



**REPUBLIC OF SENEGAL
FINANCE MINISTRY
GENERAL TAX ADMINISTRATION**





GENERAL TOPIC: Asset Recovery: Freezing and Seizing Assets

**Case study on Asset Management Preservation and Enforcement (case of
SENEGAL)**

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OUTLINE

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context

- ▶ SENEGAL is a poor african country where an effective and efficient tax recovery and asset mangement are compulsory to reach financial sovereignty
- ▶ There are laws voted and being emplemented in order to fight against financial organised crimes, corruption, asset or money laundering
- ▶ Many agencies and structures had been created in order to handle financial crimes issues such as assets or money laundering
- ▶ These agencies or organisation (CENTIF, OFNAC, ONRAC, BCEAO, OPCVM, CDC, ITTIE) have been inter-coperating from the beginning in order to handle these financial and criminal issues.
- ▶ They are doing many investigations on tracing financial criminal since they had been created
- ▶ funds and means have been allocated to these entities to help them accomplishing their goal
- ▶ transparency in information exchanges between these entities is real and effective



context(2)

- ▶ SENEGAL has signed common agreement in the ecowas territory and WAEMU That help our country to reinforce his legal device
 - ▶ Bilateral and multilateral cooperation is a reality and our foreign ministry is working by our side
 - ▶ Until then everything seem to be OK.
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SO WHAT'S THE MATTER?





First part

**LEGAL DEVICE AND ENFORCEMENT MECHANISM ON
ASSET MANAGEMENT IN SENEGAL**



SCHEMA of the legal DISPOSITIF on asset management in senegal

SENEGAL IS A MEMBER OF WAEMU which is an common organisation that has as main goals favoritizing exchanges between members and fighting against asset laundering that maybe connected to terrorism financement

Directive N°
07/2002/MC/WAE
MU

Law number 2004-
09 of February 6th
2004 against
assets laundering

Law n°2018-03 of february
23rd 2018 for the fight
against asset laundering
and terrorism financement

Edict n°2019-1499 of
september, 18th 2019
creating and fixing the
rules of the National
Comity for fight of money
laundering

observations

PARADOX

- ▶ All these organizations or national entities are working hand in hand for the « Eradication » of financial crimes and by the way fighting the financement of terrorism which is one the consequences of this financial delinquency. Paradoxally, financial crimes are widespread in SENEGAL despite all these efforts.





enforcement mechanism of this legal device (how does it work?)

- ▶ The National task of financial data's treatment (NTFDT or CENTIF in french) in charge of the treatment of financial informations make investigations when suspicious financial activities or transactions have been detected. These investigations has been made with the participation of the other organizations listed earlier;
- ▶ after the investigations end up ,which is significant, because they probably got to identify those financials criminals.
- ▶ Obviously their properties have been seized and freized but the biggest challenge is that after these entities finish their investigation and wealth has been confiscated, the process start to be delayed.
- ▶ Indeed their mark-up ends up when the properties are seized;
- ▶ But all is not only about the properties but it's also about the criminals. Unfortunately even our jurisdictions are very slow as far as financial criminals are concerned
- ▶ Prosecutors in our country (SENEGAL), once they have been seize for financial crimes matters are very reluctant to deliberate.



EFFECTS

- ▶ Many financial crimes affairs waiting on prosecutors or judges's offices with no follow-up;
- ▶ The properties that had been seized are still freize and it becomes very difficult to recover asset;
- ▶ With no penal decision or deliberation financial criminals are circulating freely and will continue operating; maybe their properties had been seized but it doesn't necessary mean that they will stop, therefore penal condemnation and sentences are needed
- ▶ In Senegal we are very late compared to some other countries where financials crimes and criminals have been strongly reprimanded.



EFFECTS (SUITE)

- ▶ The number of financial crimes is exploding; and the worst is the fact that the senegalese population in activity is very blended so far it's very difficult to make distinction between financial criminals and simple senegalese.
- ▶ Another aspect is that when the seized properties are not used to recover assets it's a waste of time, energies and financement. Indeed these investigation had been fianced through the participation of some financial organizations such as ABD, IMF, World Bank etc
- ▶ Most of the time we agreed to some international agreement but it's seemed to be difficult to implement some common directives in the national jurisdiction and legal system.
- ▶ In our days, we face to many sorts of financial crimes specially in the extractive sector and during the tax declarations.

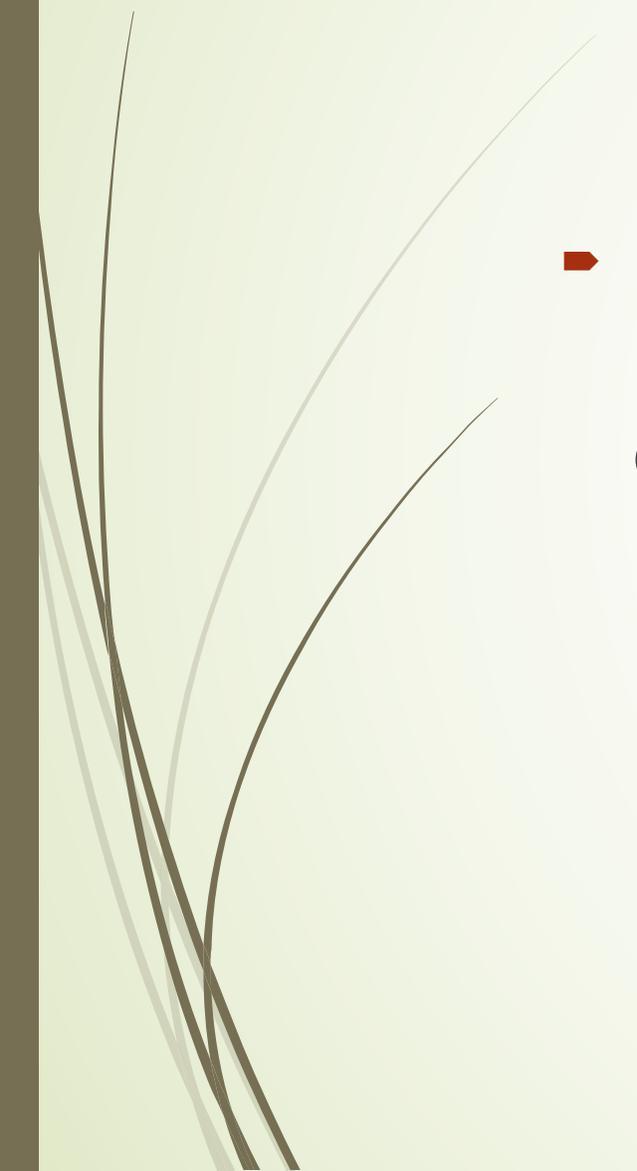


EXAMPLES OF FINANCIAL CRIMES IN SENEGAL

- ▶ During the regional workshop on the launching of the statistic measure of illicit financial flows for the pilote countries in africa, which had been held from the 16 to 17 2021, financial illicit flows (FIF) have been estimated around 88,6 billions \$ per year for the african country (rapport 2020 CNUCED on sustainable development in Africa). 166 millions euros according to the civil forum of SENEGAL,
- ▶ The extractive sector is more touched (around 85% of ressources come from africa)
- ▶ extractive industries in SENEGAL profit of some fiscal advantages for the five first years. During this period, they tend to over exploit ressources to maximize profits. Which practice is unfair, and dangerous for our economic system.
- ▶ Durind the fabrication of some building materials, mining ressources are largely underevaluated to minimize the amount to pay for mining taxes
- ▶ Incorrect fiscal declaration or minimizing sales performance can be used to lower the amount of the tax to pay.



second part

- ▶ **The National Agency in charge of the management of seized and freized assets and its correlation**
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Objectives





As objectives, **The National Agency in charge of the management of seized and freized asset**

▣ June 2021, eight Senegalese tax agents based in the fiscal centre of Pikine, the country's second largest city, generated over 500 detailed property tax information sheets in just four weeks. The information sheets contained GIS coordinates, cadastral identifiers, property characteristics, rental value, owner identification details and even pictures.



FOLLUM UP

- ▶ The development process was carried out as a collaboration between the research team, the tax administration and the developer (initial funding for the project came from Economic Development and Institutions, while the development process received long-term support from the ICTD).
- ▶ ADMINISTRATE CORRECTLY THESE PROPERTIES



CHALLENGES

- Not many legal sentences for financial crimes,
- judges are reluctant to punish these crimes,
- the government should take into account some document
- Money laundering criminals have many bank accounts with no money in
- In SENEGAL; creating enterprises is very easy and it's can be considered as a another for senegal to launder money.
- Cash flows in senegal is easy because of the fact people prefer cash as rapid to make transaction

THANKS FOR LISTENING



TIME FOR QUESTION

