Targeted Financial Sanctions (TFS)

Practical guide for reporting entities and compliance officers

Decree No. 2025-171 | FATF | Recommendations 6 · 7 | Immediate Outcome 10 and 11 | CNSFC Decision of February 27, 2026

This booklet provides a concise overview of the three freezing measures, the applicable procedures, TF/PF red flags, and the obligations of reporting entities under the decree.

1. The three Targeted Financial Sanctions Resolutions

R. 1267/1988 — Al-Qaida / Taliban	R. 1373 — Terrorist Financing	R. 1718/2231 — WMD Proliferation
ISIL · Al-Qaida and associated entities • UN List (UNSC) • Freeze within 24 hours • No prior notification • SAMIFIN dissemination within 10h	National list — CNSFC designation • National list • Freeze within 24 hours • No prior notification • Ministerial order	North Korea · Iran • UN List (UNSC) • Freeze within 24 hours • Same procedure as 1267 • Without prior notice • SAMIFIN broadcast within 10 hours

Key definitions

Freeze	Prohibition of any transfer, conversion, disposal, or movement of funds or property. Applies to all assets held or controlled, directly or indirectly, by designated persons.
"Without delay"	A matter of hours. For UN lists: from the official publication by the UNSC. For the national list (R.1373): from the adoption of the CNSFC's reasoned opinion.
TFS	Asset freeze plus prohibitions aimed at preventing funds from being made available, directly or indirectly, to designated persons or entities.
Designation	Identification of a person or entity subject to TFS, either by the UNSC (UN lists) or by the CNSFC (national list), on reasonable grounds.
Basic expenses	Food, rent, medicines, taxes, insurance premiums, public utility fees, reasonable legal fees. Exceptional access possible under certain conditions.
Reporting entities	Financial Institutions, Designated Non-Financial Businesses and Professions (DNFBPs), Virtual Asset Service Providers (VASPs).

Scope of the freeze (Art. 25)

The freeze extends to all of the following assets, whether or not directly linked to an act of terrorism or proliferation:

1. All funds/property owned or controlled, directly or indirectly, by designated persons
2. Funds derived or generated from property belonging to designated persons
3. Funds of persons/entities acting on behalf of, or on the instructions of, designated persons
4. Funds held jointly or entirely by designated persons or entities

2. Asset Freezing Procedures

Following the provisions of Decree No. 2025-171 and the decision taken by the CNSFC in February 2026

2.1 Resolutions 1267/1988 and 1718/2231 — UN Lists

1	**Official UNSC publication** The competent Security Council bodies publish the designation on the consolidated list. The trigger is immediate.
2	**Dissemination of the notification by SAMIFIN** SAMIFIN disseminates the immediate freeze notification to reporting entities, as well as to any person likely to hold the assets concerned, no later than 10 hours after receiving the notification from the United Nations Security Council. This dissemination takes place through two complementary channels: • **direct notification** to reporting entities, by electronic means, at the address sfc@samifin.gov.mg ; • **simultaneous, wide-reaching dissemination**, aimed at reaching any person likely to hold the assets concerned, through any appropriate means, in particular the SAMIFIN website and WhatsApp. SAMIFIN also publishes the consolidated list on its website: https://samifin.gov.mg.
3	**Reporting entities freeze the assets** Reporting entities freeze the assets no later than 14 hours after SAMIFIN's notification. The freeze must take effect as soon as a positive match is identified; this is a direct, explicit, and autonomous obligation, requiring no prior judicial or administrative decision. In the event of a positive match, the entity submits to SAMIFIN, within 7 days, a report specifying the nature, amount, and location of the frozen assets, to the following address : sfc@samifin.gov.mg If no positive match is found, the entity also sends a report to SAMIFIN, indicating: • the reference of the notification concerned; • the date and time of the screening performed; • confirmation that no match was found with the identity of the person concerned.
4	**SAMIFIN prepares the inter-ministerial order (simultaneously)** Draft inter-ministerial order submitted without delay to the Minister of Finance and the Minister of Foreign Affairs for joint signature.
5	**ARAI notifies and manages the frozen assets** The order is forwarded to ARAI to confirm the immediate freeze, which executes and centralizes the management of frozen funds in accordance with Ordinance No. 2019-015.

On the proposal for designation on the UN list

1	**Transmission of information to the CNSFC** By SAMIFIN, investigative and prosecuting authorities, and any other competent authority. Information enabling the identification of persons or entities whose funds and other assets are to be frozen.
2	**Case review by the CNSFC** Request for additional information. Search for a reasonable basis or reasonable grounds to justify the designation
3	**Adoption and transmission of a designation proposal to the Ministry of Foreign Affairs — As soon as possible.** For submission to the relevant United Nations Security Council Committee, in accordance with the listing procedures and templates adopted by the Committee concerned

2.2 Regime 1373 — National List

1	**Referral to the CNSFC** By a member, any person with relevant information, or a third State (Art. 5).
2	**Review by the CNSFC — 15 days maximum** Verification of the designation criteria (reasonable grounds). Listing on the national list if the criteria are met.
3	**Adoption of the CNSFC's reasoned opinion** Triggers the freeze. No prior notification to the person or entity concerned.
4	**Dissemination of the notification by SAMIFIN** SAMIFIN disseminates the immediate freeze notification to reporting entities, as well as to any person likely to hold the assets concerned, no later than 10 hours after receiving the notification from the United Nations Security Council. This dissemination takes place through two complementary channels: • **direct notification** to reporting entities, by electronic means, at the address sfc@samifin.gov.mg ; • **simultaneous, wide-reaching dissemination**, aimed at reaching any person likely to hold the assets concerned, through any appropriate means, in particular the SAMIFIN website and WhatsApp. SAMIFIN also publishes the consolidated list on its website: https://samifin.gov.mg
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If no positive match is found, the entity also sends a report to SAMIFIN, indicating:

- the reference of the notification concerned;
- the date and time of the screening performed;
- confirmation that no match was found with the identity of the person concerned.

2.3 Unfreezing and De-listing — Key Deadlines

Delisting from the UN list (R.1267/1988)
Request to the CNSFC or directly to the UN focal point or the United Nations Ombudsperson's Office. The CNSFC forwards its detailed report via the Ministry of Foreign Affairs. Interministerial order to unfreeze the funds and other assets in the event of a favorable decision by the UN.

De-listing from the national list (R.1373)
The CNSFC rules within 15 days. If the opinion is favorable, a interministerial unfreezing order is issued within 72 hours.

Access to basic expenses (R.1267)
If the UN Sanctions Committee raises no objection within 72 hours, the Minister of Foreign Affairs and the Minister of Finance make the decision.

Access to basic expenses (R.1373)
The CNSFC issues its opinion within 8 days. A interministerial order follows within 72 hours, in accordance with the CNSFC's opinion.

Exceptional expenses
Only with the express approval of the competent United Nations Sanctions Committee.

3. TF and PF Red Flags

3.1 Terrorist Financing (TF)

Suspicious transactions • Frequent small transfers to high-risk areas • Structuring to avoid reporting thresholds • Transfers to multiple unknown beneficiaries • Transactions with no economic justification	**Identity and behavior** • Reluctance to provide identification documents • Inconsistency between profile and declared activity • Client appears on UN designation lists • Unusual request for anonymity
Geographic areas • Links to countries under UNSC sanctions • Transfers to active conflict zones • Transactions via non-cooperative countries (FATF) • Travel to or residence in high-risk areas	**Structures and entities** • NPOs with unclear or recently established activity • Concealed beneficial owners • Shell companies or cascading entity structures • Accounts opened then quickly abandoned

3.2 Financing of WMD Proliferation (PF)

Dual-use goods and technologies	**Atypical financial flows**
• Purchase of civilian/military dual-use goods • Exports to the DPRK, Iran (R.1718/2231) • Concealment of the final destination country • Transactions linked to nuclear or ballistic materials	• Payments via unusual third countries • Buyer/seller does not match the declared activity • Over/under-invoicing of goods • Links to UNSC-designated entities (R.1718/2231)

Autonomous freezing obligation

The freeze is direct and does not require waiting for confirmation. As soon as a positive match with a designated list is identified, you must freeze the assets immediately within 14 hours, then report to SAMIFIN within 7 days.

4. Key Institutional Actors

CNSFC	**National Committee for Targeted Financial Sanctions** Coordinating body. Designates, reviews, and adopts reasoned opinions. Handles de-listing/unfreezing requests. Chaired by the MFA, co-chaired by the MEF. 13 members. Technical secretariat: SAMIFIN.
SAMIFIN	**SAMIFIN — Financial Intelligence Unit** Technical secretariat of the CNSFC. Receives and disseminates UN lists. Issues immediate freeze notifications (within 10h). Prepares orders. Identifies breaches and refers them to supervisory or judicial authorities.
ARAI	**Illicit Asset Recovery Agency** Authority responsible for executing freezing measures. Notifies reporting entities, centralizes execution reports, and manages frozen assets (Ordinance No. 2019-015).
MFA	**Minister of Foreign Affairs** Co-signs freezing/unfreezing orders (with the MEF). Forwards designation proposals to the UNSC. Serves as intermediary with UN Sanctions Committees. Monitors response deadlines.
MEF	**Minister of Economy and Finance** Co-signs inter-ministerial freezing and unfreezing orders. Co-chairing member of the CNSFC.
RE	**Reporting entities** Financial institutions, DNFBPs, virtual asset service providers. Direct freezing obligation (14h). Reporting to SAMIFIN (results + attempted transactions). Protected from civil, criminal, or administrative liability when acting in good faith (Art. 30).

5. Compliance Checklist — Reporting Entities

5.1 Internal TFS Framework

[ ]	Internal procedures for screening designated lists, documented and operational
[ ]	Database of UN lists and the national list updated in real time
[ ]	Minimum update frequency in line with SAMIFIN guidance
[ ]	Verification procedures at onboarding and on an ongoing basis
[ ]	Internal escalation process identified in the event of a positive match

5.2 Freezing and Reporting Obligations

[ ]	Ability to freeze assets within 14 hours of receiving the notification
[ ]	Freezing report submitted to SAMIFIN within 7 days (nature, amount, location)
[ ]	Systematic reporting of any attempted transaction on frozen assets (Art. 28)
[ ]	No access to frozen funds without a signed authorization order

5.3 Training and Governance

[ ]	Compliance staff trained on the three freezing resolutions (R.1267, R.1373, R.1718/2231)
[ ]	TF and PF red flags incorporated into the transaction monitoring policy
[ ]	Compliance officer designated for TFS monitoring
[ ]	Documented annual internal audit of the TFS framework

Sanctions for Non-Compliance (Art. 29)

Failure to execute or comply with freezing measures: administrative sanctions plus criminal sanctions (Art. 22, 24, 25, 26 of Ordinance No. 2019-015 and Art. 18 of Law No. 2014-005 on combating terrorism and transnational organized crime).

Legal References

Decree No. 2025-171	Decree implementing UNSC Resolutions 1267, 1373, 1718, and 2231, and other subsequent UNSC resolutions, on terrorism, TF, and PF
Law No. 2023-026	Law amending and supplementing Law No. 2018-043 on AML/CFT in Madagascar
Ordinance No. 2019-015	Ordinance on the recovery of illicit assets
Law No. 2014-005	Law against terrorism and transnational organized crime
UNSCR 1267/1988	Sanctions on Al-Qaida, ISIL, and associated entities
UNSCR 1373	Combating the financing of terrorism
UNSCR 1718/2231	Sanctions on the DPRK (North Korea) and the Iranian nuclear program