-assessment readiness workshops to ensure institutions are fully prepared to articulate progress, outcomes, and operational impact during the evaluation process.

Finalization of the NPO Sector Regulations and TF Mitigation Measures.

Building on the findings of the completed terrorism financing risk assessment, the Division will collaborate with relevant stakeholders to finalize the regulatory framework governing the NPO sector and introduce proportionate, risk-based mitigation measures, the initiative will focus on strengthening transparency, enhancing oversight mechanisms, and clarifying compliance obligations for NPOs, while safeguarding the legitimate activities of the sector. These measures are intended to address identified terrorism financing vulnerabilities, promote accountability, and ensure effective supervision in line with international AML/CFT standards.

Advancing International Cooperation

The Division will continue representing the FRC in MENAFATF activities while deepening engagement with international partners, including the IMF, UNODC, the World Bank, and the Egmont Group. These efforts will enhance technical cooperation, mobilize capacity-building support, and strengthen Somalia's integration into the global AML/CFT framework.



MENA FATF
مينا فاتف

MUTUAL EVALUATION



Technical Compliance



Effectiveness Analysis

UPDATE ON SOMALIA'S MUTUAL EVALUATION PROCESS



Overview

Somalia has reached a significant milestone in its anti-money laundering and countering the financing of terrorism (AML/CFT) mutual evaluation process under the auspices of the Middle East and North Africa Financial Action Task Force. The Technical Compliance assessment was completed and formally approved by MENAFATF in May 2025, marking a major achievement in Somalia's efforts to align its legal and regulatory framework with international standards. The approval reflects substantial progress in strengthening AML/CFT legislation, regulations, and institutional coordination. However, the onsite visit intended to assess the effectiveness of implementation has been postponed.

Key Developments

In May 2025, MENAFATF approved Somalia's Technical Compliance report, which assessed the country's alignment with all forty Recommendations of the Financial Action Task Force.

This achievement was underpinned by extensive legislative and regulatory reforms, including amendments to the AML/CFT Act and the issuance of several key regulations addressing targeted financial sanctions, electronic know-your-customer requirements, supervision of designated non-financial businesses and professions, mobile money transaction limits, and the application of a risk-based approach to supervision. In parallel, national coordination was strengthened through the continued engagement of the National AML/CFT Committee, which facilitated collaboration among relevant authorities and supported the timely completion of the technical compliance process.

Despite this progress, MENAFATF decided to postpone the onsite visit that is required to assess the effectiveness of Somalia's AML/CFT regime across the eleven Immediate Outcomes. The decision was taken in light of security-related concerns that could affect the safe and effective conduct of the onsite assessment. MENAFATF has indicated that a new date for the onsite visit will be scheduled once security conditions are deemed sufficiently stable.

MUTUAL EVALUATION

IMPLICATIONS FOR SOMALIA

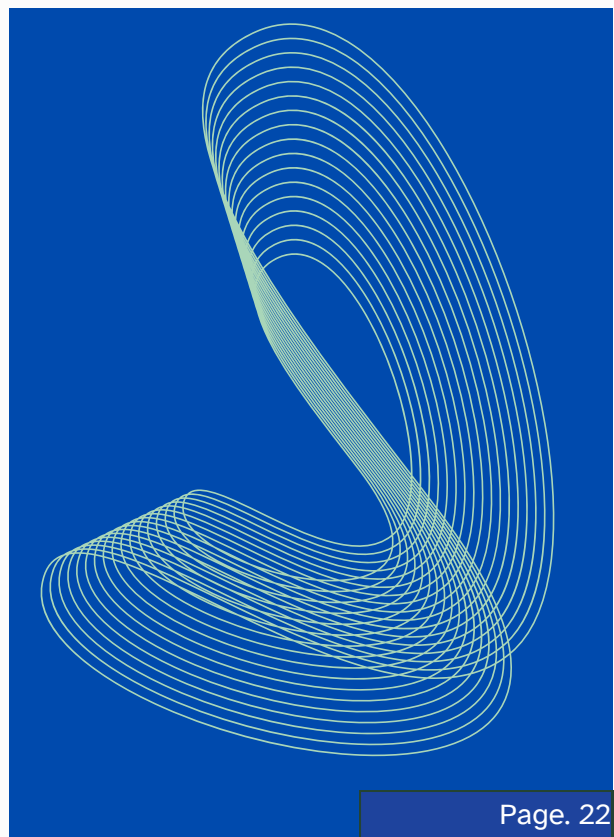
The approval of the Technical Compliance report represents a positive signal of Somalia's strong legislative and regulatory progress and demonstrates the country's commitment to meeting international AML/CFT standards. The postponement of the onsite visit also provides Somalia with additional time to further prepare for the effectiveness stage of the evaluation. At the same time, the delay extends the overall evaluation timeline and places continued emphasis on the need for Somalia to demonstrate tangible progress in operational outcomes, particularly in areas related to implementation, enforcement, and effectiveness.

Priority Actions Ahead of the Onsite

In advance of the rescheduled onsite visit, Somalia must continue to focus on strengthening evidence of effectiveness across core AML/CFT areas. This includes improving the availability and quality of statistics and case studies related to money laundering and terrorist financing investigations, prosecutions, confiscation measures, and international cooperation. Enhanced supervisory documentation for financial institutions and designated non-financial businesses and professions remains essential, alongside continued efforts to improve the quality and analytical value of suspicious transaction reports. Demonstrating effective implementation of targeted financial sanctions, including screening practices and enforcement actions, will also be critical. Throughout this period, coordinated national preparation through the active engagement of National AML/CFT Committee member institutions must be maintained.

The Way Forward

Going forward, Somalia will continue to engage closely with MENAFATF to identify an appropriate window for the rescheduled onsite visit. Efforts will be directed toward finalizing a comprehensive effectiveness evidence package in advance of the assessment, ensuring that institutional actions and outcomes are clearly documented and aligned with FATF expectations. Somalia will also continue to benefit from joint capacity-building and technical assistance support provided by international partners, including the International Monetary Fund, the World Bank, the African Development Bank, and the International Institute for Justice and the Rule of Law. The postponement of the onsite visit will be used strategically to address remaining gaps and further strengthen the effectiveness of Somalia's AML/CFT framework.



CAPACITY BUILDING WORKSHOP FOR SOMALIA'S MUTUAL EVALUATION TASK FORCE

15–16 November 2025, Nairobi, Kenya



Introduction

A capacity building workshop for members of Somalia's Mutual Evaluation Task Force was held on 15–16 November 2025 in Nairobi to strengthen national preparedness for the upcoming 3rd Round Mutual Evaluation under the MENAFATF framework. The workshop brought together representatives from key government institutions involved in Somalia's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) system, including the Financial Reporting Center (FRC), Ministry of Justice, NISA, Central Bank of Somalia, Ministry of Finance, Attorney General's Office, law enforcement agencies, and other relevant authorities. Experts from the World Bank and the FRC facilitated the sessions

Objectives

The workshop aimed to strengthen Somalia's readiness for the MENAFATF 3rd Round Mutual Evaluation by increasing awareness of recent updates to

the FATF Recommendations and their implications. It also sought to review Somalia's progress on the National Risk Assessment (NRA) and National Action Plan, while enhancing coordination and collaboration among AML/CFT stakeholders across government institutions.

Overview of the Workshop

The workshop covered key areas relevant to Somalia's AML/CFT framework and preparation for the mutual evaluation. Discussions began with an overview of the mutual evaluation process and the roadmap toward the 3rd Round, including updates to evaluation procedures. Participants were introduced to recent changes to the FATF Standards and the rationale behind these updates.



Sessions also examined risk assessment and policy coordination, particularly changes to FATF Recommendations 1 and 2, and reviewed Somalia's progress in implementing its National Risk Assessment and related action plans. Discussions further addressed issues related to the Non-Profit Organization (NPO) sector under Recommendation 8, including Somalia's ongoing NPO risk assessment and mitigation measures.

Additional sessions focused on asset recovery and international cooperation, highlighting developments related to Recommendations 4, 30, 31, 38, and 40, as well as Somalia's legal and institutional framework for asset recovery. Beneficial ownership transparency was also discussed in relation to Recommendations 24 and 25, emphasizing the importance of access to accurate ownership information for competent authorities. The workshop also explored emerging risks and effectiveness considerations relevant to future evaluation rounds.

Participants

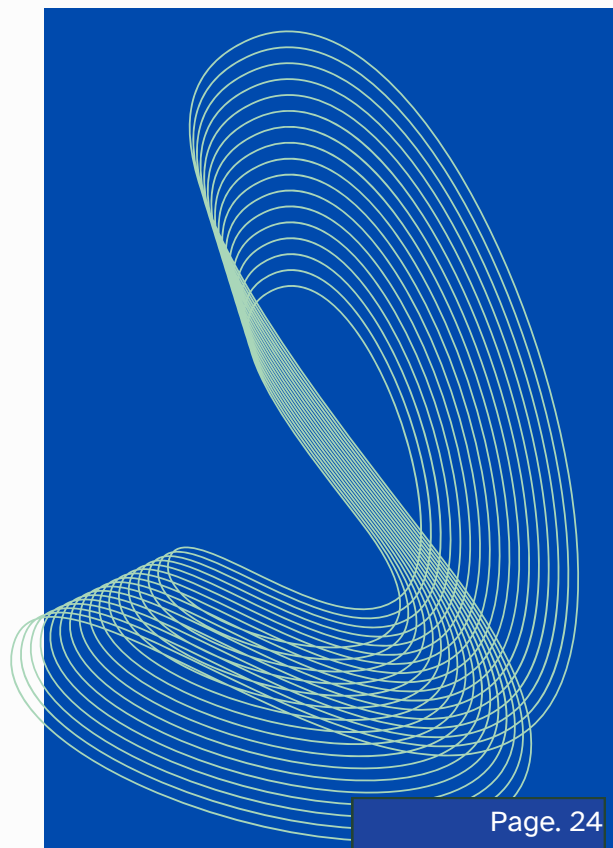
Participants included representatives from the Financial Reporting Center (FRC), Ministry of Justice, National Intelligence and Security Agency (NISA), Ministry of Commerce and Industry, Central Bank of Somalia, Ministry of Interior, Federal Affairs and Reconciliation, Ministry of Finance, Attorney General's Office, National Communications Authority, Somali Police Force, Ministry of Petroleum, National Security Agency, and the Ministry of Defence.

Key Outcomes

The workshop improved participants' understanding of updated FATF standards and the mutual evaluation process. It also enhanced clarity on Somalia's priorities for the upcoming MENAFATF evaluation and strengthened coordination among AML/CFT stakeholders. In addition, the discussions helped identify areas requiring further technical assistance and capacity building.

Recommendations

Key recommendations include strengthening coordination among AML/CFT institutions, accelerating the implementation of the National Risk Assessment action plans, enhancing outreach and guidance for financial institutions, virtual asset service providers (VASPs), and DNFBPs, and expanding technical training on beneficial ownership transparency, national identification linkages, and asset recovery frameworks.



COMPLIANCE & COMMUNICATION DEPARTMENTS



**Strengthening Cooperation FRC
and Federal Member states**



**Capacity Building Financial
Institutions and DNFBPs**



**Receiving Reports on Suspicious
Transactions and Activities**



**Communication and
Coordination with Financial
Institutions (FIs)**

COMPLIANCE & COMMUNICATION DEPARTMENTS

Achievements

The FRC Compliance Department plays a vital and strategic role in safeguarding the integrity of the financial system. As the monitoring and compliance arm of the Financial Reporting Center (FRC), the department is responsible for monitoring and promoting compliance with Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) obligations by reporting entities such as banks, money service businesses, financial institutions, designated non-financial businesses and professions (DNFBPs), and other obligated entities.

Its overarching mandate is to reduce money laundering and terrorist financing risks by ensuring that preventive measures are effectively implemented across all reporting entities. Through continuous monitoring, guidance, coordination, and capacity-building initiatives, the Compliance Department strengthens the national AML/CFT framework and enhances institutional resilience.

In 2025, the Compliance Department achieved a significant milestone in strengthening compliance mechanisms, improving Suspicious Transaction Reporting (STR) compliance, enhancing cooperation with national and international stakeholders, and building the capacity of reporting entities and competent authorities. The year marked measurable progress in aligning national AML/CFT practices with international standards and reinforcing a strong risk-based compliance culture across all reporting sectors.

Guidance and Support to Reporting Entities on AML/CFT Obligations

The Compliance Department continued to provide comprehensive guidance and technical support to reporting entities to ensure clarity, consistency, and effective implementation of AML/CFT obligations. The Department issued updated compliance guidance notes to clarify regulatory requirements and expectations, helping reporting entities better understand their responsibilities under the AML/CFT framework. Clarifications were also provided on reporting thresholds, procedures, and timelines to promote accurate and timely submissions.

The Department supported reporting entities in strengthening their internal AML/CFT policies, procedures, and control mechanisms to enhance compliance effectiveness. Targeted compliance consultations and engagement sessions were conducted with institutions requiring additional technical assistance, ensuring that identified gaps were addressed appropriately. This proactive and collaborative approach significantly improved the accuracy, completeness, and timeliness of reporting, while enhancing overall compliance responsiveness across regulated sectors.

MONITORING SUSPICIOUS TRANSACTION REPORTING (STR) COMPLIANCE

The Compliance department also achieved a significant milestone in strengthening the monitoring of Suspicious Transaction Reporting (STR) compliance and enhanced its monitoring mechanisms to ensure the timely submission and improved quality of STRs by reporting entities. Greater emphasis was placed on reviewing reporting patterns, identifying gaps, and promoting corrective measures where deficiencies were observed.

Targeted follow-ups were conducted with non-compliant entities to address delays, incomplete submissions, or weaknesses in reporting practices. In addition, the Department improved its analysis of reporting trends across various sectors, enabling a more informed understanding of risk exposure and compliance performance. Coordination between monitoring and analytical functions was also strengthened to ensure a more cohesive and effective approach to compliance oversight.

As a result of these efforts, there was a noticeable improvement in the quality, timeliness, and overall volume of STR reporting during the 2025 reporting period, contributing to enhanced effectiveness of the national AML/CFT framework.

These collective efforts significantly enhanced the understanding, ownership, and implementation of AML/CFT obligations among reporting institutions and reinforced a culture of compliance throughout the financial and non-financial sectors.

Strengthening and Capacity Building for AML/CFT Competent Authorities and Reporting Entities.

In collaboration with communication department and other relevant stakeholders, the Compliance Department strengthened the institutional capacity of AML/CFT competent authorities, including law enforcement agencies, as well as reporting entities throughout 2025. The Department enhanced engagement through risk-based monitoring, improved compliance frameworks within banks, hawalas, and DNFBPs, and provided targeted advisory support to higher-risk sectors.

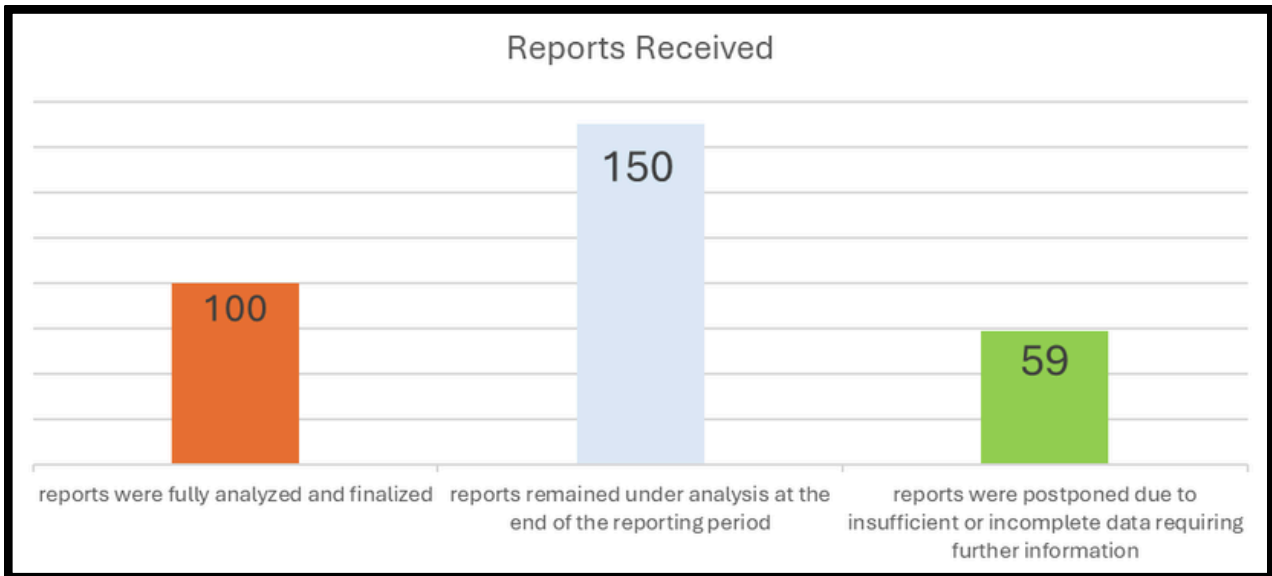
Capacity-building initiatives, including training and technical engagements, were conducted to strengthen internal compliance systems and improve understanding of AML/CFT obligations. These efforts contributed to more effective implementation of AML/CFT requirements and reinforced the national compliance framework.

Disseminated Cases

During 2025, the Compliance Department disseminated 25 cases to law enforcement agencies for investigation and other necessary actions.

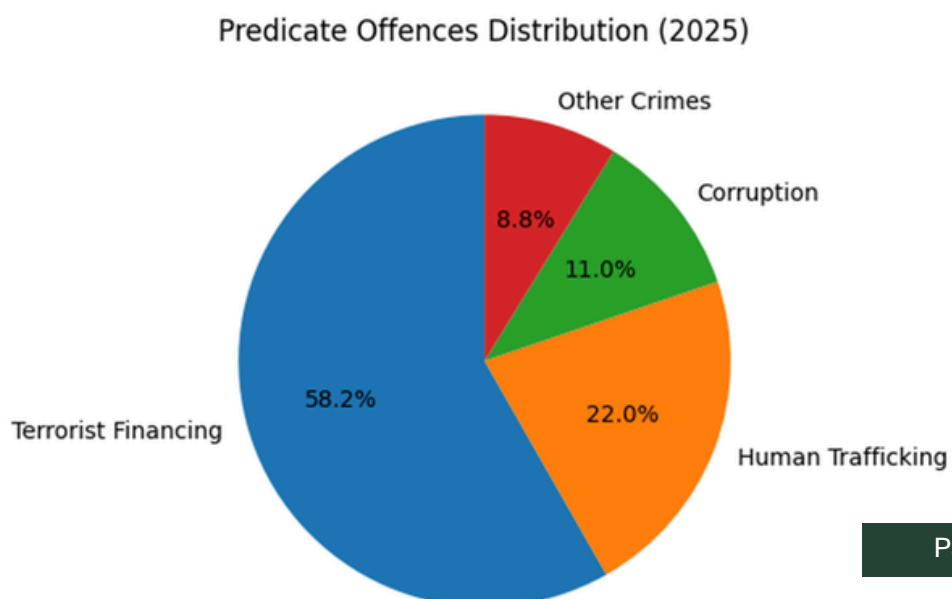
REPORT RECEPTION, AND PREDICATE OFFENCES.

During the reporting year 2025, the Compliance Department received a total of 309 reports from reporting entities and other authorized sources. These reports comprised Suspicious Transaction Reports (STRs), Large Cash Transaction Reports (LCTRs), tip-line information, as well as operational support reports submitted by law enforcement agencies.



All reports received during the year were first subjected to a preliminary review by the Compliance Department to ensure completeness and compliance with reporting requirements. Following this initial assessment, the reports were forwarded to the Analysis Department for further detailed analysis and finalization.

The reports related to various predicate offences, including human trafficking, terrorist financing, corruption, and other serious financial crimes, reflecting the key financial crime risks facing Somalia, the chart below illustrates the distribution of predicate offences identified during the year 2025.



NATIONAL COMPLIANCE FORUM (NCF),

On 30 June 2025, the Financial Reporting Center (FRC) organized the National Compliance Forum (NCF), bringing together key stakeholders from the financial sector and relevant AML/CFT competent authorities.



The forum brought together key stakeholders, including the Central Bank of Somalia (CBS), as the primary regulator of financial institutions, commercial banks, money transfer businesses (MTBs), mobile money operators, and industry associations such as the Somalia Remittance Association. The NCF plays a critical role in enhancing compliance awareness and fostering a coordinated national response to financial crime risks.

Presentations Delivered

Experts from the Financial Reporting Center (FRC) and the Central Bank of Somalia (CBS) delivered well-organized and comprehensive presentations on priority AML/CFT compliance issues, covering the following key areas:

Amendments to the AML/CFT Act

An overview was provided on recent amendments to the AML/CFT Act, emphasizing the alignment of Somalia's legal and regulatory framework with international standards. Financial institutions were advised to promptly update their internal policies, procedures, and controls to ensure full compliance.

Enhancing the Quality of Suspicious Transaction Reports (STRs)

The presentation highlighted common deficiencies observed in STR submissions and offered practical guidance on improving the accuracy, clarity, and timeliness of reports. The critical role of high-quality STRs in supporting national efforts to combat money laundering and terrorist financing was strongly emphasized.

Update on Terrorist Financing Risk Assessment

Participants were briefed on ongoing national efforts to assess and mitigate terrorist financing risks. The session discussed emerging trends and typologies and underscored the importance of adopting proactive, risk-based approaches within financial institutions.

MUTUAL EVALUATION AND TECHNICAL COMPLIANCE PROGRESS

An update was provided on Somalia's progress following the 2023 Mutual Evaluation. The presentation outlined measures taken to address identified gaps and highlighted improvements in Technical Compliance (TC) with Financial Action Task Force (FATF) standards.

Electronic Know Your Customer (eKYC) Regulations



The Central Bank of Somalia presented newly issued eKYC regulations, outlining regulatory expectations and implementation requirements. The presentation emphasized the role of eKYC in strengthening customer due diligence, enhancing operational efficiency, and mitigating risks related to identity fraud, money laundering, and terrorist financing.

Forum Deliberations

Participants actively engaged in discussions with presenters, seeking clarification on AML/CFT legislative changes, mutual evaluation progress, and regulatory expectations. Particular emphasis was placed on the timely and accurate submission of STRs and their critical role within the national AML/CFT framework.

The discussions also revealed a strong demand for continued capacity-building initiatives. Participants highlighted the need for ongoing training, guidance, and technical support to better understand and respond to evolving money laundering and terrorist financing typologies.

The National Compliance Forum was successfully conducted and met its objectives of enhancing awareness, coordination, and collaboration among AML/CFT stakeholders. The forum reinforced the collective commitment of regulators and financial institutions to combating money laundering and terrorist financing through strengthened regulatory compliance, improved reporting standards, effective risk management, and continuous professional development.

The engagement concluded with participants demonstrating an increased understanding of current regulatory developments, national risk assessment efforts, and the importance of sustained vigilance and cooperation in protecting the integrity of Somalia's financial system.



CAPACITY BUILDING AND TRAINING FOR DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPS)

21st – 23rd October 2025, Mogadishu – Somalia



Designated Non-Financial Business Professionals
Mogadishu - Somalia

Introduction

The Financial Reporting Center (FRC) successfully conducted a three-day comprehensive capacity building and training workshop for Designated Non-Financial Businesses and Professions (DNFBPs) from 21st to 23rd October 2025. The program brought together 40 participants drawn from notaries and lawyers and the Ministry of Justice and Constitutional Affairs.

The training was part of FRC's ongoing efforts to strengthen national Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) frameworks through enhanced compliance, institutional capacity, and stakeholder cooperation.

Objectives of the Training

The main objective of the training was to strengthen the capacity of DNFBPs to effectively implement national AML/CFT measures and comply with regulatory requirements. Specifically, the program aimed to enhance participants' understanding of the national AML/CFT legal framework, promote adherence to reporting obligations, and equip professionals with practical tools to identify and report suspicious transactions. It also sought to build institutional capacity to apply a risk-based approach to customer due diligence and record-keeping,

while fostering a culture of accountability, integrity, and cooperation in line with international best practices and the Financial Action Task Force (FATF) Recommendations.

Summary of Training Sessions

The three-day training program was facilitated by experts from the Financial Reporting Center, who delivered comprehensive presentations, led discussions, and shared their professional experiences on key aspects of AML/CFT compliance for DNFBPs. The sessions covered a wide range of topics, including an overview of the FATF Recommendations and international standards applicable to DNFBPs, as well as the national AML/CFT legal and regulatory framework governing their operations. Participants were taken through essential concepts of risk assessment and customer due diligence (CDD), emphasizing the importance of understanding customer profiles and applying a risk-based approach to compliance.

The training further addressed best practices in record keeping, internal controls, and the establishment of a strong compliance culture within institutions. Detailed discussions were also held on suspicious transaction reporting (STRs) and other reporting obligations, highlighting procedures, timelines, and the role of DNFBPs in enhancing cooperation with the FRC and law enforcement agencies, the sessions were highly interactive, allowing participants to share their experiences, challenges, and recommendations on improving AML/CFT practices within their respective sectors.



During the sessions, the FRC experts also provided updates on the country's progress in the ongoing Mutual Evaluation process, underscoring its importance in assessing national AML/CFT compliance levels. They encouraged DNFBPs to play an active role in the evaluation by demonstrating their commitment to implementing AML/CFT measures and by maintaining full compliance with reporting and due diligence requirements.

Participants' Feedback

Representatives from DNFBPs expressed appreciation to the FRC for organizing the program, noting its relevance and timeliness in strengthening their institutional capacities. They acknowledged the importance of their roles in combating money laundering and terrorist financing and committed to:

- Ensuring full compliance with the AML/CFT Act and related regulations
- Strengthening internal AML/CFT controls.
- Supporting future engagements and continuous learning initiatives organized by the FRC.

Participants also requested that the FRC organize more frequent training programs to expand awareness and capacity within the DNFBP sector.

The comprehensive capacity building and training workshop achieved its intended objectives by enhancing participants' understanding of AML/CFT obligations and improving their ability to detect, prevent, and report suspicious activities. The interactive sessions reinforced the shared responsibility among DNFBPs, regulators, and law enforcement in safeguarding the financial system from abuse.

The FRC remains committed to supporting DNFBPs through continuous training, technical assistance, and regulatory guidance to ensure sustained compliance with national and international AML/CFT standards.

Capacity Building and Training Program for Law Enforcement Agencies (LEAs) on AML/CFT Compliance 25th – 27th October 2025



The Financial Reporting Center (FRC) conducted a three-day capacity building and training session for Law Enforcement Agencies (LEAs), including the Somali Police Forces, Military Intelligence, and the Military Prosecutor. The training aimed to strengthen the operational capacity of LEAs in combating financial crimes, particularly terrorist financing (TF), through enhanced knowledge, analytical skills, and inter-agency collaboration.

Objectives of the Training

The training was designed to enhance the capacity of Law Enforcement Agencies to understand and address terrorist financing and related financial crimes. It aimed to strengthen their investigative and analytical skills in handling money laundering and terrorist financing cases, while promoting effective coordination and information sharing among all AML/CFT competent authorities. Additionally, the program sought to support the implementation of the national Terrorist Financial Disruption Strategy by clarifying institutional roles and responsibilities to ensure a unified and effective response to financial crime.

Training Content and Sessions

During the session, FRC experts delivered comprehensive sessions covering a wide range of topics related to combating financial crime and terrorist financing. The discussions included an in-depth understanding of terrorist financing, money laundering and terrorist financing investigations, as well as operational and strategic analysis of financial intelligence. Participants also explored organized crime and the national financial disruption strategy, along with practical techniques for transaction analysis and investigative approaches.

Furthermore, the sessions highlighted the critical role of each law enforcement institution in implementing the Terrorist Financial Disruption Strategy, emphasizing coordination, information sharing, and accountability. The training was interactive, allowing participants to share their experiences, analyze real case studies, and engage in open dialogue on challenges and opportunities for strengthening cooperation among agencies.

EXPERIENCE SHARING AND DISCUSSIONS



The training successfully enhanced the capacity of Somali LEAs to detect, investigate, and disrupt terrorist financing and other financial crimes. Participants reaffirmed their commitment to strengthening inter-agency collaboration and effectively implementing the national strategies to combat ML/TF.

The FRC will compile these findings and follow up with relevant institutions to address identified challenges and support ongoing capacity development efforts.

Throughout the training, participants from various Law Enforcement Agencies shared their experiences, challenges, and best practices in investigating and prosecuting financial crimes. The discussions highlighted the importance of enhancing inter-agency cooperation and improving information sharing among AML/CFT competent authorities.



Participants emphasized the need for greater coordination between intelligence, law enforcement, and prosecutorial bodies to ensure more effective investigations. The Somali Police Force, through its Financial Crime Investigation Department, presented its current investigative techniques, outlining the procedures followed in tracing illicit funds and the obstacles encountered during investigations. The presentation also underscored the necessity of addressing existing gaps, particularly in technical capacity, access to financial data, and analytical tools, to improve the overall effectiveness of financial crime investigations and prosecutions.



Strengthening Cooperation between the Financial Reporting Center (FRC) and the Office of the National Security (ONS)

Strengthening Institutional Coordination on Counter-Terrorist Financing

In 2025, the Financial Reporting Center (FRC) made huge progress in strengthening national coordination to combat terrorist financing (TF), particularly through enhanced collaboration with the Office of the National Security (ONS). Recognizing that addressing terrorist financing requires close cooperation between financial intelligence and national security institutions, the FRC actively engaged with ONS and other key security sector agencies to strengthen Somalia's counter-terrorist financing (CTF) framework.

Throughout the year, the FRC and ONS convened several coordination meetings under the Counter-Terrorist Financing (CTF) Working Group, which brought together representatives from key national institutions, including the National Intelligence and Security Agency (NISA), the Office of the Attorney General (AGO), and the Somali Police Force (SPF). These meetings served as an important platform for improving inter-agency communication, facilitating the exchange of financial intelligence, and enhancing operational cooperation in detecting and disrupting terrorist financing networks.

Joint Engagement in Terrorist Financing Risk Assessment and Information Sharing

A key area of cooperation between the FRC and ONS during 2025 was the joint engagement with Somalia's security sector institutions in advancing the Terrorist Financing Risk Assessment process. Through a series of technical discussions and consultations,

The FRC worked closely with ONS and security agencies to gather information, assess emerging risks, and identify vulnerabilities related to terrorist financing within the national security environment. This collaborative process strengthened the understanding of TF threats and improved the integration of financial intelligence into broader national security efforts.

The FRC and ONS cooperated in developing coordination mechanisms aimed at improving information sharing and operational collaboration between financial intelligence and law enforcement authorities. Discussions during the working group meetings also focused on developing Standard Operating Procedures (SOPs) for the CTF community, clarifying institutional roles, and strengthening Somalia's response to terrorist financing threats. The continued engagement between the FRC and ONS reflects a strong commitment to enhancing national coordination and safeguarding the integrity of Somalia's financial system.



Public Awareness Campaign On Money Laundering and Terrorist Financing (ML/TF) Risks.

1ST – 2ND NOV, 2025 MOGADISHU – SOMALIA



The Financial Reporting Centre (FRC), in line with its mandate to promote financial integrity and strengthen the national framework for combating financial crimes, conducted a two-day Public Awareness Campaign on Money Laundering and Terrorist Financing (ML/TF) Risks over 85 participants from 1st to 2nd November 2025. The initiative was part of the Centre's ongoing efforts to enhance public understanding of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) measures and to foster collaboration between government institutions, civil society, and local communities.

The campaign brought together diverse segments of society, reflecting FRC's inclusive approach to combating financial crimes. Participants included youth groups, women's organizations, religious leaders,

traditional elders, community-based organizations, The outreach aimed to foster a shared understanding of the threats posed by money laundering and terrorist financing, promote vigilance, and build collaboration between the public, civil society, and government agencies in the national AML/CFT agenda.

Objectives of the Campaign

The main objective of the campaign was to enhance public understanding of the risks, impacts, and consequences associated with money laundering and terrorist financing. It aimed to raise awareness among the public and civil society organizations about how these illicit activities undermine national security, economic stability, and community welfare.

The campaign also sought to encourage active participation and collaboration of civil society in national AML/CFT efforts, recognizing that community involvement is vital in detecting, reporting, and preventing suspicious financial activities. Furthermore, it aimed to strengthen trust and communication between communities, civil society, and government agencies responsible for AML/CFT enforcement, thereby promoting transparency and accountability.

Another key objective was to empower civil society actors with the knowledge, tools, and confidence necessary to support the detection, reporting, and prevention of suspicious activities within their communities. Through these engagements, the FRC aimed to complement ongoing government initiatives by broadening the reach and impact of AML/CFT awareness and encouraging a sense of shared responsibility in safeguarding the integrity of the financial system.

Key Activities Conducted

The FRC AML/CFT experts delivered informative presentations and facilitated discussions. The experts emphasized the importance of not engaging in or supporting any form of financial crime, including activities linked to money laundering or the financing of terrorism. They urged participants to remain vigilant and report any suspicious transactions or activities that may threaten national security or community stability.

Awareness Activities

During the campaign, experts educated participants on the legal, social, and economic consequences of money laundering and terrorist financing, highlighting how these crimes undermine security, damage national economies, and expose individuals or organizations to severe penalties such as imprisonment and asset forfeiture.



To support awareness efforts, the Financial Reporting Centre (FRC) distributed educational materials including leaflets and information cards that explained AML/CFT concepts, examples of suspicious activities, and official reporting channels.

Achievements and Impact

The campaign increased public awareness of the risks and consequences of money laundering and terrorist financing. Participants gained a better understanding of the importance of compliance, ethical financial practices, and community responsibility in preventing financial crimes.

The campaign aimed to improve public understanding of AML/CFT issues, encourage vigilance within communities, and promote the reporting of suspicious activities. It also sought to strengthen cooperation between communities, civil society organizations, and government institutions while empowering community leaders to support national AML/CFT efforts.

The Financial Reporting Centre (FRC) successfully implemented the two-day Public Awareness Campaign on Money Laundering and Terrorist Financing Risks, contributing to increased public sensitization and community engagement. The campaign highlighted the importance of collective action in combating financial crimes.

Media Capacity-Building Training on AML/CFT 26th- 27th July 2025,



The Financial Reporting Center (FRC), in collaboration with the Ministry of Information, Culture and Tourism, officially launched a two-day capacity-building training program for media professionals. The training was organized as part of ongoing efforts to strengthen public awareness and institutional cooperation in combating financial crimes.

The program aimed to enhance the knowledge and skills of media practitioners in reporting on issues related to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT). Recognizing the critical role of the media in informing the public and promoting transparency, the training sought to equip journalists with the necessary tools and understanding to effectively cover financial crime-related topics.

Objective of the Training

The objective of the training was to enhance the knowledge and professional capacity of media practitioners in understanding and reporting on issues related to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT).

The program aimed to strengthen the role of the media in raising public awareness about financial crimes and the risks associated with money laundering and terrorist financing. It also sought to promote accurate, responsible, and informed reporting on AML/CFT matters while encouraging stronger collaboration between the Financial Reporting Center, the Ministry of Information, Culture and Tourism, and media institutions in supporting national efforts to prevent and combat illicit financial activities.

Importance of Media Engagement in AML/CFT.

Media institutions play a vital role in raising public awareness about financial crimes and promoting accountability. By equipping journalists with specialized knowledge on AML and CFT frameworks, the training helps ensure that media reporting contributes effectively to national and international efforts aimed at preventing and combating illicit financial activities.

Youth Awareness Program on Countering Terrorist Financing (CTF) May, 2025



Somali Financial Reporting Centre (FRC), in collaboration with the Benadir Regional Youth Association (BRYA), organized a one-day awareness and training program in Mogadishu focusing on the risks and consequences of terrorist financing. The event brought together over 200 youth participants from the Benadir region, marking an important step in the FRC's efforts to expand public awareness and strengthen civic engagement.

Given that Somali youth represent nearly 70% of the country's population, their involvement is essential in national efforts to combat terrorism financing. The program aimed to equip young participants with knowledge and practical understanding to recognize and prevent financial activities that may support terrorism. The initiative also reflects the FRC's commitment to promoting financial integrity, national security, and responsible civic participation.

Objective of the Program

The program aimed to raise awareness among Somali youth about the risks and methods of terrorist financing and its impact on society. It sought to equip participants with the knowledge to identify and report suspicious financial activities while encouraging youth participation in national counter-terrorism financing efforts. The training also promoted a sense of responsibility among young people to reject extremism, support peacebuilding, and contribute to stronger and more resilient communities.

Opening Remarks

The program began with opening remarks from representatives of the Somali Financial Reporting Centre (FRC) and the Benadir Regional Youth Association (BRYA). The FRC emphasized the importance of engaging youth as key partners in preventing terrorist financing and safeguarding Somalia's financial system.



Mr. Omar Abdirahman Mo'ow (Omar Faruk), Chairperson of BRYA, welcomed the initiative and commended the FRC for engaging youth in national security efforts. He encouraged participants to use the knowledge gained from the training to promote peace, report suspicious financial behavior, and reject extremist ideologies. He also highlighted the importance of strong collaboration between government institutions and civil society in maintaining long-term security and development.

Key Sessions and Presentations

The training included several informative sessions covering key topics related to countering terrorist financing.

Participants received an overview of Somalia's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act, including its legal framework and importance in combating financial crimes. Another session explained the mandate and responsibilities of the Financial Reporting Centre (FRC) as Somalia's Financial Intelligence Unit responsible for collecting and analyzing financial intelligence.

The sessions introduced the concept and methods of terrorist financing, highlighting common techniques used by terrorist groups such as misuse of charitable organizations,

informal money transfer systems (Hawala), and trade-based money laundering. Presenters also discussed the impact of terrorist financing on governance, economic stability, and social cohesion. The program concluded with a session emphasizing the role of youth in preventing terrorist financing, encouraging participants to promote awareness in their communities, report suspicious activities, and actively contribute to national peace and security.



The awareness and training program concluded with a clear message that Somali youth play a critical role in the fight against terrorist financing. The event successfully strengthened participants' understanding of the AML/CFT framework, the role of the FRC, and the risks associated with terrorist financing.

The initiative highlighted the importance of empowering youth with knowledge and awareness to support national efforts in preventing extremism and protecting Somalia's stability. As the FRC continues its outreach activities, programs such as this remain essential in building a culture of vigilance, resilience, and shared responsibility across society.

Strengthening Civil Society Engagement in AML/CFT in Somalia 17th May, 2025



Civil Society Engagement in Somalia’s AML/CFT Efforts

Introduction

The Financial Reporting Center (FRC) recently conducted a public awareness campaign aimed at strengthening national efforts to combat the financing of terrorism in Somalia. The initiative brought together key stakeholder groups including traditional leaders, religious leaders, civil society organizations, and representatives from relevant government ministries. The campaign served as a platform to enhance understanding of terrorism financing risks and to promote collaborative efforts between institutions and community leaders in addressing this critical security challenge.

Recognizing the important role that community actors play in preventing extremist activities, the FRC designed the program to encourage greater awareness and participation among civil society and influential community figures.

These groups hold significant influence within Somali society and are well positioned to support national initiatives aimed at safeguarding financial systems and promoting peace and stability.





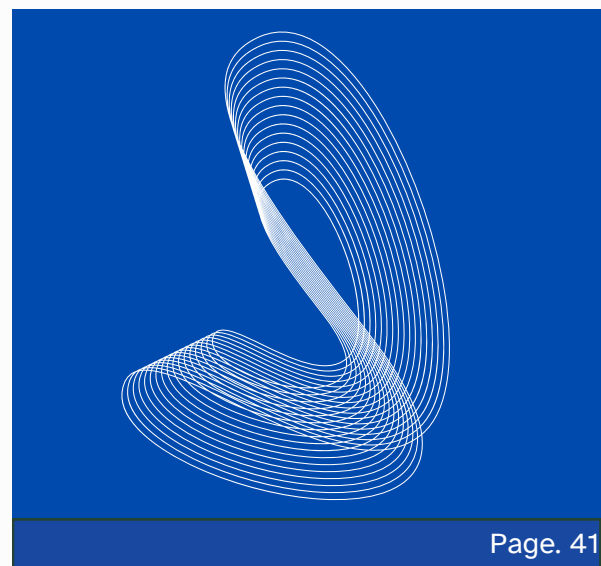
Special attention was given to the role of traditional leaders, religious scholars, and civil society organizations in promoting awareness at the community level. These groups were encouraged to use their influence to educate communities about the risks of terrorism financing and to promote responsible financial practices that align with national laws and international standards.

The discussions also emphasized the importance of collaboration between government institutions and civil society in addressing financial crimes. Participants acknowledged that effective prevention requires a coordinated approach that includes public awareness, strong legal frameworks, and active community participation.

The awareness campaign demonstrated the Financial Reporting Center's commitment to strengthening partnerships with civil society and community leaders in the fight against terrorism financing. By engaging traditional leaders, religious figures, civil society organizations, and government representatives,

the initiative helped promote a shared understanding of the threats posed by terrorism financing and the collective responsibility to address them.

The program reaffirmed that community engagement and informed participation are essential components of Somalia's national strategy to combat terrorism financing. Through continued outreach and cooperation with key stakeholders, the FRC aims to further strengthen public awareness and build a united front against financial activities that threaten national security and stability.



National Outreach Campaign on Countering Terrorist Financing



The Financial Reporting Center (FRC) implemented a public awareness campaign aimed at increasing public understanding of the risks and consequences of terrorist financing in Somalia. The initiative forms part of the FRC’s ongoing efforts to strengthen national awareness and encourage public participation in combating the financing of terrorism.

As part of the campaign, the FRC developed a range of public awareness materials designed to educate the public on how terrorist financing operates and how communities can contribute to preventing it. These materials included billboard awareness messages, television video messages, informational pamphlets, and awareness cards. The messaging was designed to be clear, accessible, and culturally relevant in order to effectively communicate key awareness messages to a wide audience.

The campaign utilized multiple communication platforms to reach the public. Awareness messages were displayed through billboard campaigns and broadcast through major Somali television channels. The broadcast messages featured Somali religious leaders, government officials including ministers, and other key stakeholders, who delivered awareness messages highlighting the dangers of terrorist financing and the importance of community responsibility in preventing such activities.



LADAGAALANKA MAALGALINTA ARGAGIXISADA

Dowladda Federaalka Soomaaliya, waxay xoojisay dadaallada lagu burburinayo dhaqaalaha & maaliyadda kooxaha argagixisada ay u adeegsadaan maalgelinta hawlgalladooda guracan, si loo xaqiijiyey amniga, loogana hortago khataraha argagixisada, dowladda ayaa dejisay qorshe gaar ah lagu curyaaminayo maaliyadda argagixisada.

Qorshahan curmaayinta maaliyadda argagixisada, waxaa uu ku lug leeyahay xeelado iyo tallaabooyin kala duwan oo loogu talagalay in lagu aqoonsado, lagu baaro, laguna xannibo macaamilada maaliyadeed ee la xiriira dhaq-dhaqaayada maaliyadeed sharci darrada ah. Qorshahan wuxuu dowladda ka caawiyay la-dagaalanka maalgelinta argagixisada & ka-hortaga isticmaalka sharci darada ah ee hanaanka maaliyadeed, wuxuuna xoojiyey hufnaanta guud ee nidaam maaliyadeed dalka, isla markaana horseeday kobaca dhaqaalaha & xasiloonida amaanka dalka.

Dowladda ayaa qaaday tallaabooyin muhiim ah oo loo qorsheeyey in lagu bartilmaameedsado dhaqaalaha kooxaha khawarijta, waxaana la gaaray guulo muhiim ah:

- 1) Waxaa si rasmi ah loo xiray kumanaan telefon lambaro argagixisadu u adeegsanayeen cabsi-gelin, hanjabaad, ururin & keydinta lacagaha baadda ah, xisaabaad bangiyo (Bank Accounts) & akoono ganacsi (Merchants).
- 2) Waxaa cadaaladda la horgeeyey xubno badan oo ka tirsanaa kooxaha argagixisada kuwaas oo si gaar ah ugu howlanaa ururinta lacaga baadda ah ee laga qaado ganacsatada iyo shacabka. Tallaabadan sharciga ah waxay keentay in xubno badan oo argagixiso ah ay cabsadaan, isla markaana aysan u suurtagelin in ay lacagaha baadda ah ka ururiyaan ganacsatada, taasoo si weyn u qal-qal gelisay hanaan maaliyadeedka argagixisada.
- 3) Waxaa si guul leh loo bartilmaameedsaday lana khaarijiyey masuuliyiin muhiim ah argagixisada u qaabilsana maaliyadda, ayadoo si weyn loo wiiqay hoggaanka iyo isku xirnaanta shabakadaha maaliyadeed ee kooxaha argagixisada.
- 4) Waxaa la burburiyay baro kantaroolo kooxaha argagixisada u adeegsanayeen ururinta lacagaha baadda ah & xarumo lacagaha ku keydiyo.

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The FRC produced and distributed 3,000 informational pamphlets and 5,000 awareness cards to support community-level awareness. These materials provided practical information on recognizing suspicious financial activities and encouraged citizens to remain vigilant and cooperate with relevant authorities in reporting potential cases of terrorist financing.

As a result of the campaign, public engagement with the FRC significantly increased, particularly through the FRC hotline. Members of the public began actively sharing information and reporting suspicious financial activities linked to potential terrorist financing. The hotline received a substantial number of daily calls, reaching up to approximately 3,000 calls, where citizens reported suspected terrorist financing operations, suspicious financial officers, or unusual transaction activities. This increase in public reporting demonstrated growing trust

in the FRC and highlighted the effectiveness of the awareness campaign in encouraging community participation, throughout the campaign, the awareness messages highlighted the risks, warning signs, and societal impacts of terrorist financing, while encouraging citizens to play an active role in protecting Somalia's financial system and national security. The campaign also emphasized the importance of cooperation between the public, institutions, and competent authorities responsible for implementing Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) measures.

The campaign contributed to increasing public awareness, strengthening community engagement, and improving the reporting of suspected money laundering and terrorist financing (ML/FT) activities through the FRC's reporting channels and hotlines. This initiative reflects the Financial Reporting Center's continued commitment to promoting financial integrity, enhancing public awareness, and supporting national efforts to combat illicit financial activities in Somalia.

THE FINANCIAL REPORTING CENTER

ANALYSIS DIVISION



**Enhancing Operational
Effectiveness**



**Strengthening Analytical
Expertise**

Analysis Division Achievements.

Introduction

The Analysis Department is a core operational unit of the Financial Reporting Centre (FRC) Somalia. It is responsible for receiving, analyzing, and disseminating financial intelligence related to money laundering, terrorist financing, and other predicate offences. The department plays a central role in supporting national AML/CFT efforts by transforming financial data into actionable intelligence for competent authorities.

In carrying out its mandate, the Analysis Department conducts operational and strategic financial analysis of STRs and other financial information, identifies patterns, trends, networks, and typologies related to money laundering, terrorist financing, and predicate offences. The department produces and disseminates analytical and intelligence reports to relevant law enforcement and competent authorities, provides analytical feedback through appropriate FRC channels to support improvement of STR quality, and supports national AML/CFT initiatives through analytical input, training, awareness, and inter-agency cooperation activities.

REPORT RECEPTION, ANALYSIS, AND PREDICATE OFFENCES.

During the reporting year 2025, the Analysis Department received a total of 309 reports from reporting entities and other authorized sources. These reports comprised Suspicious Transaction Reports (STRs), Large Cash Transaction Reports (LCTRs), tip-line information, as well as operational support reports received from law enforcement agencies.

Following initial review, reports that met the required data and quality standards were assigned by the Head of Analysis to analysts based on risk, complexity, and workload. Analysts conducted detailed financial analysis, including transaction pattern analysis, linkage analysis, and identification of potential predicate offences.

The reports analyzed during the year related to a range of predicate offences, reflecting the key financial crime risks facing Somalia. The main predicate offences identified included human trafficking, terrorist financing, corruption, and other serious and financial crimes. Through systematic analysis, the department identified financial patterns, networks, and trends linked to these offences and converted the information into actionable financial intelligence in support of investigations, prosecutions, and national AML/CFT priorities.

Terrorist Financing represents the highest proportion of analyzed cases, followed by Human Trafficking, Corruption, and Other Crimes. This distribution reflects the key financial crime risks identified during the reporting period.

Cooperation and Information Sharing

The Analysis Department maintained strong cooperation with all FRC departments and Somali law enforcement agencies in the areas of information sharing, joint analysis, and investigation of AML/CFT-related cases.

These collaborative efforts were undertaken to strengthen inter-agency coordination, improve feedback mechanisms, and enhance overall case outcomes.

5 Training and Capacity Building Activities

During the reporting year, the Analysis Department delivered several comprehensive capacity-building and training programs aimed at strengthening understanding, cooperation, and effective participation in the fight against money laundering and terrorist financing (AML/CFT).

Key training activities included:

Comprehensive Capacity Building and Training for Reporting Entities, DNFBPs, and Financial Institutions, focusing on AML/CFT obligations, STR quality, and the role of financial intelligence in combating financial crimes.

A Capacity Building Workshop on Financial Investigation for Law Enforcement Agencies, conducted from 21st to 23rd, 2025. This workshop focused on financial investigation techniques, use of financial intelligence, inter-agency cooperation, and case development.

Comprehensive Training on the Role of Media in Countering the Financing of Terrorism (CFT) and the Financial Disruption Strategy, aimed at enhancing media understanding of AML/CFT issues, responsible reporting, and the role of public awareness in disrupting terrorist financing networks.

All these training initiatives were designed to enhance knowledge, improve practical skills, and strengthen stakeholder engagement and cooperation in national AML/CFT efforts.

Capacity Building Support Received from International Partners.

During the reporting year, the Analysis Department benefited from extensive capacity-building support through participation in regional and international workshops, conferences, and technical meetings held in several countries, including Kuwait, Saudi Arabia, and Kenya (Nairobi). These engagements were aimed at enhancing technical knowledge, practical skills, and operational understanding related to AML/CFT, as well as strengthening regional and international cooperation.

In November 2025, members of the analyst team participated in a regional workshop held in Nairobi from 15–16 November 2025, which focused on capacity building for the Somalia AML/CFT Task Force on the updated FATF Standards. The workshop enhanced participants' understanding of recent FATF updates, international compliance expectations, and their application within the Somali context.

In September 2025, the analyst team participated in the Regional Workshop on Cooperation and Information Sharing between Financial Intelligence Units, Law Enforcement Authorities, and Prosecutors, held in Riyadh, Saudi Arabia. The workshop was jointly organized by ECOFEL and the Saudi Financial Intelligence Unit (SAFIU) as part of a regional initiative to strengthen collaboration and information sharing among FIUs and competent authorities across the MENA region. The main objective of the workshop was to enhance cooperation between FIUs, law enforcement, and prosecutorial agencies through effective communication, operational coordination, and the exchange of financial intelligence to combat money laundering, terrorist financing, and related crimes. The workshop was officially opened with remarks from Mr. Michael Boole, ECOFEL Program Manager, and a representative of SAFIU, who emphasized the importance of inter-agency partnerships and mutual understanding in advancing AML/CFT objectives.

The Analysis Department participated in a workshop held in Kuwait in September 2025 focusing on the National Risk Assessment (NRA) process. This engagement strengthened the department's capacity in risk identification, assessment methodologies, and contribution to national-level AML/CFT risk assessments.

Overall, these international capacity-building activities significantly strengthened the analytical capabilities of the Analysis Department, improved alignment with international standards, and enhanced cooperation with regional and international partners.



Challenges and Lessons Learned

Despite the progress achieved during the reporting period, the Analysis Department faced several challenges that affected the efficiency and depth of its analytical work. These challenges included delays in feedback from some partner institutions, incomplete or low-quality report submissions from certain reporting entities, and broader resource and capacity constraints.

The department faces limitations related to the analysis of emerging financial crime risks, particularly those involving cryptocurrencies and blockchain-based transactions. The lack of specialized analytical tools for virtual asset tracking and blockchain analysis, combined with limited technical expertise in this area, constrained the department's ability to fully analyze and trace complex crypto-related financial activities.

Addressing these challenges requires strengthened inter-agency coordination, improved reporting quality, targeted capacity building, and investment in specialized tools and training to enhance analytical capabilities, particularly in relation to virtual assets and emerging financial technologies.

Way Forward and Priorities for the Next Year

For the upcoming year, the Analysis Department aims to:

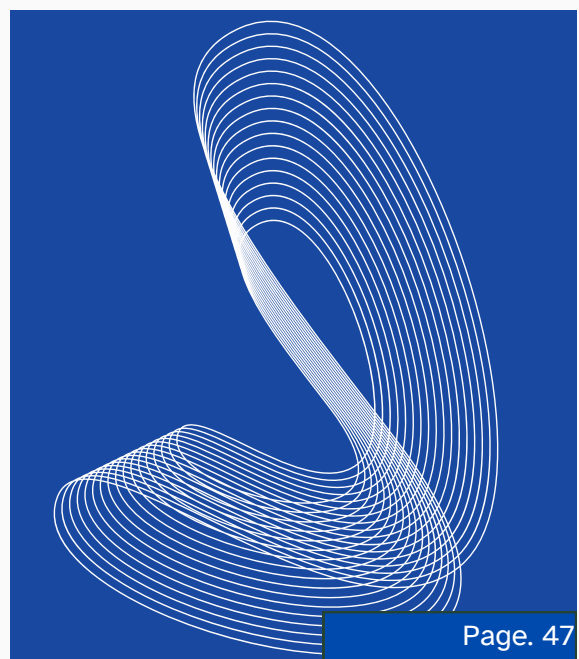
- Improve STR quality through enhanced guidance and outreach
- Strengthen strategic and typology-based analysis
- Enhance feedback and cooperation with law enforcement agencies
- Increase training coverage for high-risk sectors

Support the implementation and effective use of the goAML reporting system, which is expected to significantly improve efficiency, security, and quality of report submission, analysis, and case management

Contribute to the FRC annual report and national AML/CFT risk assessments

Conclusion.

The Analysis Department remains committed to supporting Somalia's AML/CFT framework by producing high-quality financial intelligence, strengthening cooperation with stakeholders, and building national capacity. The achievements recorded during the year demonstrate the department's growing role in safeguarding the financial system and supporting law enforcement efforts.



ICT DEPARTMENT



ICT Department Achievements

Introduction.

This ICT Department Achievement outlines the key ICT activities, progress made, and planned deliverables for the Financial Reporting Centre during 2025 and 2026. The focus remains on strengthening ICT operations, completing the goAML implementation, and achieving full disaster recovery readiness to support operational continuity, regulatory compliance, and institutional resilience.

ICT Activities and Progress During 2025

Throughout 2025, the ICT Department concentrated on stabilizing and improving the FRC ICT environment. Core infrastructure reliability was strengthened through continuous network optimization, improved security controls, and structured system maintenance. Server management, operating system and application updates, routine backups, and deployment of new applications were carried out to ensure stable day to day operations.

Connectivity and system availability improved through implementation of data plan redundancy, reduction of network latency, and improved user access to internal systems. These actions increased service availability across departments and reduced operational disruptions.

Significant progress was made on the goAML system. Automated reporting functions were enhanced to reduce manual workload and improve consistency. Customization of Suspicious Transaction Reports, Currency Transaction Reports, a

and intelligence reports was completed. Secure XML schemas for data exchange were finalized to improve interoperability and compliance. More than ninety percent of the Somali language translation of the goAML interface was completed, with remaining items pending final review and validation. Weekly training sessions were delivered to analysts and ICT staff to prepare users for production operations.

ICT Priorities and Activities During 2026

During 2026, the ICT Department is focused on completing all remaining system implementations and transitioning major platforms into full operational status. Completion of goAML at FRC Headquarters

The goAML system at FRC Headquarters is scheduled for full completion in early 2026. Remaining activities include final validation of system workflows and report configurations, distribution of finalized XML schemas and user guides to reporting entities, and delivery of comprehensive training for stakeholders, reporting entities, and FRC staff. Bulk registration of users and reporting entities will be completed in the production environment.

End to end testing of reporting and data submission processes will be conducted, along with validation of management and statistical reports. Operational templates such as acceptance and rejection notices will be finalized. Automated rejection rules and case scoring logic will be tuned and validated. Full integration testing, security testing,

goAML Capacity-Building Training for FRC Staff



The Financial Reporting Center (FRC) organized a two-week capacity-building and refresher training program on the goAML system for its staff from 8–17 September 2025. The training aimed to strengthen the operational, technical, and analytical capacity of FRC employees in effectively using the goAML platform to detect, analyze, and report financial intelligence related to money laundering and terrorist financing (ML/FT).

The program marked an important step in strengthening Somalia's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework. The training focused on equipping FRC staff with the technical knowledge and practical skills required to effectively receive, process, and analyze Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs) through the goAML system.

The program was delivered by experts from the United Nations Office on Drugs and Crime (UNODC) and combined presentations, demonstrations

and hands-on exercises. Through the training, participants enhanced their skills in data analysis, STR review, and risk assessment using the goAML system, while improving their ability to identify suspicious financial patterns and produce actionable financial intelligence.

The training is expected to enable FRC staff to operate the goAML system more efficiently, strengthen cooperation with reporting entities and national competent authorities, and support Somalia's efforts to combat money laundering and terrorist financing in line with international AML/CFT standards.



goAML Refresher Training for Reporting Entities



On 17 September 2025, the Financial Reporting Center (FRC) conducted a goAML refresher training session for Somalia's Reporting Entities (REs). The training aimed to enhance compliance awareness and improve the quality of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) reports submitted to the FRC. The session brought together representatives from banks, financial institutions, money transfer businesses, mobile money providers, and other key stakeholders involved in detecting and reporting suspicious financial activities.

The training focused on strengthening participants' understanding of the goAML Web platform and its reporting requirements. Participants received guidance on registration and secure access procedures, including authentication and activation processes.

The session also included practical demonstrations on the preparation and submission of Suspicious Transaction Reports (STRs), highlighting the importance of accurately completing key data fields to improve the quality and usefulness of financial intelligence.

Participants were further introduced to advanced features of the goAML system, including the XML reporting schema that enables more efficient and bulk reporting for banks and large institutions. Demonstrations of the updated goAML web application highlighted improved navigation, enhanced validation checks, and user-friendly tools designed to support efficient reporting.

The refresher training contributes to strengthening cooperation between the FRC and reporting entities, improving AML/CFT compliance within Somalia's financial sector, and supporting the country's efforts to meet international standards set by the Financial Action Task Force (FATF).

STRENGTHENING INTERNATIONAL RELATIONS

- **Strengthening Cooperation**
- **Information Exchange**
- **Capacity Building**
- **Conferences**
- **Joint Operations**

STRENGTHENING INTERNATIONAL RELATIONS



FRC Advancing International Cooperation

The Financial Reporting Center (FRC) continues to strengthen its international cooperation and engagement with global partners to enhance the effectiveness of its Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) framework. In 2025, the FRC significantly expanded and strengthened its international relations through active participation in regional and global initiatives, capacity-building programs, and information-sharing platforms with international partners.

The FRC maintains a strong and productive relationship with the Middle East and North Africa Financial Action Task Force (MENAFATF). The Center regularly participates in MENAFATF conferences, training programs, and technical working group meetings aimed at strengthening AML/CFT compliance and financial intelligence cooperation among member countries. As part of its ongoing collaboration with MENAFATF, the FRC is engaging with the organization to identify a new onsite evaluation window and is working to finalize the effectiveness evidence package in preparation for the upcoming assessment visit.

The Center continues to participate in regional workshops, conferences, and technical training sessions organized under the MENAFATF framework, which contribute to strengthening institutional capacity and aligning national AML/CFT systems with international standards.

In addition to regional engagement, the FRC continues to deepen cooperation with international development and technical partners. The Center works closely with organizations such as the International Monetary Fund (IMF), the World Bank, the African Development Bank (AfDB), the International Institute for Justice and the Rule of Law (IJ), and the United Nations Office on Drugs and Crime (UNODC). Through these partnerships, the FRC benefits from technical assistance, advisory support, and specialized training programs aimed at strengthening financial intelligence analysis, improving regulatory frameworks, and enhancing inter-agency coordination in combating money laundering and terrorist financing.

The FRC also maintains strong cooperation with the United States Department of State and other U.S. agencies. This cooperation supports information sharing, institutional capacity building, and joint participation in international initiatives focused on countering terrorist financing. These collaborative efforts contribute to improving the operational effectiveness of the FRC and strengthening the country's role in the global fight against illicit financial activities.



FRC Cooperation with MENAFATF on Mutual Evaluation

The Financial Reporting Center (FRC) continues to maintain close cooperation with the Middle East and North Africa Financial Action Task Force (MENAFATF) in the context of the ongoing Mutual Evaluation process. As part of this engagement, the FRC has worked closely with the assessors and relevant stakeholders to support the evaluation process and ensure compliance with international Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) standards.

During this period, the FRC successfully submitted the required technical compliance documents and provided the necessary information requested by the assessment team. The Center remains committed to continuing its cooperation with MENAFATF and the assessors throughout the next stages of the evaluation, including the effectiveness assessment and the upcoming onsite visit.

The FRC reaffirms its readiness to work collaboratively with MENAFATF to ensure a transparent and constructive evaluation process and to further strengthen the country's AML/CFT framework in line with international standards.

Report Conclusion

The Financial Reporting Center (FRC) in 2025 continued to strengthen Somalia's financial integrity through the implementation of effective Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) measures. The Center's financial intelligence activities and coordination with national authorities contributed substantially to protecting the Somali financial system and supporting national security.

The FRC extends its sincere appreciation to all stakeholders—including government institutions, reporting entities, law enforcement agencies, and international partners whose collaboration and commitment were instrumental in achieving these milestones in 2025.

Looking ahead, the FRC will double its efforts in 2026, working in close collaboration with all stakeholders to further combat money laundering and terrorist financing while strengthening its institutional development and operational capacity. The Center will continue supporting the implementation of the National AML/CFT Strategy, execute the 2026 Action Plan, and enhance cooperation with AML/CFT competent authorities, financial institutions, and other reporting entities.

The Financial Reporting Center, will expand and strengthen international cooperation with counterpart Financial Intelligence Units and other global partners engaged in AML/CFT efforts.

The Center remains firmly committed to safeguarding Somalia's financial system and contributing to the country's security, transparency, and long-term financial stability.

----- **END** -----

**FINANCIAL REPORTING CENTER (FRC)
2025 ANNUAL REPORT**

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