

**SECURITIES AND EXCHANGE COMMISSION (SEC)
AND
FINANCIAL INTELLIGENCE CENTRE (FIC)**



**ANTI-MONEY LAUNDERING/COMBATting THE
FINANCING OF TERRORISM & THE PROLIFERATION
OF WEAPONS OF MASS DESTRUCTION (AML/CFT/CPF)**

ADMINISTRATIVE SANCTIONS / PENALTIES FOR MARKET OPERATORS IN GHANA

NOVEMBER 1, 2023

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OBJECTIVE

Money Laundering and Terrorist Financing and Proliferation of Weapons of Mass Destruction (ML/TF /PF) are ongoing threats which have the potential to adversely affect Ghana's reputation and the financial sector.

Ghana in recent years has taken tremendous strides to combat ML/TF/PF through the passage of numerous laws and directives. Securities and Exchange Commission and Financial Intelligence Centre, the two competent authorities do ensure that Market Operators are in compliance with AML/CFT/CPF requirements.

As part of its supervisory role in enforcing AML/CFT/CPF requirements, the SEC and FIC introduced these penalties and sanctions drawing from its powers provided under Section 53 of the Anti-Money Laundering Act 2020 (Act 1044).

MOs must conduct their businesses with high ethical standards and avoid undertaking business relationships that may facilitate money laundering and terrorist financing activities. The underlisted categories or persons would be equally responsible for any sanctions violated aside the MOs.

- i. Board
- ii. Management
- iii. AMLRO
- iv. Employees

The objective of this document is to provide guidance to sanctions that may be imposed on Market Operators regulated by the Securities and Exchange Commission (SEC) for contraventions of the Anti-Money Laundering, Combating the Financing of Terrorism & Combating the Proliferation of Weapons of Mass Destruction (AML/CFT/CPF) laws and other relevant regulations, directives and guidelines issued by the SEC and/or the Financial Intelligence Centre (FIC).

The penalties/sanctions outlined in this document are administrative in nature and shall be imposed by the SEC/FIC on Market Operators (MOs) or their employees in the event of a breach detected by SEC/FIC or other relevant law enforcement authorities.

This document has been formulated to ensure compliance with the following laws and standards:

- i. Securities Industry Act, 2016 (Act 929) as amended;
- ii. The Anti-Money Laundering Act, 2020 (Act1044);
- iii. The Anti-Terrorism Act, 2008 (Act 762);
- iv. Anti- Terrorism (Amendment Act) 2012 (Act 842);
- v. Anti-Terrorism (Amendment Act) 2014 (Act 762);
- vi. Anti-Money Laundering Regulations, 2011 (1987) and
- vii. The Revised Financial Action Task Force (FATF) 40 Recommendation

LEGAL PROVISIONS

This document is issued pursuant to Sections 52 (4) (a) & 53 of AML Act 1044.

APPLICABILITY

This document shall apply to contraventions of provisions in Act 1044 and any other directives issued by the Securities and Exchange Commission and the Financial Intelligence Centre in Ghana.

EFFECTIVE DATE

This document takes effect immediately

RELATIONSHIP WITH EXISTING POLICIES

This document shall be read together with other documents issued by the Securities and Exchange Commission and the Financial Intelligence Centre in Ghana relating to compliance with AML/CFT/CPF requirements.

Where the contravention of offences (as described in the sanctions/penalties document) persists after three penalties, the SEC/FIC will exercise one or more of the prerogative actions listed below, in addition to the penalties:

Administrative penalty of not less than 500 penalty units and not more than 20,000 penalty unit for **individual** (i.e., Board, Managing Director (MD), Anti-Money Laundering Reporting Officer (AMLRO) or any officer) who is identified as being responsible for the breaches as provided in Section 53 of AML Act 1044.

Administrative penalty for an **entity** not less than one thousand (1,000) penalty units and not more than one hundred thousand (100,000) penalty units.

Blacklisting of AMLRO from working in any financial institution for one (1) or more years depending on severity of the offence

Naming and shaming in the media to act as deterrent for future breaches of the AML/CFT/CPF regime in Ghana.

Refusal to develop new products and/or branches or other restriction of license.

Suspension of license.

Revocation of license.

Written warning

SUPERVISORY RATINGS ON AML/CFT/CPF COMPLIANCE

The Commission is setting up a rating system for MOs who are assessed based on their violations of any of the sanctions. The ratings are categorized into four (4) sections, (Compliant, Largely Compliant, Partially Compliant and Non-Compliant). This rating would be published yearly.

Compliant	MOs who did not violate any of the sanctions within the year
Largely Compliant	MOs that violate two (2) sanctions
Partial Compliant	MOs that violate between 2 to 5 sanctions
Non-Compliant	MOs that violate more than 5 sanctions

DEFINITIONS

AMLRO	ANTI-MONEY LAUNDERING REPORTING OFFICER
CFT	COMBATting FINANCING OF TERRORISM
MO	MARKET OPERATOR
FIC	FINANCIAL INTELLIGENCE CENTRE
ML	MONEY LAUNDERING
SEC	SECURITIES AND EXCHANGE COMMISSION
TF	TERRORISM FINANCING
AML	ANTI-MONEY LAUNDERING
AML/CFT/CPF	ANTI-MONEY LAUNDERING, COUNTERING THE FINANCING OF TERRORISM AND COMBATting THE FINANCING OF PROLIFERATION OF WEAPONS OF MASS DESTRUCTION (AML/CFT/CPF)

S/N.	SECTION	OFFENCE	ADMINISTRATIVE PENALTY
1.	<p>Section 50 (1) (b) of Act 1044</p> <p>Part B (2.4.4) (1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<ul style="list-style-type: none"> • Failure to appoint AMLRO at management level. • Failure to notify SEC and FIC about the appointment of an AMLRO. • Failure to notify SEC and FIC about the disengagement of an AMLRO. 	<p>MO - A minimum of 1000 penalty units and a maximum of 100,000 penalty units.</p>
2.	<p>Section 52 (5) (c) of Act 1044</p> <p>Part C (5.0) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to comply promptly with all requests to SEC, FIC, and any other competent authority.</p>	<p>MO - A minimum of 1000 penalty units and a maximum of 100,000 penalty units in the case of an entity.</p>
3.	<p>Section 30 of Act 1044</p> <p>Part B (2.5) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to perform Customer Due Diligence (CDD) by MOs including identification and verification of existing customers, occasional customers, and the ultimate beneficiary of corporate entities during on-boarding of new customers.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Management, AMLRO and other Employees – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.

<p>4.</p>	<p>Section 49 (2) (a) (viii) of Act 1044</p> <p>Part B (2.2) (4)(i) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure of MOs to implement Internal Risk Assessment Methodology.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • AMLRO - A minimum of 500 penalty units and a maximum of 20,000 penalty units in the case of an individual.
<p>5.</p>	<p>Section 30 (4) & (5) (b) of AML Act 1044</p> <p>Regulation 10 of Anti-Money Laundering Regulations, 2011, LI. 1987</p> <p>Part C (3.11.2) (1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure of MOs to perform enhanced due diligence (EDD) on any of their high-risk customers.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Management, AMLRO and other Employees – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.

6.	<p>Section 32 of Act 1044</p> <p>Part B (2.14.1) (1), (4), (5) and (7) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure of MOs to maintain records for a minimum of 5 years.</p> <p>Failure of MOs to maintain records for a minimum of 5 years after termination of business relationship.</p>	<ul style="list-style-type: none"> ● MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. ● Employees, Management and Directors – A minimum of 500 penalty units and a maximum of 20,000 penalty units in the case of an individual.
7.	<p>Section 38 of Act 1044</p> <p>Part B (2.9.3) (2) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to report Suspicious Transactions to FIC within 24 hours after arriving at a decision.</p>	<p>AMLRO - A minimum of 500 penalty units and a maximum of 20,000 penalty units in the case of an entity.</p>
8.	<p>Section 8 (b) & 30 (5) (b) of AML Act 1044</p> <p>Part B (2.8.1) (1), (2.5.2) (13) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to screen for PEPs, high risk clients using UN Sanctioned Persons/Entities Lists and other official lists.</p>	<ul style="list-style-type: none"> ● MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.

9.	<p>Section 49 (2) (a) (v) (vi) of Act 1044</p> <p>Part B (2.9.2) (1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to put in place policies, procedures, and controls to monitor transactions, and report suspicious and other transactions.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Directors and AMLRO – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
10.	<p>Section 49 of Act 1044</p> <p>Part B (2.1) (2) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to establish and approve internal policies and procedures to prevent money laundering and financing of terrorism.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Board and AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
11.	<p>Section 49 (1) of Act 1044</p> <p>Part B (2.2) (3), (2.4.2) (1), (2.4.3) (1) and (2.4.4) (c) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to implement effective AML/CFT/CPF Compliance Programme.</p>	<p>AMLRO and Management - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.</p>

<p>12.</p>	<p>Section 40 & 43 of Act 1044</p> <p>Part B (2.10), (2.4.4) (7) (f) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to file Cash and Electronic Transaction Reports.</p>	<p>AMLRO minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an entity.</p>
<p>13.</p>	<p>Section 50 (1) (a) of Act 1044</p> <p>Part B (2.13.2) (3) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to develop a regular training program and conduct training for its Board/management/staff.</p>	<p>AMLRO and Board - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.</p>
<p>14.</p>	<p>Section 49 (3) of AML Act 1044</p> <p>Part B (2.4.5) (1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to communicate AML/CFT/CPF compliance program to staff.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • AMLRO - minimum of 500 penalty units and a maximum of 20,000 penalty units in the case of an individual.

15.	<p>Section 49 (2) (b) of AML Act 1044</p> <p>Part B (2.13), (2.4.5) (3) (a) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to screen and conduct adequate hiring procedures before employment.</p>	<p>MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.</p> <p>HR – A minimum of 500 penalty units and a maximum of 20,000 penalty units in the case of an individual.</p>
15 (b)	<p>Section 49 (2) (b) of AML Act 1044</p> <p>Part B (2.13.1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to monitor employee’s lifestyle and account after employment.</p>	<p>AMLRO and Internal Auditor - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.</p> <p>HR – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.</p>
16.	<p>Section 52 (e) (iii) (j) of Act 1044</p> <p>Part B (2.13.2) (5) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to participate in all AML/CFT/CPF programmes or activities organized by SEC in collaboration with FIC, and other bodies.</p>	<p>MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.</p> <p>AMLRO – A minimum of 500 penalty units and maximum of 20,000 units in the case of an individual.</p>

17.	Part B (2.4.2) (2.4.3) (e) of SEC/FIC AML/CFT/CPF Guidelines.	Failure to allocate adequate resources (e.g., Skilled staff and budgetary allocation) to the AML/CFT/CPF Compliance Function.	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Board – A minimum of 500 penalty units and maximum 20,000 penalty units in the case of an individual.
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18.	Part B (2.4.2) (7) of SEC/FIC AML/CFT/CPF Guidelines.	Failure of the AMLRO to submit periodic reports on AML/CFT/CPF compliance to the Board.	AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
19.	Section 49 (2) (e) Act 1044 Part B (2.3), (2.8.4) (2) of SEC/FIC AML/CFT/CPF Guidelines	Failure to develop and implement risk assessment for New Technologies and Non-Face to Face products, services, and delivery channels.	MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.
20.	Section 52 (6) Act 1044	Matters on submission of required reports:	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • CEO and AMLRO – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.

	<p>Part C (5.0) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>a. non-submission of reports</p> <p>b. submission of incomplete or inaccurate reports,</p> <p>c. delayed submission.</p>	
21.	<p>Sections 36 & 37 of Act 1044</p> <p>Part A (1.2) (1.3) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to cooperate with SEC, FIC, and other Competent Authorities by not providing information upon request and not responding promptly to all requests.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.
22.	<p>Sections 38 (4) of Act 1044</p> <p>Part B (2.9.2) (6) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Disclosing information on reports submitted to FIC to third parties.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.

23.	<p>Section 38 (6) of AML Act 1044</p> <p>Part A (2.9.2) (4) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to put in place and implement policies to protect staff when they report STRs in good faith.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.
24.	<p>Section 30 (1) of Act 1044</p> <p>Part B (1.5.1) (2) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Opening of anonymous accounts or accounts in a fictitious name for a customer.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.
25.	<p>Section 30 (5) of Act 1044</p> <p>Part B (2.8.1) 1 of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to put in measures to identify PEPs and other high-risk clients.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.
26.	<p>Section 49 (2) (c), 50 (1) and 51 of Act 1044</p> <p>Part B (2.13.2) (2) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to develop and implement employee annual training program submitted to FIC and SEC.</p> <p>Failure to submit a Board Approved employee annual training program to SEC and FIC.</p>	<ul style="list-style-type: none"> • AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.

27.	<p>AML Regulations, 2011 Regulation 8</p> <p>Part A (2.8.1) (2) and (3) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to obtain Senior Management approval to establish business relationships with PEPs and other High-Risk customers.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Employees – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
28.	<p>Section 30 (10) of AML Act 1044</p> <p>Part A (2.5.2) (4) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to obtain information on the beneficial owner of accounts where a customer is an intermediary or authorized representative of another party.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. • Employees – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
29.	<p>Section 49 (2) (f) of Act 1044</p> <p>Part B (2.4.6) (1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to conduct Independent Test on the AML/CFT/CPF Compliance Programme.</p>	<ul style="list-style-type: none"> • MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.

30.	<p>Section 49 (5) and (6) of Act 1044</p> <p>Part B (2.8.7) (1) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to ensure Foreign Branches and Subsidiaries comply with AML/CFT/CPF provisions.</p>	<ul style="list-style-type: none"> MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity.
31.	<p>Section 32 (3) (a) of Act 1044</p> <p>Part C (3.16) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to develop policies on account closure.</p>	<ul style="list-style-type: none"> MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
32.	<p>Section (30) (5) (a) of Act 1044</p> <p>Part B (2.5.2) (10&11) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure to take reasonable steps to establish the source of funds and the source of wealth of PEPs.</p>	<ul style="list-style-type: none"> MO - A minimum of 1000 penalty units and maximum of 100,000 penalty units in the case of an entity. AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
33.	<p>Section 52 (6) of Act 1044</p> <p>Part B (2.4.2) (3) of SEC/FIC AML/CFT/CPF Guidelines</p>	<p>Failure of the Board to deliberate and approve AML/CFT/CPF documents.</p>	<ul style="list-style-type: none"> AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.
34.	<p>Section (50) (a) of Act 1044</p> <p>Part B (3.13.1) (5) of SEC/FIC</p>	<p>Failure to take employees annual appraisal on AML/CFT/CPF)</p>	<ul style="list-style-type: none"> HR – A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.

	AML/CFT/CPF Guidelines		
35.	Section 30 (6) & (7) Act of 1044 Part B (2.8.1) (5) of SEC/FIC AML/CFT/CPF Guidelines	Failure to submit transactions undertaken by PEPs to SEC	<ul style="list-style-type: none"> • AMLRO - A minimum of 500 penalty units and maximum of 20,000 penalty units in the case of an individual.

