



Date: 13 July 2015

Bank Use Promotion & Suppression of Money Laundering Unit

Directive to All Financial Institutions and Designated Non Financial Businesses & Professions, Summarizing their AML/CFT Obligations

Issued terms of section 4, as read with section 5 of the Money Laundering & Proceeds Of Crime Act [Chapter 9:24]

1. This directive applies to all financial institutions and designated non financial businesses and professions (DNFBPs) as defined under section 13 of the Money Laundering & Proceeds of Crime Act [Chapter 9:24]. (hereinafter collectively referred to as designated institutions)
2. All designated institutions are required to comply with and implement AML/CFT measures as set out in the Money Laundering and Proceeds of Crime Act, and in Guidelines issued by the Bank Use Promotion and Suppression of Money Laundering Unit to any class of designated institutions.
3. The key AML/CFT obligations of designated institutions are summarized as follows –

(a) Appointment of a Money Laundering Reporting Officer

- Every designated institution is required to appoint a Money Laundering Reporting Officer (MLRO) who shall be responsible for coordinating the

designated institution's compliance with all AML/CFT obligations under the Money Laundering and Proceeds of Crime Act and the Guidelines.

- Every designated institution shall notify the Unit, in writing, of the names and full particulars of its MLRO by no later than 31 August 2015.

(b) Understanding Money Laundering and Terrorist Financing Risks

- Every designated institution is required to assess and put in writing its money laundering and financing of terrorism risks and to communicate such findings to the Bank Use Promotion and Suppression of Money Laundering Unit of the Reserve Bank of Zimbabwe.
- Where higher risks are identified, institutions shall be required to implement enhanced AML/CFT measures. Conversely, where lower risks are identified, simplified AML/CFT measures may be implemented.

(c) Customer identification for transactions of US\$5000 and above

- Designated institutions are required to identify every customer in the following circumstances –
 - (a) When opening an account or otherwise establishing a business relationship with a customer; or
 - (b) When a customer who is not in an established business relationship with the designated institution conducts a transaction equal to or exceeding US\$5000 (or such less or greater threshold as may be prescribed for a particular class of designated institution (see section 15(2) of the MLPC Act).
- The designated institution shall verify the customer's identity by retaining a copy of the customer's official identification document (passport, national identity document or driver's licence).

(c) Cash Transaction Reporting for transactions of US\$5000 and above

- Every designated institution shall submit Cash Transaction Reports (CTRs) to the Bank Use Promotion and Suppression of Money Laundering Unit (Reserve Bank of Zimbabwe) giving details of all transactions equal to or exceeding \$5000.
- Financial institutions shall submit CTR reports weekly while designated non financial businesses or professions shall submit CTRs every month, by no later than the 7th day of the month following the month in which the transaction occurred.
- CTRs shall be submitted in accordance with the CTR reporting form availed by the Bank Use Promotion and Suppression of Money Laundering Unit.

(d) Reporting of suspicious transactions

- A designated institution shall report to the Bank Use Promotion and Suppression Money Laundering Unit, every suspicious or unusual transaction as explained in detail in AML/CFT Guidelines issued to different classes of designated institutions.
- Suspicious Transaction Reports (STRs) shall be submitted using the STR reporting form availed by the Bank Use Promotion and Suppression Money Laundering Unit.

(e) Putting in place internal controls, policies and procedures

- A designated institution is required to formulate and implement AML/CFT policies and programs as explained in AML/CFT Guidelines for different classes of designated institutions.

(f) Obligation to identify and freeze assets of persons under UN sanctions lists

- Every designated institution is required to freeze any funds or other assets of any person listed under the UN Sanctions lists relating to AL Qaida and the Taliban. Where the customer's name and other identifying particulars match any of the names on the sanctions list, the designated institution shall freeze the transaction and immediately notify the Bank Use Promotion and Suppression of Money Laundering Unit.

(g) Record keeping

- Designated institutions are required to keep records of all transactions, for a minimum of period of 5 years.

4. Designated institutions are advised that failure to comply with this directive, any applicable AML/CFT Guidelines or the Money Laundering and Proceeds of Crime Act, attracts both criminal sanctions as well as civil and administrative sanctions to be imposed by the Bank Use Promotion and Suppression of Money Laundering Unit.

Please be guided accordingly.

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