



CENTRAL BANK OF NIGERIA

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ADMINISTRATIVE LETTER TO ALL BANKS AND OTHER FINANCIAL INSTITUTIONS

ADVISORY ON COVID-19 RELATED FINANCIAL CRIMES

Changes in the trends of business activities and financial transactions precipitated by COVID-19 pandemic inadvertently led to increase in financial crimes globally. This therefore requires financial institutions to adapt rapidly and keep abreast with emerging risks and other developments while taking proactive steps to address the new and emerging ML/TF risks. This includes investing in robust data mining and artificial intelligence software to monitor transactions and also report suspicious transactions.

The Nigerian Financial Intelligence Unit (NFIU), as the central repository of suspicious transactions and other financial information, had issued an Advisory based on comprehensive analysis of STRs and other information available to it. The Advisory identified increased financial crimes such as, cybercrimes, frauds, counterfeiting and substandard goods; diversion of public funds and misuse of Non-Governmental Organisations (NGOs). Some vulnerabilities and Red flags highlighted in the Advisory are listed below for your information and necessary action, please:

Fraud

- i. E-commerce merchant with little or no history or internet presence, suddenly receiving multiple payments from unrelated third parties.
- ii. Individual(s) suddenly receiving multiple payments from unrelated third parties.
- iii. Customer(s) suddenly engaging in the supply or purchase of medical supplies and payment for goods and services associated with known brands, yet the beneficiary is an individual not a corporate body.

Counterfeiting & Substandard goods

- i. Unusual transactions dynamics from customer(s). Expect to see more transactions for medical supplies, equipment and medication.
- ii. Payment for goods or services associated with a known brand, yet beneficiary is an individual not a company.

Diversion of public funds

- i. Unusual volume of transactions, large and frequent cash withdrawals and deposits.
- ii. Immediate disbursement of deposited funds to multiple accounts.
- iii. The account signatory also a public/civil servant.
- iv. Funds transferred from government account to personal account.

NGOs

- i. Non-profit organisations suddenly receiving donations in favor of Covid-19 patients or victims.
- ii. Customers' account with little or no activity suddenly receiving funds from one or more unrelated third parties only for the funds to be transferred to one or more unrelated thirds parties.
- iii. NGOs under the guise of paying COVID-19 victims could actually be paying members of a criminal gang or facilitating terrorist financing.

You are therefore advised to update Alerts protocol in your AML/CFT monitoring tools, in line with the red flags and emerging trends arising from the COVID-19 related financial crimes.



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for: DIRECTOR, FINANCIAL POLICY AND REGULATION DEPARTMENT