



REPOBLIKAN'I MADAGASIKARA
Fitiavana - Tanindrazana - Fandrosoana



Financial Analysis Case

“Non repatriation of currencies relating to gold exports”

SAMIFIN

HO AN'NY TOEKARENA

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Madagascar presentation

- is an island country in the Indian Ocean
- approximately 400 kilometres (250 miles) off the coast of East Africa
- at 592,800 square kilometres (228,900 sq mi)
- has more than 5000Km of maritime coast
- The estimated population is 27 million, divided into 18 ethnic groups
- The average monthly income per capita in Madagascar is \$ 43, or \$ 510 per capita per year.
- In 2021, Madagascar ranks 10th in the ranking of countries producing the least wealth per capita, with a GDP per capita of \$ 554. ... According to the World Bank, 71.7% of Malagasy lived below the poverty line in 2005

National Risk Assessment

a) Main threats

- High exposure to trafficking: drugs, arms, natural resources...
- Existence of "hawala": informal payment system allowing the fast transfer of money abroad, and avoiding any form of taxation and control.
- Socio-economic context: poverty, high unemployment rate, young population,
- Dominant informal economy important use of cash, low banking rate.

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Existing vulnerability

- ❑ The porosity of the borders: the lack of control of the littoral coasts;
- ❑ The widespread corruption of the administration facilitating the obtaining of the Visas, the obtaining of the resident cards.
- ❑ The DNFBPs, which are in charge of the creation, representation and certification of the NPOs' accounts, are not very involved in AML, whereas their role in transactions misleads their interlocutors on the level of risk of the entities they represent

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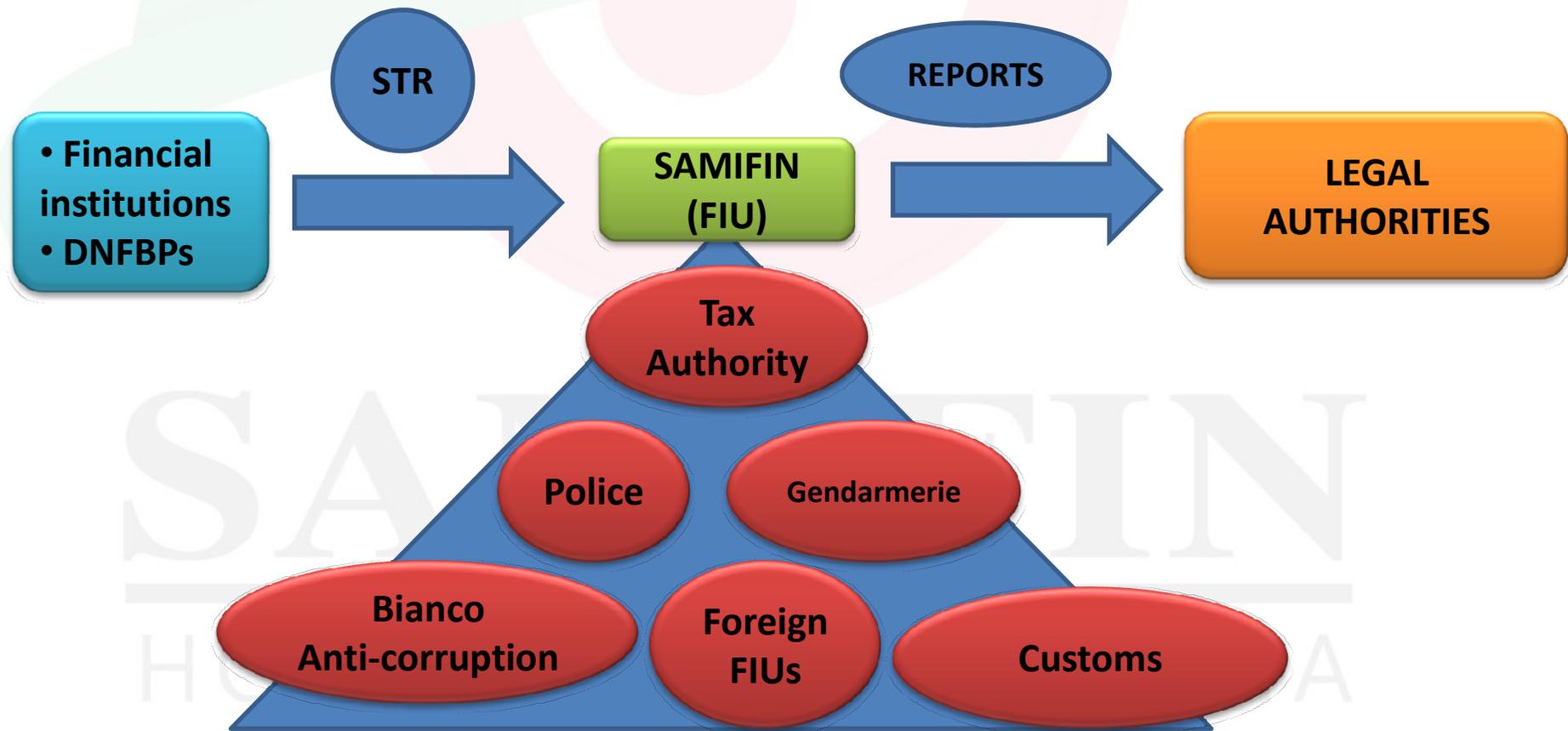
The FIU

- SAMIFIN is the Financial Intelligence Unit of Madagascar, it was created in 2008 to fight against money laundering and the financing of terrorism.
- Samifin does not have the quality of judicial police but an administrative type.

In return :

- “... The FIU can, *on simple request signed by its Director General, obtain from any public authority, any public administration and any other legal or natural person*, the communication of information and documents, falling within the scope of the investigations undertaken. ... ”
- “... The FIU has *access to the databases of the public authorities and of any other natural or legal person* in relation to the suspicious transaction report on simple request ...“
- “... Banking or professional secrecy cannot be invoked against Samifin, even if a law relating to the profession concerned provides for it...”
- The Report that SAMIFIN forwards to the Law Enforcement Agency does not constitute evidence but **serious indications**.

c) AML/CFT chain



Case presentation

“Non repatriation of currencies relating to gold exports”

- The FIU received a STR stating that several gold exporters didn't repatriate the currencies relating to their exports.
- The law relating to the foreign exchange code obliges all exporters to repatriate funds generally within 90 days.
- It was mentioned that only 1% of funds were repatriated and traced back to banks

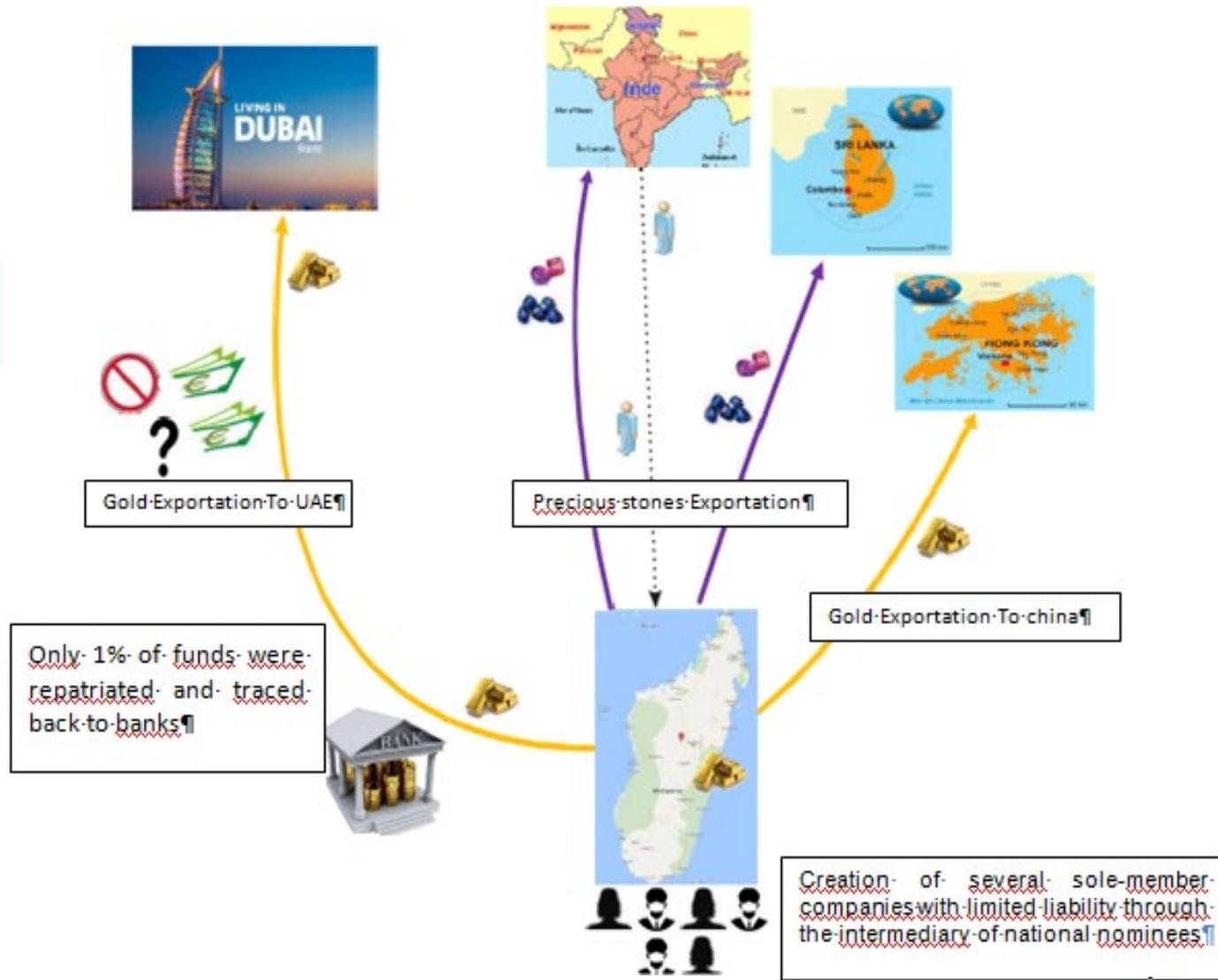
Case additional Information:

The export is destined for Dubai, where people in contact with the suspects manage duty free jewelry stores.

Red flag

- Asian investors create several sole proprietorship limited liability companies under Malagasy law, using nominees
- Non-cleared bank direct debits
- Exceeding the currency repatriation deadline.
- Reporting by taxable persons

Case presentation



Financial analysis

a) Investigation plan

1. Investigation plan Identification of the people involved (natural and legal persons) – Closed and open sources
2. Review of their tax situation
3. Review of the situation of non-repatriated currencies older than 90 days
4. Verification of export documents
5. Price comparison with indicative prices on the international market and declared export prices
6. Analyzes of bank statements and financial statement
7. Comparison of exports declared to customs and turnover declared in financial statements
8. Identification of serious indications of original offenses
9. Identification of serious indications of money laundering

Sources of information used

- a) **Sources of information used**
 - a) **Closed and classified sources**
 - a) **Information form financial institutions**
 - b) **Information from the Tax Office's database**
 - c) **Information from Treasury Office's database**
 - b) **Open sources**
 - a) **Social Media Facebook (Using fake account)**
 - b) **International Consortium of Investigative Journalist (ICIJ) <https://www.icij.org>**
 - c) **The Trade and Companies Register (RCS) <https://www.rcsmada.mg>**



Database direct access





REPUBLICANIN' NY MADAGASCAR
 PROSPERITE - FANINDRANANA - FANAFISOANA
 MINISTRE DE L'ECONOMIE ET DES FINANCES

SIG-OC
 SYSTEME INTEGRE DE GESTION DES OPERATIONS DE CHANGE

Tableau de bord
Domiciliation ▾
Dispense à l'exportation ▾
Relances ▾
Etats ▾
Société ▾
IM316705 👤 ▾

LISTE DES DOMICILIATIONS

EXPORTATIONS

EN ATT...	DOSSIE... DOMICI...	EMBAR...	RAPATR... PARTIEL	DOSSIE... APURÉS
23	4132	18070	1696	127656

IMPORTATIONS

EN ATT...	DOSSIE... DOMICI...	PAYÉES PARTIE...	PAYÉES EN TOT...	DOSSIE... APURÉS
51	8881	23719	141884	220467

NEGOCES

EN ...	DO... DO...	VEN... PAR...	VEN... APU...	AC... PAR...	AC... EN ...
0	13	2	55	9	44

Statut	Numéro domiciliation	Référence facture	Agence	Date domiciliation/ Date facture	Montant	Devise	Nomenclature	Date d'embarquement (E)/ Date débarquement (I)	Date rapatriement (E)/ Date paiement (I)	Référence rapatriement (E)/ Numéro DAU (I)
En attente		AK21-0320	00001	02/12/2021	18 972,00	USD	61101200			
En attente		GG5 044 2021	00002	02/12/2021	47 000,00	USD	07139000			
Validé	08 00009 21 I 09312	2021FMG545-CP21	00490	02/12/2021	125 712,00	USD	17019900			
En attente		FAE210581	00007	01/12/2021	23 370,00	EUR	70049000			
En attente		CMT/007/2021	01001	29/10/2021	26 640,00	USD	73089000			
En attente		422	00001	26/07/2021	17 102,00	EUR	21069070			
Validé	08 00009 21 I 09311	2021FMG544-CP21	00490	02/12/2021	157 140,00	USD	17019900			
Validé	04 00001 21 E 04357	E2021/037-AGOA	00001	02/12/2021	97 406,35	EUR	61071100			
En attente		210525	05604	10/11/2021	32 736,00	SGD	84719000			



NIFONLINE

Site officiel d'immatriculation fiscale

DGI & BIANCO



Validation

Vehicule

Consultation

Autres opérations

Etat

Espace membre

CONSULTATION DES NIF

Veuillez remplir vos critères de recherche ci-dessous :

Recherche de CONTRIBUTUABLE

Domaine de recherche

Votre recherche

Régime fiscal :

Date validation, Du :



Au :



CF Gestionnaire :

Exportateur :

Oui Non

Importateur :

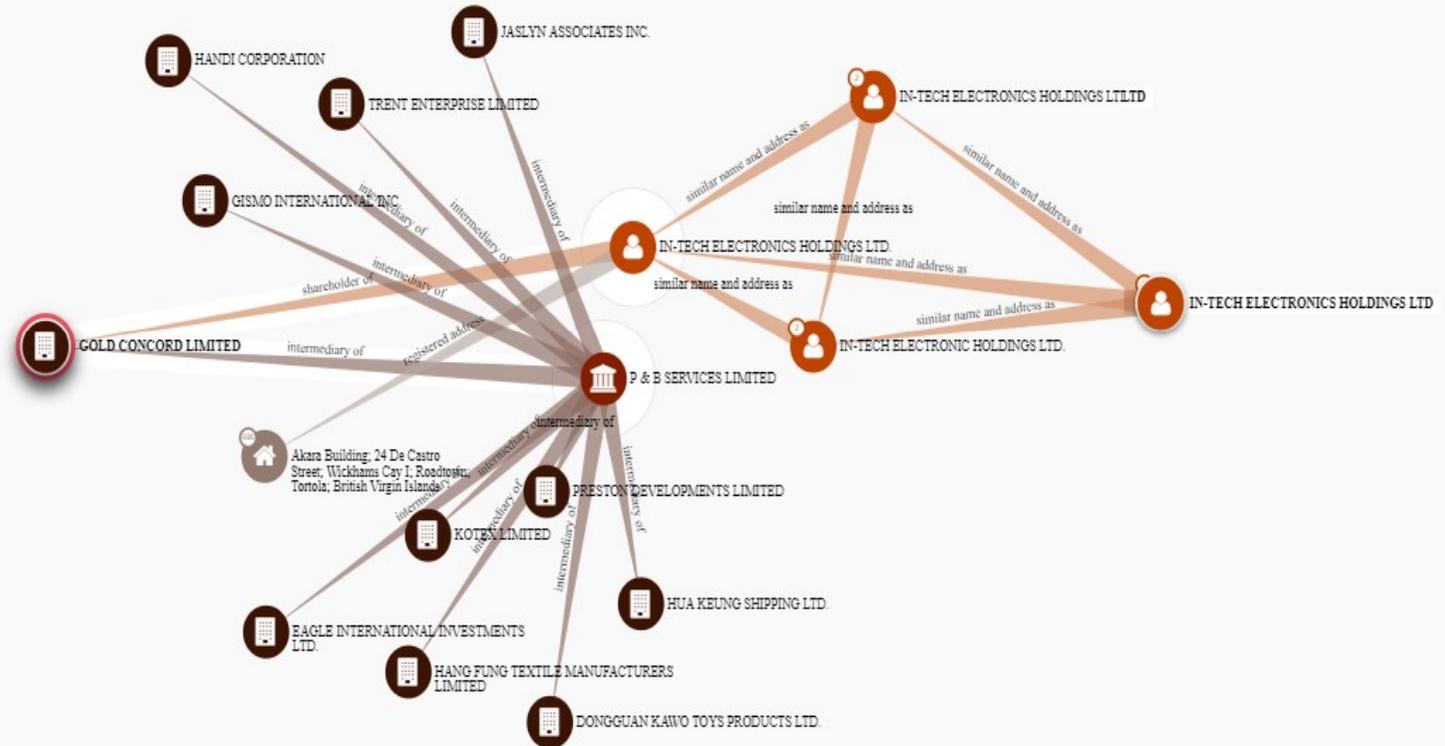
Oui Non

Personne :

physique morale

Rechercher

ICIJ information



- Category
- Officer
 - Address
 - Entity
 - Intermediary

Findings

Original offences identified

- Currency offence
- Tax fraud

Serious indications identified on the original offenses

- Currency offence
 - Non repatriation of currency within the time limits provided for by law (more than 90 days)
- Tax fraud
 - False declaration by reduction of turnover (reduction in export prices, and non-declaration in turnover of amounts not repatriated)

Serious indications identified on the money laundering offense

- Constitution of illicit assets abroad
- Creation of shell company and use of nominees
- Closure of companies after a few exports

Criminal sanction applicable

1. Any refusal in bad faith to request information from the Financial Intelligence Service shall be deemed to be an obstacle to the proper functioning of the justice system and shall be punished in accordance with the penalties provided for in the Anti-Corruption Act.
2. Criminal penalties applicable to natural persons for money laundering: imprisonment for two to ten years and a fine of at least three times the value of the property or funds involved in the money laundering operations.
3. Attempts are punished with the same penalties.
4. The same penalties apply to all beneficial owners.
5. No criminal sanction for these offences may be conditional.
6. No mitigating circumstances can be considered.
7. Aggravating Factors
 - a) the offence is committed in the course of a professional activity;
 - b) the person who committed the offence is a repeat offender. In this case, foreign convictions are taken into account to establish recidivism;
 - c) the money laundering offence is committed in the context of a criminal organization.

Challenge

- Use of Cryptocurrency backed by Mobile Currency platforms
- Use of electronic payment cards linked to Mobile Money accounts
- Possibility of misuse of foreign currency transfer grounds facilitating the creation of illicit assets abroad
- Use of free discounts in imports and exports that are never completed
- Possibility of price manipulation (Notion of transfer price), both upward and downward, the non-reporting of income and or transactions, and the use of apparent owners or false identities, companies to conceal the identity of the beneficial owner

Thank you for your attention.

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