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THE LEGAL AND INSTITUTIONAL FRAMEWORKS FOR COMBATTING MONEY LAUNDERING IN CAMEROON

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Abstract: **Money laundering usually involves a series of multiple transactions used to mask the source of financial assets, so that these assets can be used without compromising criminals seeking to their use. Money laundering can happen through various intermediaries; bank transfers, both by wire and check, are the most common channels for illicit money transfers. Money Laundering has several devastating effects; it damages financial sector institutions that are critical for economic growth, promoting crime and corruption that slow economic growth, reducing efficiency in the real sector of the economy. Money laundering is a problem not only in the world's major financial markets and sea centers but also in emerging markets. Cameroon has criminalized money-laundering in line with the United Nations Convention against Corruption which was signed on 10th October, 2003, and ratified by the President of the Republic on 6th February, 2006. Cameroon follows an all-crimes approach to money-laundering whereby all offences under the laws and regulations of Cameroon constitute predicate offences. In order to effectively combat money laundering, institutions have equally being put in place to combat it.**

Keywords: **Legal and Institutional Frameworks, Combatting, Money Laundering.**

1. INTRODUCTION

Money laundering is a term used to describe a scheme in which criminals try to disguise the identity, original ownership, and destination of money that they have obtained through criminal conduct. The laundering is done with the intention of making it seem that the proceeds have come from a legitimate source. A simpler definition of money laundering would be a series of financial transactions that are intended to transform ill-gotten gains into legitimate money or other assets. It is the illegal process of making "dirty" money appears legitimate instead of ill-gotten[3]. Money laundering can happen through various intermediaries; bank transfers, both by wire and check, are the most common channels for illicit money transfers[4]. The term "money laundering" started to draw attention in the early nineties. Money laundering has had its beginnings in the early 1930s, in the US and in this period, after the prohibition of the production of alcoholic beverages by private and monopolization of this activity, pirate manufacturers continuing this activity began to ensure fat profits. These profits that were obtained illegally, pirate manufacturers tried to 'launder' them in legal activities. Therefore from making the illegal money legal comes the name of money laundering[5].

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[3]James Chen, Money Laundering, Investopedia, 2020. Available at https://www.investopedia.com/terms/m/moneylaundering.asp. Accessed on the 20th of August 2020.
[4]Elod Takáts, *A Theory of "Crying Wolf": The Economics of Money Laundering Enforcement*, Princeton University, April 20, 2006, p.4.
[5]Mario Gjoni et al., "Money Laundering Effects", University of Tirana, *International Conference on Management, Business and Economics*, November 2015, p.13-20:13.

According to Friedrich Schneider[6], the term "Money Laundering" has no original legal definition but a colloquial paraphrase describing the process of transforming illegal into legal assets. To him, money laundering or the financial means of organized crime are extremely difficult to tackle. According to Elena Xhina[7], to prevent legalization of the monetary means and other wealth acquired in an illegal way, many countries in the world have provided this activity as a penal offence in their penal legislations (for example Cameroon). And thus she explained that at the international community, the fight against money laundering with criminal origin makes up the major strategic direction of the fight against organized crime.

The Black's Law Dictionary[8] defines money as the medium of exchange authorized or adopted by a government as part of its currency; especially domestic currency. It indicates that Money equally include assets that can be easily converted to cash. Money laundering is therefore the act of transferring illegally obtained money through legitimate people or accounts so that its original source cannot be traced[9].

According to Artur Victoria[10], money laundering is the way criminals try to ensure that, in the end, crime pays off. Money laundering is key to the virtually all forms of crime organized. Money laundering usually involves a series of multiple transactions used to mask the source of financial assets, so that these assets can be used without compromising criminals seeking to their use.

According to Blunden Bob[11], the term money laundering perfectly describes the cycle of transactions that the dirty money passes through from the one end and it comes out clear at the other end. As a metaphor the concept money laundering implies that dirty money can indeed come out after the washing cycle, whiter than white, as when it blends so smoothly with legitimate financial investments, it would be hard to tell the difference. Money laundering process can be summarized as the conversion of illicit cash or proceeds of crime to another asset, the concealment of the true source of ownership of such proceeds, and the creation of the perception of legitimacy of source and ownership. Money laundering process which begins with tainted money comes to an end once the taint has been successfully removed[12].

We define money laundering in this article as "the process of washing dirty money or washing money from a dirty source in order to make it clean and acceptable without doubting its legitimacy." A good example is the money gotten by internet fraudsters. Most of these internet fraudsters operate businesses and they use their business' name to receive the money and make it appear as if it is the business which is flourishing.

Money laundering and combating it remains an increasingly topical contemporary international problem that has its roots in economic, legal and political spheres[13]. Measures have thus being put at the national and international level to combat the practice. Moh Zali and Ach Maulidi [14] are of the view that, more broadly, anti-money laundering regulations are held to be the key to preserving the integrity and stability of the financial system, given the amount of money being laundered. To Abiola, J.[15], money laundering problem has been a genuine concern to all governments in the recent times more especially in the developed economies after the incidence of 9/11 in the United States because of its direct links with

[6]Friedrich Schneider, *Money Laundering and Financial Means of Organized Crime: Some Preliminary Empirical Findings*, Europe, Economics of Security Working Paper Series, 2010, pp.13.
[7]Elena Xhina, "Money Laundering and Penal Offences Related to Them. Mutual Cooperation in the Fight Against Money Laundering", European University of Tirana, *Academic Journal of Interdisciplinary Studies*, Vol. 4, No.2, July 2015, pp.249-256:249.
[8]Bryan A. Garner, *Black's Law dictionary*, USA, Thomson Reuters, 9th edition, 2009, p.1096.
[9]*Ibid*, pp.1097.
[10]Artur Victoria, "Political Corruption and Money laundering", *Universidade Autónoma de Lisboa Luís de Camoes*, 2018. Available at https://www.researchgate.net/publication/324949733_Political_Corruption_and_Money_laundering. Accessed on the 4th of September 2020.
[11]Blunden Bob, "The Money Launderers", United Kingdom, *Roli Books*, (2001), p.32.
[12]*Ibid*.
[13]H.D. Gambarov, "Regional Anti-Money laundering cooperation in the African Union", Baku State University, *Mgimo Review of International Relations*, Vol.3, N°.60-(2018), p.126-138:127.
[14]Moh Zali and Ach Maulidi, "Fighting Against Money Laundering", University of Madura, *BRICS Law Journal* Volume V, Issue 3, 2018.
[15]Abiola, J. O, *Anti-Money Laundering in Developing Economy: A Pest Analysis of Nigerian Situation*, Lagos State University, Ojo, Review of Public Administration and Management Vol. 3, No. 6, December 2014.

financing of terrorism regimes. This article therefore examines the laws and institutions put in place to combat money laundering bringing out their effectiveness in the fight against money laundering in Cameroon.

2. LEGAL FRAMEWORK

A. NATIONAL INSTRUMENTS

i. Law No. 2003/004 of 21st April 2003 relating to banking secrecy

This Law empowers banks to fight money laundering by reporting suspicious transactions to judicial authorities. The Law provides in its Article 6(d) that it shall not be violation of banking secrecy where the bank makes a statement to the State Counsel or the monetary authority like the managers of a credit institution of transactions or information relating to sums of money which they know or appear to be from drug trafficking, the activity of criminal organizations or money laundering.

ii. The Penal Code, 2016

The Cameroon penal code[16] penalizes the conduct of money laundering in its Section 11. This Section provides in its paragraph one that "*The criminal law of the Republic shall apply to mercenary, racial discrimination, piracy, trafficking in persons, slave trade, slavery, trafficking in narcotics, trafficking in toxic wastes, money laundering, cyber criminality, corruption and offences of misappropriation of public property committed even outside the territory of the Republic*."

This therefore means the State of Cameroon is entitled to exercise universal jurisdiction over crimes that constitute a threat to the common interests of mankind like the offence of money laundering, regardless of who committed the crimes, where they were committed and who were the victims. These are acts that, because of their gravity, affecting vital interests of the international community, can be prosecuted by any State, which apprehends or exercises effective control over the perpetrator. No conditions regarding nationality or territoriality are imposed in these cases. What matters is the nature of the crime that causes universal concern[17].

In order for the Criminal courts in Cameroon to have jurisdiction to try money laundering committed in other States, Section 11 paragraph two provides that the offender must have been arrested in Cameroon or extradited to Cameroon. This provision thus states; "*Provided that, no foreigner may be tried in the Republic for such an offence committed abroad unless he has been arrested in the Republic and has not been extradited, and except at the instance of the authority controlling prosecution*." It can be seen from this Section that the Criminal courts of Cameroon do not only have competence to try money laundering committed within the territory of Cameroon but also outside the territory of Cameroon. This provision therefore gives Cameroon universal jurisdiction over money laundering acts committed anywhere in the world.

The Code equally prohibits money laundering through gaming and lotteries activities. Section 249-4 of the code is to the effect that whoever engages in money laundering through the operation of a casino, public or commercial lottery, betting or online games, shall be punished with imprisonment for from 5 (five) to 10 (ten) years or fine of from CFAF 50 000 000 (fifty million) to CFAF 100 000 00 (one hundred million) or both such imprisonment and fine.

iii. The Criminal Procedure Code, 2005

Under the Cameroon Penal Code, the various crimes over which Cameroon's Courts have universal jurisdiction include mercenary, racial discrimination, piracy, trafficking in persons, slave trade, slavery, trafficking in narcotics, trafficking in toxic wastes, money laundering, cyber criminality, corruption and offences of misappropriation of public property committed outside the territory of the Republic. Section 699 of the Criminal Procedure Code[18]adds to these offences, an offence of fraudulently changing the seal of the Republic of Cameroon or any counterfeiting of currency being legal tender in Cameroon; an offence against the law relating to narcotic drugs, psychotropic substances and precursors; an offence against the law relating to toxic wastes; an offence against the law relating to terrorism and an offence against the law relating to money laundering.

[16]Law No.2016/007 of 12th July 2016 relating to the Penal Code.
[17]Oana Adriana IACOB, "Principles Regarding State Jurisdiction in International Law", University of Bucharest, 2004, p.602.
[18]Law No.2005/007 of 27th July 2005 to institute the harmonized Criminal Procedure Code applicable in the whole territory.

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B. INTERNATIONAL INSTRUMENTS

At the regional level, money laundering is combatted within the framework of the African Union. The African Union has created a broad regulatory framework for terrorism in the region, including a number of provisions on laundering of "dirty" money and financing of terrorism[19]. At the international level, the 1998 United Nations Convention against the illicit traffic in Narcotic Drugs and Psychotropic substances is the first international legal instrument to define and criminalize money laundering[20].

i. Regulation No. 01/03-CEMAC-UMAC-CM on the Prevention and the Suppression of Money Laundering and Financing of Terrorism in Central Africa, 2003

Cameroon is a member of the CEMAC zone and thus Regulation No. 01/03-CEMAC-UMAC-CM, 04th April 2003 is a legally binding text in Cameroon. This regulation contains the FATF 40+9 Recommendations[21] and is directly applicable in all CEMAC member States. The regulation defines money laundering in its Article 1 as:

"…*money laundering shall refer to one or more of the following actions when committed intentionally: a) The conversion or transfer of property, knowing that such property is the proceeds of a crime, within the meaning of the applicable rules in the Member State or of this Regulation, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of the predicate offence to evade the legal consequences of his actions; b) The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is proceeds of a crime or offence within the meaning of the applicable rules in the Member State or of this Regulation c) The acquisition, possession or use of property, knowing, at the time of receipt, that such property was proceeds of a crime or offence within the meaning of the applicable rules in the Member State or of this Regulation; d) Participation in, association or conspiracy to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the offences established in accordance with this article. Knowledge, intent or purpose required as an element of the offence referred to above may be inferred from objective, factual circumstances. In order to serve as grounds for prosecution for money laundering under this Regulation, the predicate offence committed in another Member State or a third State should constitute a criminal offence in the country where it was committed.*"

The said Regulation institutes in its article 25, the creation of National Agency for Financial Investigations (NAFI) in all Central African States. Article 25 thus provides that "*A National Agency for Financial Investigation abbreviated NAFI is hereby set up in each Member State, tasked with receiving, processing and, if need be, forwarding to the competent judicial authorities reports required of financial institutions and persons liable under Article 5. A decree shall lay down in each Member State, in accordance with this Regulation, the organization, functioning and funding of the National Agency for Financial Investigation. The National Agency for Financial Investigation shall collect and process within the framework of implementation of this Regulation and instruments enacted for the implementation thereof, all information relevant to establishing the origin of sums of money or the nature of transactions mentioned in the suspicion report. It shall also receive all other information relevant to its duties, in particular that provided by judicial authorities and the authorities monitoring liable persons*…"

The Regulation[22] lays down rules with the aim of preventing, detecting, checking or suppressing the use of the financial system or other sectors of the economies of the CEMAC States for the purposes of money laundering and the financing of terrorist acts whether they are associated with money laundering or not.

[19]H.D. Gambarov, "Regional Anti-Money laundering cooperation in the African Union", Baku State University, *Mgimo Review of International Relations*, Vol.3, N°.60-(2018), p.126-138:128.
[20]Amb. A. Joy Grant, *Anti-Money Laundering & Combating the Financing of Terrorism (AML/CFT): Background and Recent Updates & Ten Key Obligations*, Belize International Financial Services Association (BIFSA), 10th May, 2016, p.3.
[21]The 40+9 Recommendations, together with their interpretative notes, provide the international standards for combating money laundering (ML) and terrorist financing (TF). Available at https://cfatf-gafic.org/index.php/documents/fatf-40r. Accessed on the 4th of July 2021.
[22]CEMAC's Regulation No. 01/03, 2003.

According to Article 16 of the Regulation, Natural or legal persons other than credit institutions and BEAC whose usual occupation is to perform manual exchange, shall, before commencing operations, address a statement of activity to BEAC including proof of origin of the necessary funds. Casinos and gaming establishments shall be required to submit, before commencing operations, an activity statement to the supervisory authority and National Agency for Financial Investigations including proof of origin of funds. Casinos and gaming establishments shall be required to record and keep for at least five years the names and addresses of players exchanging or bringing in particular chips or tickets for an amount exceeding that set by the Ministerial Committee or by the regulations enacted by each Member State. They shall verify their identity by requiring the presentation of a valid original document including a photograph, a copy of which shall be made[23].

The Regulation calls on financial institutions and other persons liable under Article 5[24] to report to the National Agency for Financial Investigation. This report can be on the amount or other goods in their keeping that can be linked to a crime or offence or to be considered as money laundering. They are to equally report transactions involving money or goods that could be derived from a crime or offence or be considered as money laundering. Financial bodies and other persons liable under Article 5 shall equally report to the National Agency for Financial Investigation: any transaction for which the identity of the originator or beneficiary remains doubtful in spite of the diligence applied in accordance with Articles 9 to 11 of the Regulation; transactions carried out by financial institutions for themselves or on behalf of third parties with legal persons including their branches or establishments acting as or on behalf of trust funds or any other entity managing a trust estate for which the identity of the settlers or beneficiaries is not known. The report may relate to transactions already carried out where it was impossible to stay their execution or where it was discovered after execution of the transactions that the sum may have been derived from drug trafficking or from a money laundering operation. Any information likely to reinforce or undermine suspicion shall immediately be reported to the National Agency for Financial Investigation.

It should be mentioned here that Cameroon established its own National Agency for Financial Investigations (NAFI) in 2005 by Presidential decree No. 2005/187 of 31st May 2005. One can therefore say that Cameroon respected its obligation in Section 25 of the Regulation which called on all Member States of the CEMAC zone to create a National Agency for Financial Investigations (NAFI) in their respective territories.

ii. African Union Convention on Preventing and Combating Corruption, 2003

The African Union Convention on Preventing and Combating Corruption (AUCPCC) was adopted in Maputo on 11 July 2003[25] to fight rampant political corruption on the African continent. It represents regional consensus on what African States should do in the areas of prevention, criminalization, international cooperation and asset recovery. Going beyond other similar conventions, the AUCPCC calls for the eradication of corruption in the private and public sector[26]; the Convention covers a wide range of offences including bribery (domestic or foreign), diversion of property by public officials, trading in influence, illicit enrichment, money laundering and concealment of property and primarily consists of mandatory provisions. It also obliges the signatories to introduce open and converted investigations against corruption.

[23]Regulation No. 01/03-CEMAC-UMAC-CM on the Prevention and the Suppression of Money Laundering and Financing of Terrorism in Central Africa, 2003, Article 17.

[24]*Ibid*, Article 5 provides that "The provisions ....of this Regulation shall apply to any individual or legal person that, as part of practice, carries out, controls, or advises on transactions involving deposits, exchange, investments, conversions or all other capital movements, in particular: - The Treasuries of Member States; - BEAC; - Financial institutions; - Manual money changers; - Managers, directors and owners of casinos and gaming establishments; - Notaries public and other independent legal practitioners who provide counsel or assist clients or act for or on behalf of their clients for the purchase and sale of goods, undertakings or businesses, the manipulation of assets, securities or other assets, the opening of bank accounts, the constitution or management of companies, trusts or similar structures, or any other financial transactions; - Real estate agents; - Companies that transport and transfer funds; Travel agencies; - Auditors, chartered accountants and external auditors, tax consultants; - Dealers in valuable articles such as works of art, metals and precious stones, automobiles.

[25]Adopted by the 2nd Ordinary Session of the Assembly of the Union Maputo, 11 July 2003.

[26]Bello, Akeem Olajide "United Nations and African Union Conventions on Corruption and Anti-corruption Legislations in Nigeria: A Comparative Analysis", *African Journal of International & Comparative Law*, Vol.22 (2) (2014), pp. 308-333.

Cameroon appended its signature to the African Union Convention on Prevention and Combating Corruption on 30 June 2008[27] and ratified it on the 1st of April 2020[28].

Article 6 of the Convention provides that "*States Parties shall adopt such legislative and other measures as may be necessary to establish as criminal offences: a) The conversion, transfer or disposal of property, knowing that such property is the proceeds of corruption or related offences for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the offence to evade the legal consequences of his or her action. b) The concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property which is the proceeds of corruption or related offences; c) The acquisition, possession or use of property with the knowledge at the time of receipt, that such property is the proceeds of corruption or related offences*."

The Convention criminalizes corruption and related offences like money laundering and thus Article 8(2) of the Convention is to the effect that State Parties, who have established illicit enrichment as an offence under their domestic law, shall consider the act as an act of corruption or a related offence. Article 7 of the Convention is to the effect that in order to combat corruption and related offences like money laundering, State Parties must commit themselves to inter alia create an internal committee or a similar body mandated to establish a code of conduct and to monitor its implementation, and sensitize and train public officials on matters of ethics and develop disciplinary measures and investigation procedures in corruption and related offences with a view to keeping up with technology and increase the efficiency of those responsible in this regard.

iii. United Nations Convention against Corruption, 2003

The United Nations Convention against Corruption[29] is the only legally binding universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange. Cameroon has criminalized money-laundering in line with the United Nations Convention against Corruption (Convention) which the country signed on the 10th of October 2003 and ratified by the President of the Republic on 6th February 2006.

This Convention criminalizes money laundering and provides measures to prevent the conduct. According to Article 14 of the Convention, each State Party shall institute a comprehensive domestic regulatory and supervisory regime for banks and non-bank financial institutions, including natural or legal persons that provide formal or informal services for the transmission of money or value and, where appropriate, other bodies particularly susceptible to money laundering, within its competence, in order to deter and detect all forms of money-laundering, which regime shall emphasize requirements for customer and, where appropriate, beneficial owner identification, record-keeping and the reporting of suspicious transactions[30].

The Convention calls on State Parties to ensure that administrative, regulatory, law enforcement and other authorities dedicated to combating money-laundering (including, where appropriate under domestic law, judicial authorities) have the ability to cooperate and exchange information at the national and international levels within the conditions prescribed by its domestic law and, to that end, shall consider the establishment of a financial intelligence unit to serve as a national centre for the collection, analysis and dissemination of information regarding potential money-laundering[31].

[27]The Member States of the African Union adopted the African Union Convention on Preventing and Combating Corruption at the Second Ordinary Session of the Assembly of the Union, held in Maputo (Mozambique), on 11th July 2003. The Convention entered into force on 5th August 2006, thirty (30) days after the deposit of the fifteenth (15th) instrument of ratification. To date thirty-eight (38) countries have ratified the Convention and are States Parties to it.
[28]Decree No. 2020/166 of 1st April 2020 to ratify the African Union Convention on Preventing and Combating Corruption adopted in Maputo 2003.
[29]This treaty was negotiated by member states of the United Nations (UN) and it was adopted by the UN General Assembly in October 2003 and entered into force in December 2005.
[30]The UN Convention against Corruption, 2003, Article 14(1) (a).
[31]*Ibid*, Article 14(1) (b).

According to the Convention, States Parties shall consider implementing feasible measures to detect and monitor the movement of cash and appropriate negotiable instruments across their borders, subject to safeguards to ensure proper use of information and without impeding in any way the movement of legitimate capital. Such measures may include a requirement that individuals and businesses report the cross-border transfer of substantial quantities of cash and appropriate negotiable instruments[32]. States Parties shall equally consider implementing appropriate and feasible measures to require financial institutions, including money remitters to include on forms for the electronic transfer of funds and related messages accurate and meaningful information on the originator[33]; to maintain such information throughout the payment chain[34]; and to apply enhanced scrutiny to transfers of funds that do not contain complete information on the originator[35].

In establishing a domestic regulatory and supervisory regime, the Convention calls on States Parties to use as a guideline the relevant initiatives of regional, interregional and multilateral organizations against money-laundering[36] and States Parties shall endeavour to develop and promote global, regional, sub regional and bilateral cooperation among judicial, law enforcement and financial regulatory authorities in order to combat money-laundering[37].

Article 46(1) of the Convention calls on State Parties to mutually cooperate in the fight against money laundering; it provides that "*States Parties shall afford one another the widest measure of mutual legal assistance in investigations, prosecutions and judicial proceedings in relation to the offences covered by this Convention*."

iv. The United Nations Convention against Transnational Organized Crime (UNTOC), 2000

The United Nations Convention against Transnational Organized Crime (UNTOC), also called the Palermo Convention[38] is a 2000 United Nations-sponsored multilateral treaty against transnational organized crime. The Convention came into force on 29th September 2003. Cameroon signed it on the 13th of December 2000 and ratified it on the 6th of February 2006. The purpose of this Convention is to promote co-operation to prevent and combat transnational organized crime more effectively.

Article 6 of the Convention provides that "*1. Each State Party shall adopt, in accordance with fundamental principles of its domestic law, such legislative and other measures as may be necessary to establish as criminal offences, when committed intentionally:*

(a) (i) The conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action; (ii) The concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime;

(b) Subject to the basic concepts of its legal system: (i) The acquisition, possession or use of property, knowing, at the time of receipt, that such property is the proceeds of crime; (ii) Participation in, association with or conspiracy to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the offences established in accordance with this article.

2. For purposes of implementing or applying paragraph 1 of this article: (a) Each State Party shall seek to apply paragraph 1 of this article to the widest range of predicate offences; (b) Each State Party shall include as predicate offences all serious crime as defined in article 2 of this Convention and the offences established in accordance with articles 5, 8 and 23 of this Convention. In the case of States Parties, whose legislation sets out a list of specific predicate offences, they shall, at a minimum, include in such list a comprehensive range of offences associated with organized

[32]The UN Convention against Corruption, 2003, Article 14(2).
[33]*Ibid*, Article 14(3) (a).
[34]*Ibid*, Article 14(3) (b).
[35]*Ibid*, Article 14(3) (c).
[36]*Ibid*, Article 14(4).
[37]*Ibid*, Article 14(5).
[38]The Convention was adopted by the UN General Assembly: 15 November 2000, by Resolution 55/25 and entered into force on the 29th of September 2003, in accordance with Article 38.

criminal groups; (c) For the purposes of subparagraph (b), predicate offences shall include offences committed both within and outside the jurisdiction of the State Party…"

Article 6 of this Convention therefore defines money laundering as an intentional conversion or transfer of property knowing that such property is proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of the predicate offence to evade the legal consequences of his actions; this Convention therefore widely extents laundering offences in comparison with the Vienna Convention.

Article 7 of the Convention provides measures on how State Parties can combat money laundering. Article 7(1) is to the effect that each State Party: (a) Shall institute a comprehensive domestic regulatory and supervisory regime for banks and non-bank financial institutions and, where appropriate, other bodies particularly susceptible to money-laundering, within its competence, in order to deter and detect all forms of money-laundering, which regime shall emphasize requirements for customer identification, record-keeping and the reporting of suspicious transactions; (b) Shall, without prejudice to articles 18[39] and 27[40] of this Convention, ensure that administrative, regulatory, law enforcement and other authorities dedicated to combating money-laundering (including, where appropriate under domestic law, judicial authorities) have the ability to cooperate and exchange information at the national and international levels within the conditions prescribed by its domestic law and, to that end, shall consider the establishment of a financial intelligence unit to serve as a national centre for the collection, analysis and dissemination of information regarding potential money laundering.

Article 7(2) further provides that "States Parties shall consider implementing feasible measures to detect and monitor the movement of cash and appropriate negotiable instruments across their borders, subject to safeguards to ensure proper use of information and without impeding in any way the movement of legitimate capital. Such measures may include a requirement that individuals and businesses report the cross-border transfer of substantial quantities of cash and appropriate negotiable instruments."

The Palermo Convention therefore criminalizes money laundering and includes all serious crimes as predicate offenses of money laundering, whether committed in or outside of the country, and permit the required criminal knowledge or intent to be inferred from objective facts. It establishes regulatory regimes to deter and detect all forms of money laundering, including customer identification, record-keeping and reporting of suspicious transactions.

[39]The United Nations Convention against Transnational Organized Crime (UNTOC), 2000, Article 18(1) provides that "States Parties shall afford one another the widest measure of mutual legal assistance in investigations, prosecutions and judicial proceedings in relation to the offences covered by this Convention as provided for in article 3 and shall reciprocally extend to one another similar assistance where the requesting State Party has reasonable grounds to suspect that the offence referred to in article 3, paragraph 1 (a) or (b), is transnational in nature, including that victims, witnesses, proceeds, instrumentalities or evidence of such offences are located in the requested State Party and that the offence involves an organized criminal group."

[40]*Ibid*, Section 27(1) provides that "1. States Parties shall cooperate closely with one another, consistent with their respective domestic legal and administrative systems, to enhance the effectiveness of law enforcement action to combat the offences covered by this Convention. Each State Party shall, in particular, adopt effective measures: (a) To enhance and, where necessary, to establish channels of communication between their competent authorities, agencies and services in order to facilitate the secure and rapid exchange of information concerning all aspects of the offences covered by this Convention, including, if the States Parties concerned deem it appropriate, links with other criminal activities; (b) To cooperate with other States Parties in conducting inquiries with respect to offences covered by this Convention concerning: (i) The identity, whereabouts and activities of persons suspected of involvement in such offences or the location of other persons concerned; (ii) The movement of proceeds of crime or property derived from the commission of such offences; (iii) The movement of property, equipment or other instrumentalities used or intended for use in the commission of such offences; (c) To provide, when appropriate, necessary items or quantities of substances for analytical or investigative purposes; (d) To facilitate effective coordination between their competent authorities, agencies and services and to promote the exchange of personnel and other experts, including, subject to bilateral agreements or arrangements between the States Parties concerned, the posting of liaison officers; (e) To exchange information with other States Parties on specific means and methods used by organized criminal groups, including, where applicable, routes and conveyances and the use of false identities, altered or false documents or other means of concealing their activities; (f) To exchange information and coordinate administrative and other measures taken as appropriate for the purpose of early identification of the offences covered by this Convention."

It can be seen therefore that the United Nations (UN) was the first international organization to undertake significant action to fight money laundering on a truly world-wide basis. The UN is important in this regard for several reasons[41]. First, it is the international organization with the broadest range of membership. Second, it actively operates a program to fight money laundering; the Global Programme Against Money Laundering (GPML), and Third, and perhaps most importantly, the UN has the ability to adopt international treaties or conventions that have the effect of law in a country once that country has signed, ratified and implemented the convention, depending upon the country's constitution and legal structure. In certain cases, the UN Security Council has the authority to bind all member countries through a Security Council Resolution, regardless of other action on the part of an individual country[42].

v. United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances ("the Vienna Convention"), 1988

The Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances ("the Vienna Convention") was signed in 1988 under the auspices of the United Nations and became effective in November 1990. Cameroon signed it on the 27th of February 1989 and ratified it on the 28th of October 1991[43]. The 1988 Vienna Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances is now widely recognized as constituting the foundation of the international legal regime in the fight against drugs and money laundering[44].

The 1988 Convention provides an effective strategy to counter modern international drug trafficking coupled with provisions to provide the law enforcement community with the necessary tools to undermine the financial power of the cartels and other groups. The Convention embraces the idea of taking the profit out of crime. Many States have already passed proceeds of crime legislation designed to yield forfeitures of criminal profits. The Convention gave this idea a powerful boost and set a new standard for anti-money laundering efforts by governments.

According to Article 3(1) of the Convention, each Party shall adopt such measures as may be necessary to establish as criminal offences acts of money laundering under its domestic law. The provision provides the following acts when committed intentionally as acts of money laundering: the conversion or transfer of property, knowing that such property is derived from any offence or offences established by the Convention, or from an act of participation in such offence or offences, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an offence or offences to evade the legal consequences of his actions; the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from an offence or offences established by the Convention or from an act of participation in such an offence or offences.

3. INSTITUTIONAL FRAMEWORK

Several institutions have equally been put in place to combat money laundering internationally, regionally and in Cameroon.

A. NATIONAL INSTITUTIONS

i. The National Agency for Financial Investigations (NAFI), 2005

The National Agency for Financial Investigations (NAFI) is a financial information public service attached to the Ministry of Finance and created by Presidential decree No. 2005/187 of 31st May 2005, on the Organization and Functioning of the National Agency for Financial Investigations. Its missions are the Fight against Money Laundering and Financing of Terrorism (FAML/FT). The NAFI comprises 04 members, including a Director, support Services made up of 03 operational units and 02 Administrative Services. The NAFI equally has correspondents designated in some

[41]Paul Allan Schott, *Reference Guide to Anti-Money Laundering and Combating the Financing of Terrorism*, Washington DC, the World Bank, Second Edition and Supplement on Special Recommendation IX, 2006, p.2.
[42]Paul Allan Schott, *op.cit*, 2006, p.2.
[43]The status of the treaty adherence available at http://www.unodc.org/unodc/en/treaties/illicit-trafficking.html. Accessed on the 9th of July 2021.
[44]Gilmore, W.C, *Dirty Money*, Council of Europe Publishing (1999), p.84.

government services[45]. At the operational level the NAFI is at the centre of the chain of national Actors of the Fight against Money Laundering and Financing of Terrorism (FAML/FT). As such, it receives declarations of suspicion from the subjected professions that it enriches before subsequently transmitting them to the competent prosecutor; reports, when the suspicion is confirmed.

Given the transnational nature of crimes related to money laundering and financing of terrorism, the NAFI negotiates within the framework of an inter-ministerial Committee put in place by the Minister of Finance and following the authorization given by the Minister of State, Secretary General of the Presidency of the Republic for the opening of the said negotiations, the Cooperation Agreements with Foreign Financial Intelligence Units (FIU), on the exchange of information and data on FAML/FT.

The National Agency for Financial Investigations (NAFI) is equally regulated by Order No. 06/403/CF/MINEFI 28th December 2006 on the organization of services of the National Agency for Financial Investigation and Order No. 0000144/CF/MINFI 26th March 2009 setting at CFA 5 000 000 francs, the threshold for declaration of transactions in cash or by bearer bond at the National Agency for Financial Investigation (NAFI).

ii. The National Anti-corruption Commission (CONAC)

The National Anti-corruption Commission (CONAC) was established by Decree No.2006/088 on March 11th 2006 by the President of Cameroon and the members were appointed on March 15th 2007. The CONAC is a public independent body which comes under the direct supervision of the Head of State. Its mission is to monitor and evaluate the effective implementation of the government's anti-corruption programme. The CONAC has a central structure with branches in almost all ministries. The CONAC has a coordinating and regulatory role in relation to the national anti-corruption policy framework in Cameroon. It has investigating capacities and has a mandate to gather and analyze allegations and information about corrupt practices including money laundering activities. The findings of a CONAC inquiry can ultimately lead to disciplinary or legal proceedings.

B. INTERNATIONAL INSTITUTIONS

i. Action Group against Money Laundering in Central Africa (GABAC)

The organization and functioning of the Action Group against Money Laundering in Central Africa (GABAC) is established by Regulation No. 02/02/CEMAC/UMAC/CM of 14th April 2002. This text makes GABAC, the sub-regional structure in charge of managing, coordinating and stimulating the actions taken by CEMAC member States in the Fight against Money Laundering and proceeds of crime.

The Task Force on Money Laundering in Central Africa (*Groupe d'Action contre le blanchiment d'Argent en Afrique Centrale* (GABAC)) is therefore a body of the Economic and Monetary Community of Central Africa. It was established in 2000 with the mandate to combat money laundering and terrorist financing, assess the compliance of its members against the Financial Action Task Force (FATF) Standards, provide technical assistance to its member States and facilitate international co-operation. GABAC became an observer organization of the FATF in February 2012, and since then worked with the FATF meet the requirement of an FATF-Style Regional Body. In October 2015, the FATF recognized GABAC as an FATF-Style Regional Body (FSRB) and admitted it as an associated member.

ii. BEAC

The Bank of Central African States (BEAC)[46] launched a selection for the acquisition and implementation of an IT solution for filtering, profiling and tracing financial flows in CEMAC (Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea and Chad). According to the Central Bank, the operation falls within the framework of the fight against money laundering and the financing of terrorism[47]. The process takes place in accordance with Regulation No. 01

[45]As per Decree No. 2005/187 of 31st May 2005, on the Organization and Functioning of the National Agency for Financial Investigations.

[46]The Bank of Central African States (French*: Banque des États de l'Afrique Centrale*, BEAC) is a central bank that serves six central African countries which form the Economic and Monetary Community of Central Africa: Cameroon; Central African Republic; Chad; Equatorial Guinea; Gabon and the Republic of the Congo.

[47]Investor au Cameroon, Fight against money laundering: BEAC opts for computerized tracing of financial flows in CEMAC, available at Fight against money laundering: Beac opts for computerised tracing of financial flows in CEMAC - Prosygma Cameroun (prosygma-cm.com). Accessed on the 9th of July 2021.

CEMAC/UMAC/CM/18. BEAC has over the years advocated for the effective application of laid down texts on the prevention and fight against money laundering and the financing of terrorism in the sub-region by member countries of the Central African Economic and Monetary Committee (CEMAC)[48].

iii. The International Monetary Fund (IMF)

The International Monetary Fund (IMF)[49] is a United Nations (UN) specialized agency, founded at the Bretton Woods Conference in 1944 to secure international monetary cooperation, to stabilize currency exchange rates and to expand international liquidity (access to hard currencies). It is an international financial institution, headquartered in Washington, D.C., consisting of 190 countries working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world while periodically depending on the World Bank for its resources.

The IMF is especially concerned about the possible consequences of money laundering, terrorist financing (TF), proliferation financing (the provision of funds or financial services for the acquisition of nuclear, chemical or biological weapons), and related crimes which undermine the integrity and stability of the financial sector and the broader economy[50]. These crimes, as well as those underlying crimes that generate money laundering activity can threaten the stability of a country's financial sector and a country's external stability more generally. This, in turn, can affect law and order, good governance, regulatory effectiveness, foreign investments and international capital flows[51]. The IMF has helped shape Anti Money Laundering (AML) policies internationally, and within its members' national frameworks. The IMF also analyzes global and national AML regimes and how they interact with issues such as virtual currencies, financial technology (Fintech) trends, Islamic finance, costs of and mitigating strategies for corruption, illicit financial flows and the withdrawal of correspondent banking relationships[52].

iv. The World Bank

World Bank, in full World Bank Group is an international organization affiliated with the United Nations (UN) and designed to finance projects that enhance the economic development of member states. It is headquartered in Washington, D.C. Together with the International Monetary Fund (IMF) and the World Trade Organization, it plays a central role in overseeing economic policy and reforming public institutions in developing countries and defining the global macroeconomic agenda[53].

The principal contribution that the Bank can make is to assist countries in addressing the root causes of financial abuse by helping them to strengthen their economic, financial governance, and legal foundations. In April 2001, the World Bank's board agreed to step up its anti-money laundering efforts, working in close cooperation with the International Monetary Fund[54]. Michel Chossudovsky[55] stated that "*Specifically, the board decided that more attention should be placed on anti-money laundering issues in the Bank's diagnostic work, and that the Bank should be prepared to provide more Anglophone West Africa Region: The Gambia, Ghana, Nigeria, and Sierra Leone technical assistance to build capacity in client countries. At the same time, the board made clear that the Bank's role should be consistent with its development mandate and that it should not become involved in law enforcement activities*". The World Bank has therefore attached high importance to money laundering and terrorists financing.

[48] *Ibid*.
[49] International Monetary Fund available at https://www.imf.org/en/About. Accessed on the 9th of July 2021.
[50] Christine Lagarde, *IMF and the Fight against Money Laundering and the Financing of Terrorism*, 2021, available at IMF and the Fight Against Money Laundering and the Financing of Terrorism. Accessed on the 9th of July 2021.
[51] *Ibid*.
[52] *Ibid*.
[53] Michel Chossudovsky, World Bank: international organization, University of Ottawa, Ontario, Canada, available at World Bank | Definition, History, Organization, & Facts | Britannica. Accessed on the 9th of July 2021.
[54] Richard Zechter, *The World Bank/IMF Response to Money Laundering and Terrorist Financing*, World Bank, 2003, p.8.
[55] *Ibid*.

4. CONCLUSION

Money laundering is very rampant in our society nowadays. The crime is not new for it has existed in our societies long ago. Many authors and institutions have defined the term 'money laundering. The central sense in all the definitions is that money laundering is a process of making 'dirty money' 'clean'. Examples of money laundering include making money gotten from internet fraud and the sale of illicit drugs and narcotic substances clean. Due to the negative impact of money laundering in our societies, States have implemented measures to combat the ill. One of such States is Cameroon. Cameroon has put in place domestic laws to combat the ill and has equally ratified international treaties combatting money laundering. In order to effectively combat money laundering, institutions have equally being put in place to combat it.

5. RECOMMENDATIONS

Money laundering is a serious threat: it underpins criminality and terrorism, and can even jeopardize economic stability. Detecting and halting this type of activity, and preventing it from occurring in future, are top priorities. But this is not realistic in Cameroon. The State of Cameroon has ratified several treaties indicating measures Members States must take to combat money laundering but this is not respected by the State of Cameroon. The State of Cameroon does not respect its obligations under international human rights treaties and this makes it difficult to combat the ill. We strongly recommend the State of Cameroon to fully respect its treaties' obligations towards the fight against money laundering.

Cameroon has criminalized money-laundering in line with the United Nations Convention against Corruption (Convention) which was signed on 10th October, 2003, and ratified by the President of the Republic on 6th February, 2006. Cameroon follows an all-crimes approach to money-laundering whereby all offences under the laws and regulations of Cameroon constitute predicate offences. For prosecution of money laundering, the predicate offence should constitute a criminal offence in the country where it was committed. The problem here is the proper implementation of these laws and equally the issue of lack of independence of the judiciary. The judiciary is corrupt and this makes it possible for money launders to bribe their ways out each time they are caught and prosecuted. Judicial actors like the police too are usually aiders to money launders who promise to share with them their illegal proceeds. The country fights money laundering but does not strengthen the banking system; banks transfers are the commonest ways of carrying out the practice. There are equally other financial institutions like Western Union and MoneyGram where money launders carry out their monetary transactions with ease. The State of Cameroon therefore needs to strengthen its banking security system and monitor certain transactions carried out by customers of Western Union and MoneyGram.

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