

The Governor,

CIRCULAR LETTER N°020/GR/2019

*Relating to the obligation to report suspicions for the operational entities of the
Central Services and Centers of the BEAC*

Article 6 (2) of Regulation No. 01/CEMAC/UMAC/CM of 11 April 2016 on the prevention and suppression of money laundering and the financing of terrorism and proliferation in Central Africa establishes the Bank of Central African States (BEAC) as an entity subject with obligations to combat money laundering and the financing of terrorism and proliferation.

In order to enable the Central Bank to implement its obligations as a reporting entity, its internal AML/CFT system has been improved and tools have been made available to the various entities exposed to this problem for the purpose of reporting suspicions to the National Financial Investigation Agencies (ANIF) of the six CEMAC countries.

As a reminder, the Central Bank's operational entities concerned by the implementation of this internal system are notably those located in the Central Services or in the Centres in charge of operations relating to monetary issues and circulation, financial operations, human resources (active or retired staff), financial stability, banking activities and the financing of savings, payment systems and means of payment, transfers and monitoring of foreign exchange regulations.

However, I have noted that despite the existence of this internal mechanism and the training provided, Central Bank entities, including those mentioned above, make very few suspicious transaction reports to the ANIFs. In addition, the Banque de France rejects a large number of transfers from the BEAC for compliance reasons.

To remedy this state of affairs, it should be noted that Central Bank entities exposed to LCB/FTP problems are required to implement the above-mentioned internal LCB/FTP system as it stands. They are invited to proceed systematically to suspicious transaction reports in the following cases:

- sums entered in the BEAC's books or transactions involving sums which they know, suspect, or have good reason to suspect are the proceeds of criminal activity or are related to a money laundering or terrorist and proliferation financing offence;
- any transaction for which the identity of the originator, the beneficial owner, the

settlor of a trust fund or any other instrument for the management of special-purpose assets remains in doubt despite requests for information sent to the parties to the transaction or to the banks involved in the transaction, in accordance with the provisions of Regulation N°01/CEMAC/UMAC/CM of 11 April 2016 ;

- transactions for own account or for the account of third parties, carried out by financial institutions with natural or legal persons, including their subsidiaries or establishments, domiciled, registered or established in all States or territories whose legislation or practices hinder the fight against money laundering and terrorist financing;
- any transaction ordered or received by a natural person the amount of which exceeds the threshold set by the competent authorities, in particular by the provisions made applicable by the GABAC.

It is necessary to stress that the suspicious transaction report must be filed even if the operations in question have already been executed, in particular due to the impossibility of suspending their execution or the late emergence of suspicions. It is therefore imperative to report to the competent ANIF, even after the fact, in accordance with the procedures prescribed for making suspicious transaction reports:

- transactions that are the subject of queries or requests for additional information from the Bank of France, without satisfactory responses within a reasonable time ;
- Operations originating from or going to States that are sanctioned or identified at the international level for non-compliance with the obligations under the LCB/FTP.

In accordance with Article 83 of the aforementioned Regulation, the ANIF is informed of any information likely to invalidate, support or modify the elements contained in the suspicious transaction report.

It should be specified that the ANIF correspondent of the Central Services or of the National Directorate is responsible for the decision to report the suspicion to the ANIF within its jurisdiction without prior authorisation from the Governor or prior notice from the Department of Legal and Regulatory Affairs (DAJR). However, a copy of the suspicious transaction report is sent by internal courier to the DAJR.

Each Central Bank entity concerned by this Circular Letter is required to integrate in its operational procedures the aspects related to the implementation of the BEAC's LCB/FTP mechanism in order to ensure its effectiveness.

I attach great importance to strict compliance with this Circular Letter.

ABBAS MAHAMAT TOLLI

BEAC
BP. 1917 Yaoundé
Cellule Centrale d'Etudes des Transferts
et du Suivi de la Réglementation des Changes