OPEN ACCESS

Scholars International Journal of Law, Crime and Justice

Abbreviated Key Title: Sch Int J Law Crime Justice
ISSN 2616-7956 (Print) |ISSN 2617-3484 (Online)
Scholars Middle East Publishers, Dubai, United Arab Emirates
Journal homepage: https://saudijournals.com

Review Article

Whistle Blower or Gatekeeping by Lawyers: The Role of Lawyers in the Fight against Money Laundering in Nigeria

Amina Muhammad Bello[1]*, Bello Abdullahi Mohammed[2], Jamila Kasim Metcho[2], Usman Isa[2]

[1]LL.B, BL, LL.M, PhD. (IN VIEW) Nigerian Law School
[2]Researcher, Nigerian Defence Academy

DOI: https://doi.org/10.36348/sijlcj.2026.v09i04.002 | **Received:** 08.02.2026 | **Accepted:** 03.04.2026 | **Published:** 11.04.2026

***Corresponding author:** Amina Muhammad Bello
LL.B, BL, LL.M, PhD. (IN VIEW) Nigerian Law School

Abstract

This article examines the evolving, dual role of Nigerian legal practitioners within the anti-money laundering (AML) and counter-terrorism financing (CFT) framework. It traces the historical emergence of money laundering in Nigeria. It analyses the progressive development of legal and regulatory responses, highlighting the profession's initial resistance to being designated as a Designated Non-Financial Business or Profession (DNFBPs). This resistance, rooted in the sanctity of attorney-client privilege, created a regulatory gap that was often exploited for illicit financial flows. The article critically assesses the pivotal shift introduced by Chapter Two of the 2023 Rules of Professional Conduct (RPC) for legal practitioners. This new chapter represents the legal profession's formal, self-regulatory acknowledgement of its responsibility in combating financial crimes. It imposes specific obligations on lawyers, including client due diligence (CDD), record-keeping, risk assessment, and the mandatory reporting of suspicious transactions to the Nigerian Bar Association Anti-Money Laundering Committee (NBAAMLC). This research adopts a doctrinal research method. The RPC 2023, particularly Chapter Two, imposes significant Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTF) obligations on legal practitioners, effectively casting them in a "dual role" as both zealous advocates for their clients and essential gatekeepers for the financial system. This dual mandate creates an inherent tension, particularly concerning the sacred duty of client confidentiality and the mandatory reporting of suspicious transactions. Finally, the article identifies key challenges to the effective implementation of this new ethical regime, including potential resistance from practitioners, weak enforcement mechanisms, and inadequate awareness. It concludes that for Nigeria's AML/CFT efforts to be robust, lawyers must embrace their dual role not merely as client advocates but as essential gatekeepers of the financial system's integrity. The successful implementation of Chapter Two's provisions will be crucial to reshaping professional ethics and bolstering Nigeria's fight against money laundering and terrorism financing.

Keywords: Ethics, Legal Profession, Money Laundering, Terrorism Financing, Attorney-Client Privilege, Rules of Professional Conduct, Gatekeeper Role.

INTRODUCTION

The fight against money laundering, terrorism financing and proliferation financing in Nigeria has become more intensified in the wake of new means of committing these illegal acts by criminal minds in the nation.[1] The concealment of the origins of illegally obtained money, typically through transfers involving foreign banks engaged in legitimate business, is considered Money Laundering. It involves disguising financial assets so they can be used without detection of the illegal activity that produced them.[2]

The evolution of Nigeria's anti-money laundering framework, culminating in the inclusion of

[1] Opudu O. D. And Ogoun S. ' Money Laundering Conviction Rate And Capital Formation In Nigeria' Accounting 9(2023) 121-130 Available At Https://Www.Researchgate.Net/Publication/368226283_Money_Laundering_Convivtion_Rate_And_Capital_Formation_In_Nigeria/Citation accessed on the 14th may, 2025

[2] https://www.fincen.gov/what-money laundering#:~:text=Money%20laundering%20involves%20disguising%20financial,with%20an%20apparently%20legal%20source .

Chapter 2 in the Rules of Professional Conduct (RPC) 2023 for legal practitioners, reflects the country's response to its complex history of financial crimes. This historical trajectory reveals how Nigeria's legal profession became increasingly implicated in money laundering schemes, necessitating specific ethical guidelines for lawyers.[3]

In recent times, it has become clear that lawyers play a critical role in both preventing and enabling money laundering in Nigeria. It can be reasonably concluded that, by the provision of Chapter Two of the Rules of Professional Conduct 2023, the legal profession formally acknowledges its responsibility in the ongoing fight against financial crimes in the country.[4] The Rule of Professional Conduct for Legal Practitioners was made on 6th June, 2023, to provide ethical principles for legal practitioners in Nigeria. The Rule was amended to include chapter two, which centres on money laundering, terrorism financing, and proliferation in lawyer-client relationships in the discharge of legal services.[5]

This step was in response to the challenge of the Money Laundering In the case *of incorporated trustee of Nigerian Bar Association V. Central Bank* Of Nigeria, the Nigerian Bar Association instituted an Action against the central Bank of Nigeria seeking various declaratory reliefs to the effect that the provisions of the Money Laundering Act of 2011(as repealed) as they relate to Legal practitioners seeking to regulate legal practice are unconstitutional null and void. The court decided in favour of the Legal practitioners. Dissatisfied with the decision of the Federal High Court, the Central Bank appealed against the decision to the Court of Appeal through Appeal No. CA/A202.2015. In the Appeal, the court of appeal affirmed the trial court's decision, holding that Legal Practitioners are not subject to the disclosure and reporting obligations under the 2011 Act. The court of appeals reasoning was based on the grounds that Legal Practitioners were improperly categorized as Designated Non-Financial Institution (DNFI) under the Act. In 2022, the 2011 Act was repealed and replaced by the Money Laundering (Prevention & Prohibition) Act of 2022. This Act was challenged by the case of *Abu Arome v. Central Bank of Nigeria & 3 Ors* [6].

Again, the legal practitioners also challenged the provisions of the Money Laundering Act of 2022 in the case of Abu Arome v. Central Bank of Nigeria *& 3 Ors*.[7]. In that case, the Federal High Court struck down sections of the Money laundering Act (Prevention and Prohibition) Act 2022 that included legal Practitioners as Designated Non-Financial Business and Professions. The court ruled that section 6, 7, 8, 9, 11 and 30 are unconstitutional, effectively protecting lawyer-client confidentiality and preventing legal Practitioners from being subject to certain anti-money laundering regulations [8].

Also in a similar light, section 192 [9] of the evidence Act provides thus: no legal practitioner shall at any time be permitted, unless with his clients express consent, to disclose any communication made to him in the course and for the purpose of his employment as such legal practitioner by or on behalf of his client, or to state the content or condition of any document with which he has become acquainted in the course and for the purpose of his employment, or to disclose any advice given by him to his client in the course and for the purpose of such employment:

Provided that nothing in this section shall protect from disclosure:

a) any such communication made in furtherance of any illegal purpose.
b) any fact observed by any legal practitioner in the course of his employment as such, showing that any crime or fraud has been committed since the commencement of his employment.

1) It is immaterial whether the attention of such legal practitioner was or was not directed to such fact by or on behalf of his client.
2) the obligation stated in this section continues after employment has ceased.

The question that may arise in this circumstance is in considering how money laundering is being carried out. It is the duty of a legal practitioner to uphold the law. Therefore, ethically it goes without saying that legal practitioners ought to be vigilant while dealing with client's properties. And also present himself as role model in the society. Considering the economic situation

[3] https://www.sanctionscanner.com/aml-guide/anti-money-laundering-aml-in-nigeria-434. Accessed on the 13th May, 2025.

[4] Oyetola M., and Betseabasi A. ' Money laundering, Terrorism financing and the legal profession: An examination of chapter 2 of the rules of professional conduct 2023 available At https://www.opinionnigeria.com/money-laundering-terrorism-financing-and-the-legal-profession-an-examination-of-chapter-2-of-the-rules-of-professional-conduct-2023-by-oyetola-muyiwa-atoyebi-betseabasi

[5] Oyetola M., 'Money Laundering, Terrorism Financing and the Legal Profession'; An Examination Of Chapter 2 Of The Rules Of Professional Conduct 2023. 2024 Law Pavilion Blog Accessed 13th May, 2025.

[6] Money Laundering, Terrorism Financing and the Legal Profession: An Examination of Chapter 2 Of The Rules Of Professional Conduct 2023 - TheNigeriaLawyer. https://thenigerialawyer.com/money-laundering-terrorism-financing-and-the-legal-profession-an-examination-of-chapter-2-of-the-rules-of-professional-conduct-2023/ss

[7] (UNREPORTED) SUIT NO: FHC.ABJ/CS/25/2023

[8] An Electrifying Liberation for Lawyer/Client Confidentiality in Nigeria. At https://www.doa-law.com

[9] Section 192 Evidence Act 2-011 LFN 2004

in the country and the lack of accountability how do you ensure compliance by lawyers with the provision of the law?

Early Stage of Emergence of Money Laundering in Nigeria

The history of money laundering in Nigeria became particularly prominent in the late 20th century, with the famous "419" advance fee fraud schemes gaining international notoriety. These scams, named after section 419 of the Nigerian Criminal Code, involved convincing victims to pay upfront fees for non-existent financial opportunities.[10] The Economic and Financial Crimes Commission (EFCC) reported that these schemes often relied on legal professionals to lend credibility to fraudulent transactions and help launder proceeds.[11] This is not unconnected with country's wealth in oil, and weak financial control which has made it particularly vulnerable to money laundering activities. By the 1990s, Nigeria had developed a reputation as a major transit hub for drug trafficking and a center for financial crimes, with proceeds being laundered both domestically and internationally.[12]

Development of Legal Framework

The regulatory framework for combating money laundering and terrorism financing has evolved significantly over the past three decades, influenced by both domestic pressures and international obligations. The first significant response to money laundering in Nigeria came in December 2002 when it implemented three key pieces of legislations after being placed on Non-Cooperative Countries and Territories (NCCT) list by the Financial Action Task Force (FATF).[13]

Nigeria's first anti-money laundering (AML) legislation was enacted in 1995.[14] This was the first legislation targeting money laundering in Nigeria, and it criminalized money laundering in relation to drug trafficking. In 1999 the scope was expanded beyond narcotics related offences to include fraud and corruption and other serious crimes and also required financial institutions to report suspicious transactions.[15]

The Economic and Financial Establishment Act established the Economic and Financial Crimes Commission (EFCC) which was particularly significant as it established Nigeria's primary anti-financial crime agency.[16] The commission is empowered to investigate and prosecute money laundering cases in Nigeria. Accordingly, money laundering is defined as a process whereby ill-gotten wealth is transformed so that it appears legitimate. The Central Bank of Nigeria (CBN) also have broader powers to freeze suspicious accounts.[17]

The BOFIA empowers the CBN to issue directives to banks and other financial institutions to freeze accounts suspected of being involved in financial crimes or other illicit activities. The money laundering (prohibition) Act 20011 (Repealed) broadened reporting obligations for financial institutions and required client due diligence (CDD) and keeping records, to freeze accounts suspected of being involved in financial crimes or other illicit activities. The money laundering (prohibition) Act 20011 was amended in 2012 by expanding predicate offences,[18] mandated a stricter CDD for politically exposed persons, established the special control unit against money Laundering (SCUML) to monitor non-financial businesses, explicitly criminalized Terrorism financing by creating terrorism financing prevention unit under the EFCC. However, these early legislations and measures largely focused on financial institution rather than other professional services such as lawyers.

In 2013, Nigeria was placed on the Financial Action Task Force (FATF) grey list due to deficiencies in Anti money laundering frameworks/ counterfeit terrorism frameworks.[19] This act prompted accelerated reforms including the amendment of the money laundering (prevention and prohibition) Act 2020. This led to delisting Nigeria from the grey list, thereby signaling improved compliance. The Act expanded reporting requirement to lawyers and virtual asset service providers (VASPS). It also enhanced penalty for non-compliance.

The Legal Professions Involvement in Financial Crimes

Owing to the fact that legal practitioners often deal with client's money, the prospect of using private legal practitioners to perpetrate financial crimes became prevalent.[20] From the year 2000 – 2010 the Nigerian authorities recognized that legal practitioners were being used to facilitate money laundering through various

[10] Supra at (note 2)
[11] Ibid.
[12] Ibid.
[13] Ibid.
[14] Money Laundering Decree No. 3 of 1995
[15] Money Laundering (Amendment) Decree No. 62 of 1999.
[16] Economic and Financial Crimes Commission (Establishment) Act 2002
[17] Section 35 Bank and Other Financial Institutions Act (BOFIA) 2020
[18] Money Laundering (Prohibition) Act 2011
[19] FAFT public statement 2018 supra @ note 1.
[20] Ahiauzu N. and Inko- Tariah T., 'Applicability of Anti-Money laundering laws to legal practitioners in Nigeria, NBAv. FGN & CBN's Journal of Money Laundering Control (2016), available at https://www.researchgate.net/publication/310756672 Applicability_of_anti-money_laundering_laws_to_legal_practitioners_in_Nigeria_NBA_V_FGN_CBN accessed on the 20th of May 2025.

means which includes, creating complex legal structures to conceal beneficial ownership, handling large cash transaction for clients without proper due diligence, facilitating real estate transactions with illicit funds, and serving as intermediaries for politically exposed persons moving questionable funds.[21] That can be as the result of the tension between the legal professions obligation to maintain confidentiality and the need to prevent money laundering in the country. These two conflicting interests identified above needs to be balanced by a legal framework to effectively prevent money laundering while protecting the rights of legal practitioners. The Nigerian Bar Association (NBA) initially resisted applying AML regulations to lawyers, [22] arguing that it violates attorney-client privilege. This resistance created a regulation gap that money launderers exploited. The attorney-client privilege tends to prevent the disclosure of communication made between a legal practitioner and his client in the course of an employment. Section 192[23] provides thus:

"No legal practitioner shall at any time be permitted, unless with his clients express consent, to disclose any communication made to him in the course and for the purpose of his employment as such legal practitioner by or on behalf of his client, or to state the content or condition of any document with which he has become acquainted in the course and for the purpose of his employment, or to disclose any advice given by him to his client in the course and for the purpose of such employment:

Provided that nothing in this section shall protect from disclosure:

a) any such communication made in furtherance of any illegal purpose.
b) any fact observed by any legal practitioner in the course of his employment as such, showing that any crime or fraud has been committed since the commencement of his employment.

1) It is immaterial whether the attention of such legal practitioner was or was not directed to such fact by or on behalf of his client.
2) the obligation stated in this section continues after employment has ceased.

From the foregoing, Nigeria's commitment to the fight against money laundering and terrorism financing has led to the inclusion of chapter 2 of the rules of professional conduct for legal practitioners which deals with duty of a lawyer in relation to money laundering in Nigeria. This rule embodies the code of conduct of lawyers in Nigeria. It is also pertinent to consider the provision of the Rules of Professional Conduct particularly rule 19. It provides thus: Except as provided under paragraph (3) (a) & (b) of this rule-all oral or written communications made by a client to his lawyer in the course of professional employment are privilege; and a lawyer shall not knowingly reveal a confidence or secret of his client, use a confidence or secret of his client to the advantage of the client, or use a confidence or secret of his client to the advantage himself or of a third person unless the clients consent after full disclosure.

A lawyer may reveal: a confidence or secret with the consent of the client or clients affected after full disclosure to the client, confidence or secret when permitted under these rules or required by law or a court order, confidence or secrete necessary to establish or collect his fee or to defend himself or his or his employees or associates against an accusation of wrongful conduct; and the intention of client to commit a crime and the information necessary to prevent the crime.

International Pressure and the Emergence of the Anti-Money Laundering Act of 2022

The Financial Action Task Force (FATF) placed Nigeria on its grey list, and this became pivotal moment that followed years of international pressure. [24] In response to the above, the country responded with the Money Laundering (Prevention and Prohibition) Act 2022 which introduced several key players affecting the legal professional considered below:

1. Limitation on Attorney-client privilege: The 2022 Act specified circumstances where the privilege would not apply, particularly when lawyers were involved in property transactions, managing clients assets, or creating legal structures.[25]
2. Inclusion of Legal practitioners as DNBP. The act included legal practitioners asa part of designated Non-financial Business and Professions (DNBPs) subjecting them to reporting requirements.
3. Enhanced Due Diligence for Politically Exposed Persons: the Act required a stricter scrutiny of politically exposed persons, which frequently required legal services.

The Rules of Professional Conduct 2023

The culmination of this historical development was chapter 2 of the Rules of Professional Conduct 2023,

[21] Ibid.

[22] NBA v. FGN & CBN(2016) available at http://www.researchgate.net/publication/310756672_Applicability-of_anti-money_laundering_laws_to_legal_practitioners_in_Nigeria_NBA_V._FGN_CBN accessed on the 14th May 2025.

[23] Section 192 Evidence Act, 2011 Cap E8 LFN 2004.

[24] Supra at note 2

[25] Rodiyya Bashir." An overview of the Nigerian ANTI-MONEY LAUNDERING ACT 2022, article 13, available at https://www.mondaq.com/nigeria.money-laundering/1303806/an-overview-of-the-nigerian-anti-money-laundering-act-2022.

(RPC) which came into on the 1st January 2024 after the rules were made on June 6, 2023. [26] Chapter II of the Rules of Professional Conduct for Legal Practitioners 2023, which is contained in Rules 55-72, provides the guidelines concerning the steps lawyers in Nigeria have to take to prevent and report cases of money laundering and terrorism financing in reference to the provisions of the Money Laundering (Prevention and Prohibition) Act 2022. This is in compliance with the duty of lawyers to the state to ensure compliance with the rule of law, especially anti-money laundering and terrorism financing laws. The provisions of this chapter apply to all lawyers whose names appear on the roll of legal practitioners in Nigeria.[27]

a. Establishing Clear Obligations:

The objectives of the rules on anti-money laundering and terrorism financing is provided.[28] It sets out the key objectives of chapter ii of the RPC on money laundering and terrorism financing to include –

a) adherence to the rule of law;
b) Promote the duty of confidentiality and client-lawyer privilege and to provide a yardstick of the overall ethics to prevent the misuse of legal services and professionals to promote money laundering and terrorism financing.
c) Internally self-regulate the legal profession and where applicable recommend for discipline legal practitioners in breach of the profession in accordance with the Legal Practitioners' Act.
d) Adopt risk-based approach to offering legal services by lawyers in order to prevent money laundering before they occur by means of giving ethical advice to clients while offering legal services.

b. Obligations of a Legal Practitioner and Record Keeping

The two major duties or obligations of a legal practitioner in respect of the guidelines on anti-money laundering include reporting and compliance with the provisions of the rules.[29]

List situations where the duty to report or comply will arise.

It includes where;

a) a lawyer is acting as a formation agent of legal persons e.g., corporate entities;
b) acting as or arranging for another to act as director, secretary or partner of a legal person or entity;
c) providing a registered address, business office or accommodation for a legal person;
d) acting or arranging for another person to act as trustees or nominee shareholder or
e) Conducting sales or purchase of real estate or providing advisory services for legal persons.

It is a professional offence for a lawyer to fail or neglect to comply with the provisions of chapter.[30] Such a lawyer may be subject to disciplinary proceedings, except if he acted as notary public or merely certifies execution or authenticity of a power of attorney or instrument not prepared by that legal practitioner.[31]

The specific obligations are

a) Up to date record keeping of high-risk business or clients for a period of not less than 5 years after the completion of the transaction.[32]
b) Risk Assessment Requirement: A lawyer shall adopt risk-based approach to assess, identify and understand the risk of money laundering, terrorism financing and proliferation they are exposed to and to take reasonable and proportionate measures to effectively and efficiently mitigate and mage such risks. [33] The risk types and risky geographical locations and transactions are set out in the rules.[34] Client risk or client with highest risk as politically exposed persons (PEPs), companies that have subsidiaries or do business in high-risk countries etc., are identified [35] Transactions and documentation at risk are also set out.[36]
c) Risk mitigation rules are provided in rule 67 RPC 2023 to include training and periodic reviews for lawyers and other staff in firm on the risk and mitigation techniques. Internal risk assessment guidelines can be put in place by a law firm.[37]
d) Client Due Diligence (CDD)**.**[38] The core of Rule 69 is building a foundation of trust through genuine understanding. It's a formal process for lawyers to truly know who their client is, not just at the start, but throughout their entire professional relationship. In essence, it's about professional care, ethical clarity, and protecting the integrity of the client. A lawyer can't truly serve a client unless they understand who that person or entity is and what

[26] Oyetola M. Money Laundering, Terrorism Financing and the Legal Profession: An examination of chapter 2 of the Rules of Professional Conduct 2023. Assessed at https://lawpavilion.com/blog/money-laundering-terrorism-financing-and-the-legal-profession-an-examination-of -chapter-2-of-the-rules-of-professional-conduct-2023/
[27] Section 2 of the Legal Practitioners Act and rule 56 RPC 2023.
[28] Rule 55(1) RPC 2023.
[29] Rule 57 (1) RPC 2023
[30] Rule 57(2) RPC 2023
[31] Rule 57(4) RPC 2023
[32] Rule 58 RPC 2023.
[33] Rule 61 RPC 2023
[34] Rules 62 and 63 RPC 2023
[35] Rule 64 RPC 2023.
[36] Rules 65 and 66 RPC 2023
[37] Rule 69 RPC 2023.
[38] Rule 69 RPC 2023

they truly want to achieve. It provides the roadmap for developing that understanding.[39]

A lawyer has to verify the client's legal identity (ID, address) and, for companies, understanding their structure, directors, and ownership. This reduces verification process after careful risk consideration.[40]

An enhanced Level (CDD) is required For Clients deemed to be of higher risk, A deeper investigation into the client's background, the source of their funds, and the purpose of the transaction. The process doesn't stop after the initial meeting. Rule 69 requires ongoing vigilance scrutinizing transactions and watching for "red flags" that don't align with a lawyers understanding of the client. This isn't about suspicion, it's about ensuring a lawyer's professional work remains consistent with ethical practice. This can be achieved by identifying transactions that is unusual for the client (e.g., a very large deal for a small, young company). The transaction involves a disproportionately large amount of cash without a logical explanation. The stated purpose of a service doesn't match what you'd expect for that type of client[41]

In simpler terms, a lawyer is looking for anything that feels inconsistent or "doesn't add up" with what you know about the person or business you're advising.

At its heart, Rule 69 frames client due diligence not as a regulatory burden, but as the foundation of a trusting and ethical lawyer-client relationship. It is how a professional ensures their work serves justice and remains above reproach.

a) **Reporting Obligations.** [42] These deals with lawyers' reporting obligations specifically within the context of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). It is part of a new chapter introduced to prevent the legal profession from being used for financial crimes.[43]

Think of this rule as requiring lawyers to be a gatekeeper for the integrity of the financial system. It's about being professionally vigilant and having formal systems in place to act on that vigilance.

If a lawyer forms a reasonable suspicion that a transaction involves money laundering (ML) or terrorism financing (TF), he must promptly file a Suspicious Transaction Report (STR) with the Nigerian Bar Association Anti-Money Laundering Committee (NBAAMLC), which forwards it to the Nigerian Financial Intelligence Unit (NFIU).

A lawyer must act on "reasonable suspicion." This is a judgment call based on facts, red flags, and professional intuition.[44]

A lawyer who fails to file a required STR is classified as professional misconduct and can lead to disciplinary proceedings.

Rule 71 requires more than just reporting, it demands a proactive, risk-based framework to prevent abuse. The rule emphasizes that the measures you take should be appropriate to your practice's size, nature, client base, and risk profile. The required system includes:

1. Develop and maintain an effective structure against ML/TF.
2. Have systems to identify high-risk situations, such as Politically Exposed Persons (PEPs) or clients subject to sanctions.
3. Implement ongoing AML/CFT training programs and appoint responsible personnel for compliance.
4. Regularly review the firm's risk assessment and update controls to address the highest risks.

These strict duties are not triggered by all legal work. According to the RPC 2023, a lawyer's AML/CFT obligations primarily arise when providing specific, high-risk services, such as Real Estate Transactions while conducting sales or purchases for clients and Corporate & Trust Services when acting as a company formation agent, director, nominee shareholder, or trustee.[45]

Conversely, the obligations generally do not apply to routine services like providing notary services or merely certifying documents.

In essence, Rule 71 transforms a lawyer from a passive service provider into an active guardian of financial system integrity. This requires establishing robust systems, training staff to be vigilant, and making the difficult, but mandatory, decision to report when a client's activities cross an ethical and legal line.

c. Education, Training and Awareness.[46]

This rule focuses specifically on a law firm's duty to provide internal Anti-Money Laundering and

[39] https://www.lawglobalhub.com/rule-69-rules-of-professional-conduct-rpc-2023/ accessed 20th July, 2025
[40] ibid
[41] ibid
[42] Rule 71 RPC 2023
[43] Advice Omolumo 'A REVIEW OF THE RULES OF PROFESSIONAL CONDUCT (RPC), 2023 August 3, 2023 Insights, Nigeria @ https://trustedadvisorslaw.com/a-review-of-the-rules-of-professional-conduct-rpc-2023/ accessed 20th August 2025.
[44] Supra @ note 42
[45] ibid
[46] Rule 72 RPC 2023

Combating the Financing of Terrorism (AML/CFT) training to its staff. Its objective is to ensure that lawyers and their teams can effectively identify and prevent financial crime risks that may arise during their professional services.[47]

The rule targets all relevant staff who, in the course of their duties, might be exposed to money laundering or terrorism financing risks. This includes both lawyers and non-lawyer staff involved in client-facing or administrative work.

The rule suggests using case studies both real and hypothetical to make regulations understandable. Methods can include group study sessions, presentations, or regular email updates from a knowledgeable staff member.

Crucially, training must cover the scope of legal professional privilege and client confidentiality in the context of AML/CFT laws, helping staff navigate this complex area. Firms have discretion over the training's frequency and delivery. However, the program must be risk-based and tailored to the firm's specific size, the nature of its services, and the responsibilities of individual staff members.[48]

In summary, Rule 72 transforms AML/CFT compliance from a passive rule into an active, ongoing duty of education within your firm. It ensures your entire team is equipped to act as ethical gatekeepers, protecting both your clients and the integrity of the financial system.

d. NBAAMLC and Obligations of the NBA AMLC

The NBAAMLC is an ad hoc committee of the NBA to advise the NBA on the implementation of chapter II of the RPC 2023 and the monitoring of implementation by law firms. [49] The NBA has operationalized the chapter by issuing the Appointment and Examination Rules and Protocol 2024.

The Nigerian Bar Association Anti Money Laundering Committee (NBAAMLC) may solely undertake compliance examination of law firms on a risk-based approach and the reports of such examination shall be forwarded to the Special Control Unit against Money Laundering (SCUML).[50]

Targeted Financial Sanctions mechanism may be put in place by a legal practitioner. The lawyer should monitor and screen transactions on the UN consolidated list of persons and entities designated in accordance with the UNSCR 1267 (1999) resolution. Where a lawyer identifies a suspicious transaction, he has a duty to freeze without notice funds, assets and economic resources of such persons and entities. Report to the NBAAMLC for onward transmission to the Nigerian Financial Intelligence Unit (NFIU).

e. Enforcement.

The rule is enforceable by the NBA through the NBA AMLC and failure to comply with the chapter is a professional misconduct and is liable to be brought before the LPDC.[51] The NBAAMLC is empowered to report any breach of the chapter to the LPDC or take any other appropriate legal measure against the legal practitioner caught wanting. Other legal practitioners also have the duty to report any breach of the chapter to the appropriate authority for legal action to be taken. The question will now bother on three key issues: what will be the likely challenges to be faced, compliance level and impact of the provision of chapter 2 since its enforcement in 2024.

Corruption in the Nigerian Legal System.

Corruption in Nigeria's legal system is a profound issue that erodes its foundational principle of the rule of law. While a strong legal and ethical framework exists, its effectiveness is compromised by systemic corruption and challenges in enforcement. According to Webster dictionary,[52] the word corrupt is "Dishonest; given to bribery" and corruption as "The act of corrupting, or the state of being corrupted".

The Nigerian constitution is founded on the rule of law, requiring the state and its officials to be subject to the law. Key laws like the Corrupt Practices and Other Related Offences Act (2000) and the Economic and Financial Crimes Commission (Establishment) Act (2004) have been established. The 2023 Rules of Professional Conduct (RPC) mandate high ethical standards, integrity, and, importantly, new Anti-Money Laundering (AML) duties for lawyers to prevent them from being used to facilitate financial crime.

The Impact of Corruption on the legal System undermines equality before the law, allowing the wealthy and powerful to evade justice. It can lead to perversion of justice, wrongful convictions, and acquittals of the guilty through bribery of judges, prosecutors, and court officials. A widespread perception of corruption leads to a loss of public faith in the justice system, encouraging self-help and making the rule of law meaningless.

[47] ibid

[48] Ajibade Do Legal Practitioners In Nigeria Have A Duty To Confirm A Client's Source Of Funds? @ https://www.mondaq.com/nigeria/money-laundering/1650158/do-legal-practitioners-in-nigeria-have-a-duty-to-confirm-a-clients-source-of-funds accessed 15th August 2025.

[49] Rule 73 RPC 2023

[50] Rule 59 RPC 2023

[51] Rule 74 RPC 2023.

[52] The Webster's Comprehensive Dictionary of the English language (2013 Edition) at page 293

Without strict adherence to the new AML rules, lawyers and law firms can be used to launder money or finance terrorism through services like real estate transactions or company formation. The 2023 Rules of Professional Conduct (RPC) mandate high ethical standards, integrity, and, importantly, new Anti-Money Laundering (AML) duties for lawyers to prevent them from being used to facilitate financial crime.

CONCLUSION

The fight against money laundering and terrorism financing is a critical national imperative for Nigeria, and the role of legal practitioners in this effort is indispensable. The principle of lawyer-client confidentiality has put lawyers at the front of money laundering and shielding both the legal practitioners and their clients from the direct application of the law.

A critical challenge in Nigeria on anti-money laundering regime has been the tension between professional confidentiality and financial integrity among legal practitioners. Nigeria's fight against money laundering will require the full participation of lawyers in the legal profession. Historical patterns have shown that the rule on confidentiality has been misused, thereby allowing lawyers to facilitate illicit financial flow and create a gap in regulatory framework.

The theoretical imposition of a 'dual role' advocate and AML/CTF gatekeeper on Nigerian legal practitioners by Chapter Two of the Rules of Professional Conduct for Legal Practitioners 2023 (RPC 2023) creates a significant ethical and practical tension with the traditional duty of client confidentiality. While the legal framework has been established, there is a critical lack of current empirical data on how legal practitioners are practically navigating this conflict, their actual level of compliance, and the perceived impact of the new rules on the lawyer-client relationship since the enactment.

The biggest challenges now is how to balance the requirement of confidentiality in the rules with the requirement under chapter 2 of the rules. The duty of confidentiality is foundational to the lawyer-client relationship. It applies to all confidences or secrete arising from professional employment. The rule only permits disclosure where it is permitted by the client, to prevent a future crime, or when the communication is in furtherance of an illegal purpose.[53] The motive behind this provision is to foster trust and candour in the lawyer-client relationship, enabling effective legal representation. Any breach of confidentiality is a professional misconduct, enforceable by the legal practitioner's disciplinary committee.

Chapter 2 creates a shift from the passive duty of non-disclosure in rule 19 to an active preventive duty. It aims at preventing legal profession from being used for money laundering or terrorism financing. The provision employs lawyers as gate keepers of the financial systems integrity. It shifts from a permissive right into a mandatory procedural obligation which lawyers must now proactively look out for and report potential crimes. The chapter places the NBAAMLC to act as an internal compliance monitor for the gate keeping role.

As it relates to reluctance to comply will be as a result of the provisions failure to provide any compensation for possible loss of business for lawyers. as in the case of whistle blower who is entitled. Any information written to the government it becomes a public document, so what happens if a lawyer exposes information to the government and the information turns out to be false, what protection given to the lawyer on non-discloser of the source of the information. freedom of information act, and non-disclosure of the source of information. Why should the gate be keeping role of lawyers free? Bcoz lawyers will lose business from reporting

FINDINGS AND RECOMMENDATIONS

From the enforcement of the Money laundering Act of 2022, the legal practitioner has resisted its application on them vehemently by challenging same.[54] The resistance is premised on the fact that it may constitute a conflict on the duty of a lawyer to his client on confidentiality. This led to the provision reproduced in the rules of professional conduct for legal practitioners. This research finds as follows;

1. Although the Nigerian Bar Association (NBA) and NBAAMLC have launched an awareness campaign by conducting nationwide seminars, webinars, and circulating practice guidelines to educate all legal practitioners on the provisions of Chapter Two, RPC, it has still fallen short in achieving the intended goal of the rule.
2. That the Nigerian Bar Association (NBA) and NBAAMLC has failed to ensure transparent and deterrent enforcement steps by publicizing the enforcement actions taken by the NBAAMLC and LPDC against violators to build credibility and deter non-compliance. Allocate sufficient resources to the NBAAMLC for effective monitoring.
3. This research finds that Law Firms and Legal Practitioners have not Institutionalized Internal Compliance Systems. They lack a developed written AML/CFT policy, or appoint a compliance officer, and implement internal controls and periodic reviews.
4. This research finds that Law Firms and Legal Practitioners have not integrated CDD into Client Intake. This will enhance due diligence, especially for high-risk clients and transactions involving real estate or corporate structuring, a

[53] Section 192 of the Evidence Act 2011

[54] NBA V. FGN & CBN supra

standard and non-negotiable part of the onboarding process during client interview. Law firm should cultivate an Ethical Culture: Firm leadership must promote a culture where ethical vigilance against financial crime is valued as integral to professional duty and the rule of law.

RECOMMENDATIONS

1. This research recommends that the Nigerian Bar Association (NBA) and NBAAMLC should Launch an Aggressive Awareness Campaigns by Conducting a nationwide seminar, webinars, and circulate practice guidelines to educate all legal practitioners on the provisions of Chapter Two, RPC.
2. This research recommends that the Nigerian Bar Association (NBA) and NBAAMLC should ensure Transparent and Deterrent Enforcement. Publicize the enforcement actions taken by the NBAAMLC and LPDC against violators to build credibility and deter non-compliance. Allocate sufficient resources to the NBAAMLC for effective monitoring.
3. This research recommends that Law Firms and Legal Practitioners should Institutionalize Internal Compliance Systems. Every firm, regardless of size, should develop a written AML/CFT policy, appoint a compliance officer, and implement internal controls and periodic reviews.
4. This research recommends that Law Firms and Legal Practitioners should integrate CDD into Client Intake. Make enhanced due diligence, especially for high-risk clients and transactions involving real estate or corporate structuring, a standard and non-negotiable part of the on boarding process during client interview. Law firm should cultivate an Ethical Culture: Firm leadership must promote a culture where ethical vigilance against financial crime is valued as integral to professional duty and the rule of law.
5. This research recommends that Legislature and Regulatory Bodies should Support the Self-Regulatory Model. Respect the judicial precedents and support the NBA's self-regulatory framework under the RPC, rather than attempting to re-impose direct statutory controls that have been invalidated. Foster Inter-Agency Collaboration with the NFIU, EFCC, and SCUML should engage in formal cooperation and data-sharing agreements with the NBAAMLC to support its oversight role without breaching professional boundaries.