



THE SENTRY

WAR CRIMES SHOULDN'T PAY

SENTRY ALERT

Sudan's Anti-Corruption Whitewash

The Bashir Regime's Hollow Commitment to Combating Illicit Finance

By The Sentry team
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Background

Sudan suffers from one of the highest rates of corruption in the world, ranking 172nd out of 180 countries in Transparency International's 2018 Corruption Perceptions Index.¹ As detailed in previous reports by the Enough Project and The Sentry,² governing institutions have been coopted by a corrupt network engaged in personal enrichment and a repressive security apparatus aimed at protecting the interests of the country's elite. President Omar al-Bashir's kleptocracy has undermined previously democratic institutions and processes and compromised government checks and balances, resulting in an autocratic system marked by systemic human rights violations. A fragmented political opposition, elements of which have been bought off by the regime over the years, has further enabled the status quo.³ Senior members of the government are engaged in extensive corruption, thus undermining the government pledge to combat graft.

At the same time, the strong anti-corruption sentiments of the population have helped mobilize ongoing peaceful protests demanding an end to repression, a lasting and just peace, and a transition to democratic rule in Sudan. Throughout the protests, which are into their 14th week despite security forces' violent attempts to stifle them, a popular slogan has captured the protesters' spirit: "we have risen," the crowds have chanted, "against those who stole our sweat."



At their root, the crimes of Sudan's kleptocracy are financial. These financial crimes and the public corruption that sustains them are one of the major features of a kleptocracy. A kleptocratic system, where those in power use their influence to exploit the people and resources of their country for personal profit, could not exist without the money laundering schemes corrupt leaders employ to conceal the origins of their ill-gotten gains. Kleptocrats use the same obfuscation techniques to move, launder, and hide their money as criminals and terrorists, and a country with weak anti-money laundering controls leaves open the possibilities for rampant abuse.

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Sudan's systemic corruption and well-established kleptocracy are the reasons the Bashir government has not implemented an effective anti-money laundering regime. Widespread financial crime and pervasive corruption are also often correlated with a variety of other negative indicators, including deep economic inequality, acute poverty, entrenched lack of citizen confidence in government institutions, and a perpetual lack of investment and development. These factors, all of which are prevalent in Sudan, become mutually reinforcing and undermine attempts to address any of them. An analysis by The Sentry has found that while the country has made some progress, the Sudanese government's efforts to counter money laundering and terrorist financing are woefully insufficient, allowing criminal activities and networks to thrive and making it extremely unlikely that Sudanese authorities have the ability to successfully detect and deter terrorist financing in the country's financial system.

With such widespread corruption, any real success in combatting illicit financial activities such as fraud, bribery, and misappropriation of public funds will be difficult. At the urging of regional partners and the United States, the government of Sudan has begun developing an anti-money laundering and countering the financing of terrorism (AML/CFT) regime. A comparison of the laws in place in Sudan and the recommendations set forth by the Financial Action Task Force (FATF) shows that while Sudan has taken many positive steps, the government has not sufficiently implemented its own laws.

In 2010, Sudan was listed by the FATF as a jurisdiction with strategic deficiencies in its AML/CFT measures. A team of assessors from the FATF-style regional body (FSRB) for the Middle East and North Africa, MENAFATF, of which Sudan is a member, visited Sudan in December 2011 to conduct an evaluation of the country's AML/CFT regime. The evaluation report revealed numerous shortfalls in the implementation of FATF recommendations but also highlighted some progress. The weaknesses included a lack of adequate procedures for identifying and freezing terrorist assets, which was especially consequential given Sudan's status as a U.S. Department of State-designated State Sponsor of Terrorism, as well as the lack of a fully operational or effective financial intelligence unit (FIU). In 2015, Sudan was removed from the FATF list, having satisfied the concerns the task force identified. Since 2015, however, Sudan has done little to make any further progress on anti-money laundering, and some glaring deficiencies remain. It appears that the FIU, for example, has accomplished little since 2015. Additionally, the National Intelligence and Security Services (NISS), the organization responsible for egregious human rights violations and involved in sanctions evasion

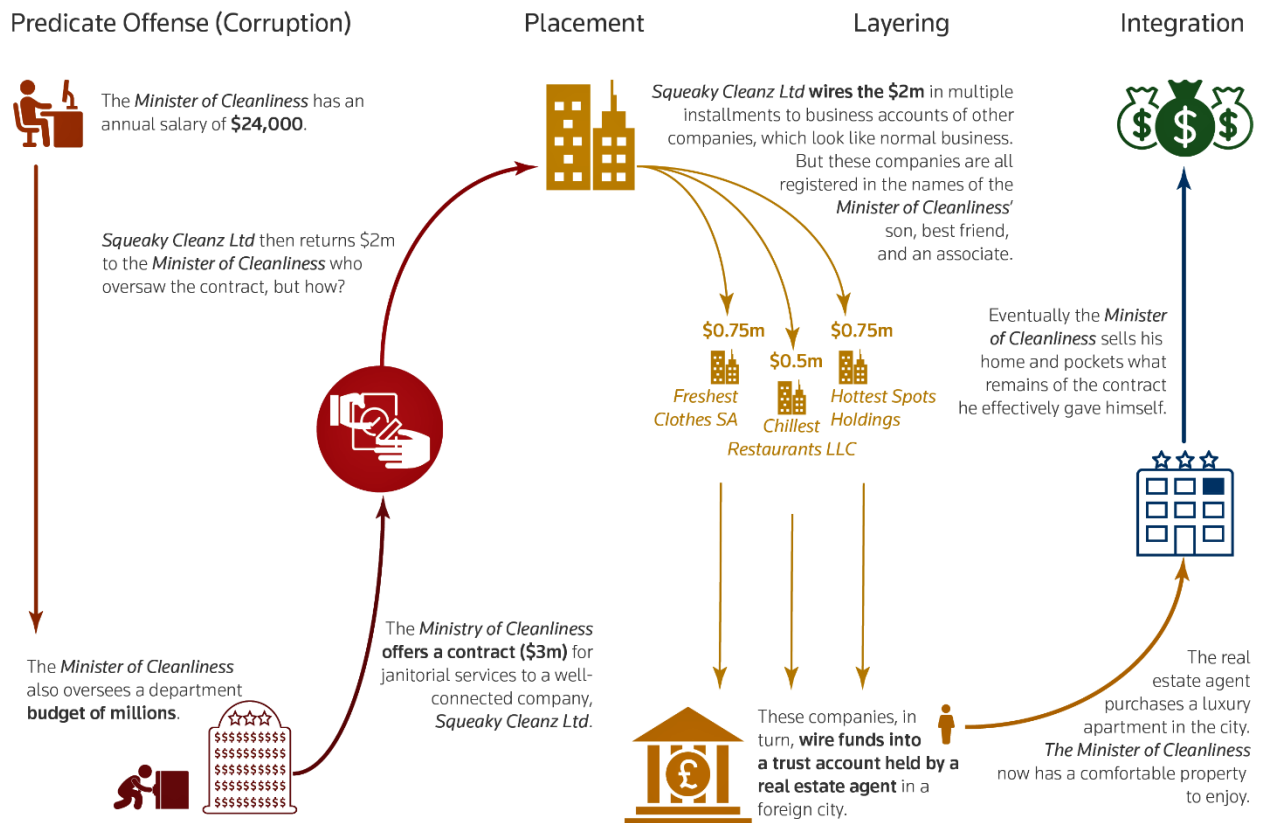


and illicit finance activities, continues to have undue influence in the country's economy. The next planned review, to be conducted by the regional FATF affiliate, will take place in 2022. Without a concerted campaign by the government of Sudan to combat money laundering and corruption, the next review will likely reveal a lack of political will to implement existing laws and little improvement in the government's ability to tackle financial crime.

The Sentry recommends that the U.S. government urgently take steps to increase pressure on the Sudan regime, including imposing network sanctions against those groups responsible for corruption and human rights abuse. The Sentry also recommends that the Financial Crimes Enforcement Network (FinCEN) issue an advisory to financial institutions on the risk of doing business in Sudan.⁴ The Sentry further recommends that international banks conducting business with Sudanese entities apply enhanced due diligence to these relationships. Finally, The Sentry calls on the government of Sudan to cease all support for terrorist financing, implement a comprehensive anti-corruption campaign, strengthen the FIU and law enforcement bodies, and work to improve banking supervision.

What is Money Laundering?: A Global Tool of Abuse

Corruption-driven money laundering worldwide follows a similar process where PEPs place, layer, and integrate ill-gotten funds into the global financial system.



Analysis and visualization by Refinitiv Applied Innovation Lab



Sudan Accomplishes Just Enough for FATF Blacklist Removal

Sudan was placed on the FATF's list of noncompliant jurisdictions in February 2010 for having strategic weaknesses in their AML/CFT measures. In February 2010, Sudan provided a high-level commitment to an action plan developed with the FATF to address the system's deficiencies. The action plan was intended to address the strategic deficiencies, including "implementing adequate procedures for identifying and freezing terrorist assets; ensuring a fully operational and effectively functioning FIU; and ensuring an effective supervisory program for AML/CFT compliance."⁵ In June 2013, the action plan included the following items:

1. adequately criminalizing money laundering and terrorist financing;
2. implementing adequate procedures for identifying and freezing terrorist assets;
3. ensuring a fully operational and effectively functioning FIU;
4. ensuring an effective supervisory program for AML/CFT compliance;
5. improving customer due diligence measures;
6. ensuring that financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to money laundering and terrorist financing; and
7. ensuring that appropriate laws and procedures are in place with regard to international cooperation and mutual legal assistance.⁶

On October 23, 2015, the FATF published a statement indicating that Sudan's significant progress in improving its AML/CFT regime and established legal and regulatory framework met the commitments in the action plan, which was developed to address the strategic deficiencies that had been identified in 2010.⁷ Sudan was therefore no longer subject to the FATF's monitoring process. Sudan did take concrete steps in this timeframe between the mutual evaluation and its removal from the FATF's monitoring process. As discussed later in this paper, however, it is unclear if every item on the action plan, such as the "effectively functioning" FIU, was fully addressed. Nevertheless, the government of Sudan was quick to tout its removal from the FATF list.

The FATF conducts peer reviews of its members to assess the levels of implementation of the FATF Recommendations and produces a Mutual Evaluation Report that provides an in-depth description and analysis of each country's system for preventing criminal abuse of the financial system. For those countries that are not members of FATF, the FSRBs, of which there are seven around the world, conduct the same mutual evaluations for their member countries. The evaluations are conducted approximately every 10 years.

The MENAFATF Mutual Evaluation Report for Sudan, which measured the implementation of AML/CFT standards, was conducted in 2011 and 2012.⁸ The evaluation was conducted by an assessment team comprised of regional financial and legal experts. The team was given access to the entire range of relevant officials responsible for implementing the AML/CFT measures that were in place in the country at the time. The focus of this Mutual Evaluation Report was to compare the existing legal framework for financial crime in Sudan with the recommendations set forth by the



FATF.⁹ Specifically, the team examined Sudanese laws designed to protect financial institutions, nonprofit organizations, and other high-risk industries like real estate and precious metals from abuse and illicit actors.

After a two-week onsite visit, the team compiled the Mutual Evaluation Report. The report found Sudan to be fully compliant with none of the FATF recommendations, largely compliant with four recommendations, partially compliant with 27 recommendations, and noncompliant with 17 recommendations.¹⁰ The Mutual Evaluation Report highlighted that Sudan “suffers from an array of internal and external circumstances that increase risks of money laundering and terror financing activities.”¹¹ The report noted that while there are laws and various government offices in place designed to tackle money laundering, “the competent authorities in Sudan need to be supported with appropriate financial and human resources...[and] they also need to be adequately qualified through training and necessary technical assistance to be able to perform their tasks properly.”¹²

On the financing of terrorism, the report found that while Sudan had managed to outlaw terrorist financing in 2010, the definitions of “terrorist act” and “terrorist organization” did not conform to the international standard, nor did they allow for freezing assets or funds related to terror financing cases. Additionally, Sudan had no record of pursuing a single terrorism financing case.¹³ There was also no mechanism to implement the United Nations (UN) terrorism sanctions set forth in UN Security Council Resolutions (UNSCRs) 1267 and 1373. In a 2016 follow-up report, MENAFATF noted that, after the Mutual Evaluation Report was published, a technical committee under the Sudanese Ministry of Justice was established to implement the UNSCRs, but the effectiveness of the committee is unclear.

On corruption-related recommendations, the report highlighted several shortcomings. Sudan was noncompliant on the recommendation regarding Politically Exposed Persons (PEPs). The report found that financial institutions in Sudan did not comply with the FATF recommendation on PEPs and instead treat PEPs as regular customers. In the 2016 follow-up report, MENAFATF noted that most of the deficiencies related to this recommendation have since been addressed by the government, although the level of actual implementation of new PEP guidelines was not measured.¹⁴

The UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, adopted in 1988 in Vienna and also known as the Vienna Convention, was the first international effort to tackle the problem of illicit finance, requiring states to designate money laundering as a criminal offence. The UN Convention Against Transnational Organized Crime, signed in Palermo in 2000 (also known as the Palermo Convention), took on the threat of organized crime and specifically worked to prevent human trafficking, firearms trafficking, and smuggling of migrants. These conventions allowed for a unified effort to combat illicit finance and corruption.

The Mutual Evaluation Report included a set of specific recommended actions for the Sudanese government to take. In the first, for example, which concerns the criminalization of money laundering, MENAFATF recommended that the government include all of the elements of money laundering stipulated by the Vienna and Palermo Conventions and criminalize human trafficking and corruption.



The recommendations are vital, in part, because Sudan only became a signatory to the UN Convention Against Corruption in 2014, more than a decade after the UN General Assembly adopted it in 2003. In fact, prior to Sudan's sign-on in 2014, certain forms of corruption were not criminalized in Sudan.

In 2014, the Sudanese government amended the Anti-Money Laundering and Countering the Financing of Terrorism Act of 2005 to address the recommendations from MENAFATF and some of the items on the FATF action plan. The International Monetary Fund (IMF) provided technical assistance to Sudan and contributed to the development of the AML Act amended in 2014 as well as circular No. 8/2014 issued by the Central Bank of Sudan, which provides regulatory and supervisory controls of banks and financial institutions in combating money laundering and terror financing.¹⁵ The IMF, in its 2017 Article IV consultation statement, "welcomed Sudan's progress in addressing AML/CFT deficiencies and called for continued efforts to strengthen the framework" while

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also calling for the Central Bank to "mitigate risks...through enhanced risk-based AML/CFT supervision."¹⁶ In April 2016, MENAFATF agreed to withdraw Sudan from the normal follow-up process within the FSRB, a move that represented confidence in the highest level of commitment by the Sudanese government and a confirmation of Sudan's efforts to comply with international requirements.¹⁷

Yet the effectiveness of Sudan's implementation of the FATF recommendations – including, for example, improvements to its legal mechanisms for enforcing laws criminalizing corruption – has not been measured by MENAFATF. Instead, the next mutual evaluation process, expected in 2022, will measure effectiveness through 11 defined outcomes, each representing a key goal that an effective system should achieve. With Sudan's high rate of corruption, especially in the upper echelons of government, effective implementation of the recommendations is almost impossible.¹⁸ At the same time, there is little to no evidence that Sudan has effectively implemented its existing anti-money laundering regime, which should lead to significant problems in its next mutual evaluation.

Progress Halted After Removal from FATF Blacklist

Having substantially updated the legal framework for money laundering and sanctions compliance, the next step for Sudan is to effectively implement these laws. Sudan has not made progress on this goal. Under the amended AML/CFT Act, the government established a National Committee for Combating Money Laundering and Financing of Terrorism responsible for policymaking, domestic coordination for assessing risk, and monitoring international and regional developments.¹⁹ According to The Sentry's sources, although the committee officially reports to the Central Bank of Sudan, in reality it receives direction from the Economics Department of the NISS. It also works closely with the Sudan National Commission for Counter Terrorism, which is headed by Dr. Mohamed Gamal, also affiliated with NISS. Senior members of the NISS are entrenched in the country's corruption and



illicit financial schemes, and many banks in Sudan are controlled by the NISS.²⁰ This relationship between a key anti-money laundering agency and the NISS creates a concerning conflict of interest as the NISS is responsible for much of the sanctions evasion and illicit finance activities in Sudan.²¹



The National Intelligence and Security Services of Sudan, known as the NISS, is a group notorious for its role in egregious human rights violations over the years. The organization is also involved in the weapons trade, it owns several businesses and banks, and it is likely responsible for sanctions evasion efforts on behalf of the government.

Sudan's FIU, established in 2010 to follow up on FATF's action plan, was found early on by the MENAFATF mutual evaluation team to lack the necessary operational and legal autonomy to perform its functions effectively. Between 2013 and 2015, the FIU began making some progress. In 2014, it submitted nine money laundering cases to the Ministry of Justice's Office of Public Prosecution,²² though The Sentry was unable to find information to confirm that any of these cases resulted in convictions. In April 2014, the FIU disseminated a manual on how to detect money laundering and terrorism financing to Sudanese auditors and accountants. The manual provides guidance on how entities can report suspicious activities and file legal complaints with the FIU.²³ In May 2014, the FIU collaborated with the Khartoum Stock Exchange to establish a special unit within the Stock Exchange to combat money laundering and terrorism financing.²⁴

In 2015, the FIU published an analysis of Suspicious Activity Reports (SARs) received over three years, showing an increase in both SARs submitted to the FIU by banks and the number of investigations opened by the FIU. The FIU also published several documents illustrating the organization's activities, showing a substantial number of trainings, workshops, and international events attended by staff.²⁵ However, no activities have been published on its website since 2015. A MENAFATF report from 2016 also highlighted the FIU's activities from 2013-2015, indicating that the FIU received 203 reports during this time and referred 75 cases to the Public Prosecutor. The report also noted that, "there is a constant need for more effective reporting and for addressing such reports by the relevant authorities" and that "a number of [suspicious activity] reports have not been addressed, which casts burden on the authorities to support the FIU resources."²⁶ The FIU did join the Egmont Group of FIUs, an international association of FIUs that share information with each other, in 2017. Other than noting the FIU's membership in Egmont, The Sentry was unable to determine what, if anything, the unit has accomplished since 2015.

Where there has been an apparent crackdown on corruption, it is unclear whether the cases were politically motivated. In response to an ongoing economic crisis, the government has, over the past several years, publicized efforts to combat corruption. In June 2015, the government announced the establishment of a Transparency, Integrity and Anti-Corruption Commission, and in January 2016, the parliament adopted a bill establishing the body. President Bashir then refused to sign the bill into



law, reportedly due to objections over Article 25, which would have removed legal immunity and allowed for investigations and prosecutions of corruption cases.²⁷ Other efforts were mixed. In 2014, the Central Bank of Sudan indicated that 15 money laundering cases involving three Sudanese banks were under investigation.²⁸ In September 2018, the State Security Prosecutor brought a case against seven individuals to the Court of Corruption. The individuals, three bankers and four businessmen, were charged with money laundering, and money was reportedly seized.²⁹ This remains one of the few public cases of money laundering charges brought all the way to conviction.

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In April 2018, President Bashir announced his intention to use the Illegal Wealth Act to uncover suspicious money laundering and end gold smuggling.³⁰ According to press reports, some of the so-called “fat cats” implicated in this anti-corruption effort were released, including a former deputy chairman at the Bank of Khartoum, Fadul Mohammed Khair. Khair was arrested in July 2018 as part of this campaign and released in October after reaching a settlement, the details of which remain undisclosed.³¹ In September 2018, a military court sentenced a

former senior security official to seven years in prison for disciplinary infractions under NISS military regulations. The military court deferred corruption charges to a special prosecutor, but there is no information about the outcome of that referral. The official, General Abdul Ghaffar al-Sharif, was a former senior ranking member of the security services.³² This conviction and sentencing are being touted by the government as a major success of the anti-corruption campaign.³³ While this was the only case that resulted in a conviction since the government’s ostensible redoubling of efforts to combat corruption, the conviction came out of a NISS military court, not a civilian court. That may explain why critics of the campaign like Omar El Digeir, leader of the opposition Sudanese Congress Party, have suggested that the Bashir regime is using the allegations as a way to settle scores against opponents rather than as a serious effort to root out corruption. Nabil Abeer, a Sudanese legal expert, was quoted as saying that, “granting security authorities, police, or justice department jurisdiction over the fight against corruption is of no use, because they are part of the executive branch, and they themselves should be subject to efficient oversight bodies; for example, a corruption commission should be formed and given wide jurisdiction so it could work without interest or intimidation from anybody.”³⁴

In September 2018, the Minister of Justice, Idris Ibrahim Jameel, announced a campaign to combat money laundering in the commercial sector. The campaign will reportedly review tens of thousands of companies, including government-owned companies and foreign subsidiaries, for potential money laundering crimes. The committee spearheading the campaign includes representatives from the Ministry of Finance, Ministry of Interior, Ministry of Trade, the Attorney General, and the Central Bank of Sudan and is receiving support from the National Committee to Combat Money Laundering and Terrorism Financing. As of the time of this report’s publication, it was still unclear how the committee would follow up on the campaign’s stated goals.³⁵



Key Risks Largely Unmitigated

Even considering the halting progress described above, the key sanctions and money-laundering risks in Sudan's economy remain pervasive. These risks, including sanctions violations and a vibrant currency black market, present problems for financial institutions with exposure to Sudan, international companies operating in Sudan, and U.S. policymakers engaged in supporting reform in the country. Some of these risks are distinct from the issues raised by FATF and MENAFATF but present challenges for investment and diplomacy efforts.

Enabling Terrorist Fundraising and Committing Human Rights Violations

Beginning in 1993, the international community imposed sanctions against Sudan for its ties to terrorist groups. In August of that year, the United States placed Sudan on the list of "State Sponsors of Terrorism." As a result, there are still restrictions on U.S. foreign assistance to Sudan, a ban on defense exports and sales, certain controls over exports of dual use items, and various additional financial restrictions.³⁶ In 1994, the Council of the European Union joined the U.S. effort, imposing an arms embargo on Sudan,³⁷ and in 1997, the United States imposed sanctions on Sudan through Executive Order 13067, citing the Bashir regime's continued support for international terrorism, ongoing efforts to destabilize neighboring governments, and human rights violations.³⁸ In 2005 and 2006, the United Nations Security Council issued Resolutions 1591³⁹ and 1672⁴⁰ condemning human rights violations in the Darfur region of Sudan. Additionally, in 2006, the United States issued Executive Orders 13400 and 13412, which expanded the 1997 order to include sanctions against persons and entities involved in the Darfur crisis. Despite the combined U.S., UN, and EU sanctions blocking more than 150 different Sudanese entities, the Bashir regime remained in place.

The United States maintains a list of State Sponsors of Terrorism (SST), which is a designation applied by the Department of State to countries that have allegedly "repeatedly provided support for acts of international terrorism." Once on the list, a country faces a variety of prohibitions on U.S. foreign assistance, exports from the United States of defense or dual use items, and other sanctions. There are four countries on the list now—Sudan since 1993, North Korea most recently since 2017, Iran since 1984, and Syria since 1979.

As recently as 2014, the State Department's Country Report on Terrorism outlined numerous examples of terrorist activity in Sudan. For example, some al-Qaida-inspired terrorist groups were operating in Sudan; Sudan allowed members of Hamas to travel, fundraise, and live in Sudan with impunity; the Lord's Resistance Army (LRA) continued to operate in Sudan; and the kidnapping of foreigners for ransom in Darfur continued.⁴¹ On terror financing, the 2014 State Department report states that "Sudanese officials have welcomed Hamas members to Khartoum...and its members are permitted to conduct fundraising in Sudan."⁴² It is unclear if Sudan continues to allow Hamas to raise funds within Sudan. In early 2017, an Egyptian investigation into a "terror" group found that the



militants had received training in Sudan. The militants had ties to the Muslim Brotherhood, to which Hamas traces its roots.⁴³

The United States and Sudan agreed to a Five-Track Engagement Plan in 2016, which eventually resulted in the lifting of comprehensive sanctions against the Sudanese government. The five tracks in the plan included:

- 1) maintaining the cessation of hostilities in the areas of internal conflict, including Darfur and South Kordofan;
- 2) improving humanitarian access within the country;
- 3) ending the destabilizing activity in South Sudan;
- 4) further developing joint counterterrorism efforts with the United States; and
- 5) working to improve regional security, focused on the LRA.⁴⁴

Although this process was finalized with the lifting of economic sanctions on the Government of Sudan in 2017, the United States continues to maintain Sudan on the State Sponsor of Terrorism (SST) list. Counterterrorism cooperation was seen as the impetus for lifting the sanctions, as Sudan has reportedly been cooperative with some U.S. counterterrorism efforts. Sudan has also made efforts to ease some restrictions on humanitarian access to government-controlled areas in conflict regions. Its humanitarian blockade of areas under rebel control in South Kordofan and Blue Nile states has remained in place, however, with the government blaming rebel intransigence for blocking aid to areas under their control. Although Sudan appears to have ceased interfering in South Sudan's civil war,⁴⁵ the government continues to support Joseph Kony and remnants of the LRA, with allegations of support emerging as recently as late 2017.⁴⁶ In November 2018, the United States and Sudan agreed on a six-track plan for removing Sudan from the SST list.⁴⁷⁴⁸⁴⁹ Although Sudan hopes for and likely expects removal from the list, that result remains uncertain. The removal process involves a lengthy review by the U.S. intelligence community, and the U.S. Congress has the ability to block it.⁵⁰ Meanwhile, The UN and EU arms embargoes remain intact.

While the United States and Sudan have appeared eager to conclude their dialogue, with the removal of Sudan from the SST list, progress on the diplomatic front has been overshadowed by widespread peaceful protests demanding democratic change and an end to large-scale official graft, which has led to the near collapse of the economy. Government attempts to quell the unrest have resulted in widespread human rights violations, including the use of excessive force, large scale beatings, detentions, and torture—practices that were in clear violation of Sudan's commitments under the six-track plan to remove it from the SST list. Further, Khartoum continued to tolerate the public propagation of violent extremism ideologies by several influential radical jihadist clerics, again breaching its commitment to deny safe haven to terrorist groups and their ideologies on its soil.⁵¹ Despite this mixed performance, the U.S. administration appears intent on forging ahead with the process of delisting Sudan and ignoring the protesters' challenge to the government's legitimacy.



Purchasing Weapons from North Korea

If widespread popular protests have done little to dissuade U.S. officials from removing Sudan's SST designation, the Bashir regime's weapons contracts with the Democratic People's Republic of Korea (DPRK), or North Korea, make clear the urgency of maintaining sanctions. UN Security Council Resolution 1718, passed in 2006, prohibits the trade of weapons between North Korea and any UN member state. Additionally, the FATF recommendations state that countries should "implement targeted financial sanctions to comply with UN Security Council (UNSC) resolutions relating to the prevention, suppression, and disruption of proliferation of weapons of mass destruction and its financing." According to the UN Panel of Experts' February 2017 report on the DPRK, Pyongyang supplied 100 precision-guided rocket control sections and eight satellite-guided missiles to Sudan. The August 2013 sale, worth more than \$6.4 million, was authorized by the president of the DPRK's primary arms dealer, the Korea Mining and Development Trading Corporation (KOMID).⁵² KOMID was sanctioned by the United States for its role in the proliferation of weapons of mass destruction. In addition to the weapons sale, several designated KOMID officials, including Kim Song Chol and Jang Song Chol, traveled to Sudan in 2013 and 2014.⁵³ KOMID and these individuals are all listed under UN sanctions.

The Bashir regime's weapons contracts with the Democratic People's Republic of Korea make clear the urgency of maintaining sanctions.

Prior to the 2013 sale, the U.S. government issued a demarche to the Sudanese Ministry of Foreign Affairs regarding a negotiation over missile sales with the DPRK. The sales reportedly included Scud missiles and anti-tank systems.⁵⁴ Although the MENAFATF mutual evaluation team would not have been privy to this information in 2011, the weapons procurements from the DPRK highlight Sudan's disregard for the implementation of UN sanctions. As part of subsequent negotiations to lift most U.S. sanctions, the government of Sudan committed to cease arms deals with the DPRK⁵⁵ and in 2018, severed all defense ties with the DPRK. In September 2018, however, Sudan was still identified as one of the countries that the DPRK was attempting to sell weapons to, according to a UN report.⁵⁶

Failing to Effectively Oversee Cash Transactions, Correspondent Banking, and FTZs

Sudan is largely a cash-based economy, with traders and legitimate business people often operating primarily or solely in cash. Due to U.S. sanctions, Sudanese banks have found it difficult or impossible to maintain correspondent banking relationships to process international transactions, leaving Sudanese businesses and individuals who need to transact across borders with few choices other than cash.⁵⁷ The heavy reliance on cash reduces transparency and exacerbates money laundering risks.



A correspondent bank is a bank that provides services on behalf of another financial institution. It can facilitate wire transfers, conduct business transactions, accept deposits, and gather documents on behalf of another financial institution. Global financial institutions are increasingly terminating correspondent banking relationships with local banks in certain regions of the world – a practice that is called “de-risking.”⁵⁸ The cause of these closures varies, but for Sudan, the closures could be explained by the economic downturn along with risks related to sanctions and illicit finance. De-risking can be frustrating to anti-money laundering efforts, as it forces high-risk transactions out of the formal banking system into more informal channels, and they become harder to track.

In addition to a generally cash-intensive economy, Sudan has established several free-trade zones (FTZs) which could further increase money-laundering risks. Although there are no reported money laundering activities taking place in these zones, FATF warns that jurisdictions with existing systemic weaknesses in their anti-money laundering regime are at greater risk for abuse through FTZs.⁵⁹ Among these weaknesses are inadequate AML/CFT laws, poor oversight by domestic authorities, insufficient procedures to inspect goods and register legal entities, and lack of coordination between zone and customs authorities.⁶⁰ Sudan suffers from many of these weaknesses. Additionally, Sudan’s free-trade zone law from 1994 specifically exempted money invested in the free zones from being frozen or confiscated. Although a new law passed in 2009 repealed the 1994 law—and slightly modified the language to stipulate that funds and goods in the free zones may not be frozen, confiscated, or nationalized, *except by judicial order* [emphasis added]⁶¹—the legislation remains insufficient to prevent the FTZs from being used to launder money.

Failing to Supervise Banks and Other Financial Service Providers

The financial sector in Sudan is rife with corruption, with the Bashir regime maintaining significant influence within the banking sector. In addition, several banks are majority-owned by the government or cumulatively owned by members of Bashir’s inner circle, and the military and the NISS also own or control several banks.⁶²

Despite efforts to improve it, banking supervision remains weak, and the Central Bank of Sudan does not wield enough power to crack down on corrupt banks. According to a recent report from the Sudan Democracy First Group, the Central Bank of Sudan “has a practice of appointing [Central Bank] staff to sit on bank boards, which creates actual or apparent conflicts of interest.”⁶³ The IMF has provided technical assistance to the Central Bank of Sudan to bring banking supervision practices in line with a risk-based approach and to restructure the Banking Supervision Department to improve processes.⁶⁴ According to the director of the department, there were eight cases of money laundering in the banking sector in 2016, although The Sentry has not found information about any convictions. The director also reportedly

The financial sector in Sudan is rife with corruption, with the Bashir regime maintaining significant influence within the banking sector.



admitted that the “implementation of anti-money laundering and terrorist financing legislation is ineffective.”⁶⁵

A prime example of this ineffectiveness is the government’s oversight of money exchange bureaus. Although all are licensed through the Central Bank of Sudan and must abide by banking regulations and policies, such as customer due diligence and recordkeeping, a well-entrenched black market that largely controls currency exchanges. The situation traces back to 2011, when Sudan lost about 75 percent of its oil revenue after South Sudan seceded. The government’s foreign currency reserves decreased, inflation increased, and domestic currency depreciated significantly. The government responded to the economic crash by rationing foreign currency, raising taxes, and limiting imports. Consequently, the black market for foreign currency flourished. In an effort to curb black market currency trading in 2018, the government devalued the Sudanese pound and imposed dollar deposit restrictions. These moves caused subsequent cash shortages at ATMs, further emboldening the black market, which remains active.⁶⁶

Externally, foreign banks have violated Sudan sanctions by processing payments for sanctioned entities. One egregious example is BNP Paribas. In July 2014, BNP Paribas S.A., a large international bank based in Paris, was fined \$8.9 billion by various U.S. law enforcement authorities for violating international sanctions against Sudan, Iran, and Cuba. The bank admitted that, from at least 2004 through 2012, it moved more than \$8.8 billion through the U.S. financial system on behalf of Sudanese, Iranian and Cuban sanctioned entities, with the majority of the illegal payments made on behalf of sanctioned entities in Sudan. According to the U.S. Department of Justice, “BNP processed approximately USD 6.4 billion through the United States on behalf of Sudanese sanctioned entities from July 2006 through June 2007, including approximately USD 4 billion on behalf of a financial institution owned by the government of Sudan, even as internal emails showed BNP employees expressing concern about the bank’s assisting the Sudanese government in light of its role in supporting international terrorism and committing human rights abuses during the same time period.”⁶⁷ According to a 2018 banking analysis by the Sudan Democracy First Group, this scheme and other similar situations are evidence of the Central Bank of Sudan’s “failure to control and supervise banks, due to its lack of independence and inability to conduct adequate due diligence.”⁶⁸

Recommendations

Since 2010, when the FATF first identified Sudan as having strategic deficiencies in its AML/CFT implementation, Sudan has taken some concrete steps toward implementing the FATF recommendations. Cooperation with international partners on counterterrorism, human trafficking, and humanitarian aid has shown that there are elements within the government that are committed to combating illicit finance and its related ills. Still, persistent rampant corruption throughout the government will make any AML/CFT regime weak and unevenly implemented. Other risks in Sudan’s system—such as the extensive cash reliance, the existence of FTZs, military equipment deals with North Korea, and weak oversight of the banking sector—present many opportunities for illicit actors to abuse the financial system. If concrete steps are not taken by the government soon, the next



MENAFATF mutual evaluation, tentatively scheduled for 2022, will reveal further delays in the effective implementation of AML/CFT policies. Should the MENAFATF evaluation show significant weaknesses that could lead to the FATF again placing Sudan among a group of countries with “strategic AML/CFT deficiencies,” further dissuading foreign investment and possibly leading to foreign banks closing correspondent relationships with banks in Sudan.

Recommendations to the Government of Sudan

1. **Terrorism and North Korea:** Cease all support for terror groups, including permitting fundraising activities. Cease military deals with North Korea. Open source evidence of support to terrorist groups and arms deals with North Korea has decreased over the years, but concerns remain that this activity continues covertly. The Sudanese government needs to take the enforcement of international sanctions seriously and work to fully implement UNSCRs 1267 and 1373.
2. **Corruption:** Implement a strong and independent anti-corruption commission with independence from the executive branch and the mandate to initiate financial investigations and refer cases to an independent judiciary. With the Bashir regime in power, any anti-corruption effort will be difficult to execute but is necessary to build a robust and functional AML/CFT regime. An effective anti-corruption commission needs to be led by individuals outside of Bashir’s network and the security apparatus and should be adequately funded to ensure success.
3. **FIU and Law Enforcement:** The government should work to strengthen the FIU and other law enforcement bodies with the appropriate resources and independence to fulfil their mission. The FIU should be empowered to take cases to the prosecutors, and the capacity of the judiciary should be expanded so that cases may be brought from the FIU and tried in the court system.
4. **Banking Supervision:** The legal framework for banking supervision is mostly compliant with FATF recommendations, but the next mutual evaluation, scheduled for 2022, will focus on the implementation of that legal framework. The relevant organizations need to be fully staffed, fully funded, and politically supported to implement AML/CFT laws and policies. One particular area of concern is banking supervision and the independence and integrity of the banking system. With the recent lifting of sanctions and the possibility of Sudan’s removal from the SST list, an influx of investment and capital could lead to the abuse of the banking system by nefarious actors. For banks operating in Sudan, the Ministry of Finance should issue specific guidance on illicit financial activities affecting Sudan, such as corruption, terror financing, and PEPs. Additionally, the Sudanese government should encourage banks to submit SARs to the FIU.

Recommendations to the U.S. Government

1. **Sanctions:** The United States should impose sanctions on individuals responsible for corruption and human rights abuse in Sudan, pursuant to its Global Magnitsky sanctions authority. In light of the serious levels of corruption described in previous Enough Project reports and the Sudan government’s responsibility for past and ongoing human rights



abuses⁶⁹ the U.S. administration should identify and sanction responsible individuals in the regime as well as the corrupt networks to which they belong. These individuals and networks are not only responsible for atrocities, but their corrupt activities are a major cause of the economic crisis that followed the lifting of comprehensive U.S. sanctions in 2017.

2. **Risk Advisory:** FinCEN should issue an advisory warning about the risk of doing business with Sudan, a country that does not have adequate AML implementation, has been rife with corruption, and as documented in a November 2018 Enough Project report, has historically had terror finance connections.⁷⁰ The advisory can be similar to the 2018 Nicaragua advisory on corruption, where FinCEN identified human rights abuses in the country, the nature of government corruption, possible money laundering and asset flight typologies for banks to watch for, and country-specific SAR-filing instructions.⁷¹

Recommendations to U.S. Banks

1. U.S. banks maintaining correspondent relationships with Sudanese banks should apply enhanced due diligence to these relationships, ensuring that their counterparts are following FATF recommendations, are monitoring for terrorist financing, and are not laundering money from corruption.



Citations

¹Score is 16 out of 100; rank is 172 out of 180 countries in 2018 (see <https://www.transparency.org/cpi2018>).

² See The Sentry's Sudan brief here: https://thesentry.org/wp-content/uploads/2015/07/19103555/Country-Brief_Sudan.pdf; and Enough Project's Sudan reporting here: <https://enoughproject.org/products/reports/sudan>. From Enough's report, "Sudan's Deep State": "Throughout his reign, President Omar al-Bashir has overseen the entrenchment of systemic looting, widespread impunity, political repression, and state violence so that he and his inner circle can maintain absolute authority and continue looting the state. The result of this process, on the one hand, has been the amassment of fortunes for the president and a number of elites, enablers, and facilitators, and on the other hand crushing poverty and underdevelopment for most Sudanese people." That report is available here: https://enoughproject.org/wp-content/uploads/2017/05/SudansDeepState_Final_Enough.pdf

³ <https://knowledgehub.transparency.org/helpdesk/sudan-overview-of-corruption-and-anti-corruption>

⁴ FinCEN regularly issues advisories to financial institutions concerning money laundering or terrorist financing threats and vulnerabilities for the purpose of enabling financial institutions to guard against such threats. The list of FinCEN advisories is available here: <https://www.fincen.gov/resources/advisoriesbulletinsfact-sheets/advisories>

⁵ FATF identifies jurisdictions with weak measures to combat money laundering and terror financing in a public document that is issued three times a year. The documents are available here: [http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/?hf=10&b=0&s=desc\(fatf_releasedate\)](http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/?hf=10&b=0&s=desc(fatf_releasedate))

⁶ FATF, Improving Global AML/CFT Compliance: On-going process - 21 June 2013, available at <http://www.fatf-gafi.org/publications/fatfgeneral/documents/compliance-june-2013.html#sudan>

⁷ FATF

⁸ A note on mutual evaluations: The evaluation was conducted using the so-called 40+9 FATF recommendations, used by FATF prior to 2012. In 2012, FATF revised its recommendations, and countries are now evaluated against just 40 recommendations.⁸ FATF is conducting a fourth round of mutual evaluations for its members based on these recommendations. The scope of the evaluations involves each country's technical compliance and effectiveness. Technical compliance assesses the laws and regulations in place and whether the supporting AML/CFT framework is in place. Effectiveness measures whether the AML/CFT systems in place are working. The FATF-style regional bodies, for the most part, are not on the same schedule as FATF. MENAFATF, for example, is currently conducting second round evaluations, which use the new, post-2012 FATF recommendations and focus on technical compliance and effectiveness. Sudan's evaluation in 2012 was a part of MENAFATF's first round of evaluations, which used the older 40+9 FATF recommendations and focused only on the AML/CFT measures in place in Sudan as well as whether the legal framework adhered to FATF recommendations.

⁹ The follow-up report scheduled for 2022 will examine Sudan's effectiveness in implementing the legal framework.

¹⁰ One recommendation, number 34, concerning legal arrangements for beneficial owners, was deemed "not applicable" because trust funds are not available in Sudan. For the full list, see page 186 of the Mutual Evaluation Report, available at <http://www.menafatf.org/mutual-evaluations-follow/evaluation-reports>.

¹¹ MENAFATF Mutual Evaluation Report for Sudan.

¹² MENAFATF Mutual Evaluation for Sudan, page 10.

¹³ This statement is made in the Mutual Evaluation Report and was echoed by the Central Bank in an April 29, 2017 *Sudan Tribune* report, available at <https://www.sudantribune.com/spip.php?article62320>.

¹⁴ The pre-2012 FATF recommendation for PEPs was Recommendation 6. In the new recommendations, it is Recommendation 12. MENAFATF published a 3rd Follow-up Report for Sudan in April 2016. It is available here: http://www.menafatf.org/sites/default/files/SUDAN_3RD_EXIT_FUR_EN.pdf.

¹⁵ Central Bank of Sudan website (<https://cbos.gov.sd/en/content/sudan-efforts-anti-money-laundering-and-combating-financing-terrorism-report>).

¹⁶ "Sudan: 2017 Article IV Consultation – Press Release," International Monetary Fund, December 2017, page 3; and Staff Report, November 13, 2017, page 1, available at <https://www.imf.org/en/Publications/CR/Issues/2017/12/11/Sudan-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-Executive-45456>.

¹⁷ Central Bank of Sudan website (<https://cbos.gov.sd/en/content/sudan-efforts-anti-money-laundering-and-combating-financing-terrorism-report>).



¹⁸ The first outcome, for example, measures the country's ability to understand its money laundering and terror finance risks. Noted examples of information that could support Sudan's understanding of its risks include the existence of published anti-money laundering policies, strategies, and senior-level commitments, and whether or not these documents are up-to-date or reviewed regularly.

¹⁹ Sudan Efforts on Anti-Money Laundering and Combating the Financing of Terrorism Report, Central Bank of Sudan, available at <https://cbos.gov.sd/en/content/sudan-efforts-anti-money-laundering-and-combating-financing-terrorism-report>.

²⁰ For more information about the NISS and illicit financial activity, please see The Sentry's country brief on Sudan, available at https://thesentry.org/wp-content/uploads/2015/07/19103555/Country-Brief_Sudan.pdf.

²¹ The tie between sanctions evasion and the government elites can be seen in Simona Foltyn's Bloomberg Businessweek article, "Sudan Sanctions Enriched the Powerful at the Expense of the Weak," available at <https://www.bloomberg.com/news/articles/2017-11-21/sudan-sanctions-enriched-the-powerful-at-the-expense-of-the-weak>. Further background is available in The Sentry's "Sudan Country Brief," available at https://thesentry.org/wp-content/uploads/2015/07/19103555/Country-Brief_Sudan.pdf.

²² State Department. <https://www.state.gov/j/inl/rls/nrcrpt/2015/supplemental/239312.htm>

²³ FIU website (<http://www.fiu.gov.sd/Legislation>).

²⁴ 2015 International Narcotics Control Strategy Report, Bureau of International Narcotics and Law Enforcement Affairs, available at <https://www.state.gov/j/inl/rls/nrcrpt/2015/supplemental/239312.htm>.

²⁵ The report, in Arabic, is available on the FIU website at <http://www.fiu.gov.sd/>.

²⁶ MENAFATF published a 3rd Follow-up Report for Sudan in April 2016. It is available here: http://www.menafatf.org/sites/default/files/SUDAN_3RD_EXIT_FUR_EN.pdf.

²⁷ Al-Hurra, "Why did al-Bashir refuse to sign the anti-corruption bill?" April 23, 2016, in Arabic, available at: <https://www.alhurra.com/a/sudan-corruption-president-refuses-to-sign/304170.html>.

²⁸ U.S. Department of State (<https://www.state.gov/j/inl/rls/nrcrpt/2015/supplemental/239312.htm>).

²⁹ The Court of Corruption considers a communication against 7 accused of money laundering and illicit wealth," September 12, 2018, available at <http://www.sudantribune.net/%D9%85%D8%AD%D9%83%D9%85%D8%A9-%D8%A7%D9%84%D9%81%D8%B3%D8%A7%D8%AF-%D8%AA%D9%86%D8%B8%D8%B1-%D9%81%D9%8A-%D8%A8%D9%84%D8%A7%D8%BA-%D8%B6%D8%AF-7-%D9%85%D8%AA%D9%87%D9%85%D9%8A%D9%86-%D8%A8%D8%BA%D8%B3%D9%84> (Arabic).

³⁰ Middle East Monitor, "Can Sudan's President win his war on corruption?" May 8, 2018, available at <https://www.middleeastmonitor.com/20180508-can-sudans-president-win-his-war-on-corruption/>.

³¹ "Release of Businessman Accused of Corruption in Sudan," TagPress, October 10, 2018, available at <http://www.tagpress.net/20835/> (Arabic).

³² "Sudan: 7 Years in Prison for former Political Security Director of Intelligence," September 12, 2018, available at <https://www.elfagr.com/3247759> (Arabic).

³³ "Sudan's Bashir Sets Anti-Corruption Effort as Heart of Future Govt. Strategy," Asharq al-Awsat, October 2, 2018, available at <https://aawsat.com/english/home/article/1413891/sudan%E2%80%99s-bashir-sets-anti-corruption-efforts-heart-future-govt-strategy>.

³⁴ See "Sudan: Al Bashir – Sudan Overcomes Liquidity Crisis, Corruption," AllAfrica, October 2, 2018, available at <https://allafrica.com/stories/201810030561.html>; and "Fat Cats and Al-Bashir's Internal and Regional Game," Al Taghyeer, August 7, 2018, available at <https://www.altaghyeer.info/en/2018/08/07/fat-cats-and-albashirs-internal-and-regional-game/>.

³⁵ "The Ministry of Justice Launches the Largest Campaign to Purge Companies of Money Laundering," Sudan Media Center, September 9, 2018, available at <http://smc.sd/%D9%88%D8%B2%D8%A7%D8%B1%D8%A9-%D8%A7%D9%84%D8%B9%D8%AF%D9%84-%D8%AA%D8%B7%D9%84%D9%82-%D8%A3%D9%83%D8%A8%D8%B1-%D8%AD%D9%85%D9%84%D8%A9-%D9%84%D8%AA%D9%86%D9%82%D9%8A%D8%A9-%D8%A7%D9%84%D8%B4%D8%B1/> (Arabic).

³⁶ Because Sudan remains on the SST list and a ban on defense exports as well as controls of dual use items remain in place, U.S. persons are prohibited "from engaging in transfers from the Government of Sudan that would constitute a donation to a U.S. person, or with respect to which a U.S. person knows, or has reasonable cause to believe, would pose a risk of furthering terrorist acts in the United States." Additionally, U.S. persons are prohibited from exporting agricultural goods, medicine, and medical devices to Sudan. In order to export these items, companies must obtain a license through the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). For more information,



see the Treasury Department's FAQs on this topic, available at https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_other.aspx#revocation.

³⁷ EU arms embargo on Sudan (see https://www.sipri.org/databases/embargoes/eu_arms_embargoes/sudan).

³⁸ U.S. Treasury Department, Executive Order (E.O.) 13067, available at <https://www.treasury.gov/resource-center/sanctions/Documents/13067.pdf>.

³⁹ United Nations, UNSC Resolution 1591, available at <https://www.un.org/sc/suborg/en/sanctions/1591>.

⁴⁰ United Nations, UNSC Resolution 1672, available at <https://www.un.org/press/en/2006/sc8700.doc.htm>.

⁴¹ Chapter 3, State Sponsors of Terrorism, Country Reports on Terrorism 2013, U.S. State Department, available at <https://www.state.gov/j/ct/rls/crt/2013/224826.htm>.

⁴² Chapter 3, State Sponsors of Terrorism, Country Reports on Terrorism 2014, U.S. State Department, available at <https://www.state.gov/j/ct/rls/crt/2014/239410.htm>.

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⁴⁴ Transcript of a press briefing, U.S. State Department, October 6, 2017, available at <https://www.state.gov/r/pa/prs/ps/2017/10/274678.htm>.

⁴⁵ "Why America has lifted sanctions on Sudan," 10 Oct 2017, <https://www.economist.com/the-economist-explains/2017/10/10/why-america-has-lifted-sanctions-on-sudan>

⁴⁶ Sudan reportedly buys ivory from the LRA and supplies them with weapons. See this January 12, 2016 Telegraph article: "LRA warlord Joseph Kony uses ivory trade to buy arms," available at <https://www.telegraph.co.uk/news/worldnews/joseph-kony/12066467/LRA-warlord-Joseph-Kony-uses-ivory-trade-to-buy-arms.html>.

⁴⁷ "Sudan, U.S. to discuss removal from terror list," September 19, 2018, available at <https://www.sudantribune.com/spip.php?article66277>.

⁴⁸ "Sudan Expects Removal of its Name from US Terror List Soon," Sudan Tribune, October 8, 2018, available at <https://www.sudantribune.com/spip.php?article66388>.

⁴⁹ "Sudan, U.S. to strike deal on removal from terrorism list," November 7, 2018, available at <https://www.sudantribune.com/spip.php?article66569>

⁵⁰ "Sudanese Official: We are Not Sponsoring Terrorists," VOA News, October 19, 2018, available at <https://www.voanews.com/a/sudanese-official-we-are-not-sponsoring-terrorists/4621207.html>.

⁵¹ "Radical Intolerance: Sudan's Religious Oppression and Embrace of Extremist Groups," an Enough Project Report, December 12, 2017, available at <https://enoughproject.org/reports/radical-intolerance-sudans>.

⁵² UN POE 2017, page 41.

⁵³ UN POE 2017, page 41.

⁵⁴ Classified State Department cable via Wikileaks, available at https://search.wikileaks.org/plusd/cables/09STATE10394_a.html

⁵⁵ "Sudan says it has cut all defence ties with North Korea," June 6, 2018, available at <https://www.reuters.com/article/us-sudan-north-korea/sudan-says-it-has-cut-all-defence-ties-with-north-korea-idUSKCN1J22BU>.

⁵⁶ "U.N. Cites New Evidence that North Korea is Violating Sanctions," September 15, 2018, available at <https://www.wsj.com/articles/u-n-cites-new-evidence-that-north-korea-is-violating-sanctions-1537031420>. The full text of the report is available at <https://undocs.org/S/2019/171>

⁵⁷ "Sudan Still a 'State Sponsor of Terrorism'?" The Atlantic Council, June 8, 2016, available at <http://www.atlanticcouncil.org/?view=article&id=30733:sudan-still-a-state-sponsor-of-terrorism>.

⁵⁸ For more information on de-risking, see the World Bank's analysis here: <http://www.worldbank.org/en/topic/financialsector/brief/de-risking-in-the-financial-sector>.

⁵⁹ FATF white paper on FTZs, available at <http://www.fatf-gafi.org/media/fatf/documents/reports/ML%20vulnerabilities%20of%20Free%20Trade%20Zones.pdf>.

⁶⁰ Ibid.

⁶¹ The Free Zones and Free Markets Law of 1994 says in the Guarantees (rule 10): "Money invested in the free zones may not be frozen, confiscated, or arrested (summary available here: <http://www.sudaninvest.org/English/Sudan-Invest-FreeZone.htm>). The text of the 2009 law can be found at http://tpsudan.gov.sd/resources/uploads/files/files2/laws/free_zone_law.pdf (Arabic).



⁶² According to The Sentry's 2015 country report on Sudan, "Regime-linked entities maintain a commanding presence in most strategic economic sectors. A good example is the banking system. Roughly a quarter of the Sudanese banking system is sanctioned by the United States Department of the Treasury and has been placed on the Specially Designated Nationals (SDN) list. These blacklisted banks have become relatively isolated as many large Western banks have, according to press reports, severed financial ties with at-risk banking jurisdictions that contain sanctioned banks. Beyond these sanctioned banks, though, other banks are also either majority owned by the government or are cumulatively owned by sanctioned and regime-linked entities. The Military and the NISS, as exemplified by management and investment structures, have entrenched themselves in a number of Sudanese banks. Further, there is a high degree of connectivity between sanctioned banks and regime-linked banks within Sudan through self-claimed correspondent relationships." See The Sentry's Sudan brief here: https://thesentry.org/wp-content/uploads/2015/07/19103555/Country-Brief_Sudan.pdf.

⁶³ The report, published in December 2018 through the Sudan Transparency Initiative by the Sudan Democracy First Group, analyzed the banking system in Sudan from 1960 to present. It is available here: <https://democracyfirstgroup.us7.list-manage.com/track/click?u=7acabab6ae470b89628f88514&id=069b9a59b7&e=155e89d900>.

⁶⁴ Middle East Regional Technical Assistance Center is a collaborative venture between the IMF, member countries, and development partners. For more information about the METAC's latest efforts in Sudan's banking sector, see: <https://www.imfmetac.org/content/dam/METAC/Banking%20Supervision-Activities/Banking%20Supervision-TA-FY2018.pdf>.

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⁶⁶ For more information about the currency crisis, see the following articles: <https://af.reuters.com/article/sudanNews/idAFL5N1UZ5Q1?feedType=RSS&feedName=sudanNews>, <https://af.reuters.com/article/africaTech/idAFKCN1PB1VK-OZATP>, <https://www.voanews.com/a/sudan-economy-facing-crisis-after-sharp-currency-dip/4608120.html>, <https://www.ft.com/content/345c1bf0-e822-11e8-8a85-04b8afea6ea3>.

⁶⁷ "BNP Paribas Sentences for Conspiring to Violate the IEEPA and the Trading with the Enemy Act," U.S. Department of Justice, May 1, 2015. Full text available here: <https://www.justice.gov/opa/pr/bnp-paribas-sentenced-conspiring-violate-international-emergency-economic-powers-act-and>.

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⁶⁹ For details on Sudan's human rights record, see the Human Rights Watch report on Sudan here: <https://www.hrw.org/world-report/2019/country-chapters/sudan#>.

⁷⁰ Sudan's Economic Meltdown, an Enough Project report, available at https://enoughproject.org/wp-content/uploads/SudanEconomicMeltdown_Enough_November2018-web.pdf.

⁷¹ Advisory to Financial Institutions on the Risk of Proceeds of Corruption from Nicaragua, issued on October 4, 2018, available at https://www.fincen.gov/sites/default/files/advisory/2018-10-04/Nicaragua_Advisory_FINAL_508_0.pdf.

