



Public Statement on the Kingdom of Lesotho

Concerns of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) on the Kingdom of Lesotho's lack of progress in implementing its post evaluation implementation plan and the implications on its commitment to the objectives of ESAAMLG.

At its 16th Meeting in Victoria Falls, Zimbabwe in September 2016, the ESAAMLG Council of Ministers (Council) raised concerns over the lack of progress by the Kingdom of Lesotho in addressing the deficiencies identified in the 2011 Mutual Evaluation Report of Lesotho and the risks posed by the deficiencies to the regional and global financial systems.

The Council has acknowledged the progress made by Lesotho in improving its AML/CFT regime since the adoption of its Mutual Evaluation Report (MER) in September 2011. Although, the Kingdom of Lesotho has been making progress in improving its legal framework to address the deficiencies identified in its MER, there are major deficiencies which are still outstanding and of concern to the ESAAMLG. In particular, the Council is concerned that the Kingdom of Lesotho has not yet addressed the strategic deficiencies in its AML/CFT regime in that the Kingdom of Lesotho has not:

- 1) Fully implemented the Vienna Convention by passing into law the outstanding laws including the Drugs of Abuse (Amendment) and the Witness Protection Bills.
- 2) Issued guidance to assist the reporting entities and other persons in implementing UNSCRs 1267/1373 and successive resolutions.
- 3) Improved the asset recovery regime for freezing, seizing and confiscating ill-gotten funds or properties (including terrorist properties) by developing mechanisms for managing those assets.
- 4) Set up a proper and efficient case management system which will assist the authorities in collecting and maintaining comprehensive statistics on AML/CFT matters.

- 5) Put in place an effective counter financing of terrorism (CFT) framework for targeted risk-based supervision or monitoring of the non-profit organisation (NPO) sector.

In view of this, the Council urges the Kingdom of Lesotho to expedite and give priority in addressing the above deficiencies and to continue working closely with the ESAAMLG to address the identified deficiencies.

4th December 2020