



**TO ALL DESIGNATED INSTITUTIONS IN THE SECURITIES SECTOR,
INSURANCE SECTOR AND MONEY TRANSFER AGENCIES &
BUREAU de CHANGES**

**IMPLEMENTATION OF ANTI-MONEY LAUNDERING AND COUNTER
FINANCING OF TERRORISM (AML/CFT) REQUIREMENTS BY NON-BANK
FINANCIAL INSTITUTIONS**

1. In terms of the Money Laundering and Proceeds of Crime Act [Chapter 9:24] (hereinafter referred to as “MLPC Act”), as read with the Bank Use Promotion Act [Chapter 24:24], any person or institution carrying out one or more of the activities listed in Table 1, below, is a financial institution and, as such, is required to implement Anti-Money Laundering and Counter Financing of Terrorism (AML / CFT) requirements, including the following requirements:
 - a) to identify customers and verify customers’ identity;
 - b) to implement Know Your Customer (KYC) and Customer Due Diligence (CDD) requirements;

- c) to establish and maintain prescribed records;
- d) to report suspicious transactions to the Bank Use Promotion and Financial Intelligence Unit (referred to herein as the “financial Intelligence Unit” or “FIU”);
- e) to appoint or designate a Money Laundering Reporting Officer (at managerial level) to act as a point of contact between the designated institution and the FIU;
- f) to come up with and implement an internal Anti Money Laundering and Counter Financing of Terrorism Programme approved by the Board; and
- g) to carry out on-going risk assessment of the designated institution’s customers and of the institution’s products and services, in order to identify, assess and understand the money laundering and terrorist financing risks facing the institution and to take commensurate measures to address or mitigate the risks.

2. The Financial Intelligence Unit is charged with the responsibility of ensuring that designated institutions comply with these, and other, AML/CFT statutory requirements. The Financial Intelligence Unit notes, with concern, that your institution has not been complying with the statutory AML / CFT obligations.
3. In this regard, the Financial Intelligence Unit recently conducted training workshops to educate and explain to non bank financial institutions (who carry out one or more of the activities listed in Table 1 below) their AML/CFT obligations.
4. This directive serves to require your institution, with immediate effect, to comply with and implement all applicable AML / CFT requirements and

measures referred to in paragraph 1(a) to (f) above, which are more fully amplified by –

- (a) the Money Laundering and Proceeds of Crime Act, as read with the Bank Use Promotion Act;
 - (b) any Guidelines, Circulars or Directives issued by the Unit under the said Acts in so far as they apply to your category of designated institutions; and
 - (c) the FATF Standards and other Guidance issued and published on the FATF website, from time to time, in so far as they apply to your category of designated institutions.
- In the event of any inconsistency between the FATF Standards on the one hand and, any provision of the MLPC Act or Bank Use Promotion Act or of any Guidelines, Circular or Directive issued under the said Acts, the Act, Guidelines, Circular or Directive, as the case may be, shall prevail.

6 You are expected to ensure that relevant employees and agents of your institution are thoroughly familiar with the relevant provisions of the Act and the Guidelines and ensure your institution's strict compliance therewith. You are also expected to familiarize yourself with and implement the FATF Standards and other relevant guidance published by the FATF from time to time and that are relevant to all reporting institutions in general and to your category of designated institutions in particular.

7 You are required to report to the Director of the Bank Use Promotion and Financial Intelligence Unit, in writing, on or before the 10th of January, 2014;

- (a) advising of the measures and systems that you would have put in place to ensure compliance with the matters referred to in this directive; and
 - (b) giving the full names of your appointed Money Laundering Reporting Officer including his / her full contact details including business address, e-mail address and contact telephone numbers.
- 8 Please be advised that failure to comply with any provision of the Act, the Guidelines or any directive or circular issued by the Financial Intelligence Unit (including this directive) is, not only a prosecutable criminal offence, but also attracts civil and administrative sanctions, including fines, which the Financial Intelligence Unit is now empowered to levy directly against your institution or any of its officers as provided in sections 5 and 6 of the Money Laundering and Proceeds of Crime Act.
- 9 Please find attached to this directive, the following documents, which may also be downloaded from the Financial Intelligence Unit page on the Reserve Bank of Zimbabwe website:
- The Money Laundering and Proceeds of Crime Act;
 - AML/CFT Guidelines applicable to your sector; and
 - Papers presented during the AML/CFT training workshops conducted for non-bank financial institutions during the month of November, 2013.

May you be guided accordingly.

M. E. Chiremba

Director: Bank Use Promotion and Financial Intelligence Unit

TABLE 1: DEFINITION OF “FINANCIAL INSTITUTION” (Section 2 of the MLPC Act)ⁱ

“**financial institution**” means any person who conducts as a business one or more of the following activities for or on behalf of a customer—

- (a) acceptance of deposits and other repayable funds from the public, including private banking;
- (b) lending, including, but not limited to, consumer credit, mortgage credit, factoring (with or without recourse), and financing of commercial transactions, including forfeiting;
- (c) financial leasing other than with respect to arrangements relating to consumer products;
- (d) the transfer of money or value;
- (e) issuing and managing means of payment, including, but not limited to, credit and debit cards, travellers’ cheques, money orders and bankers’ drafts, and electronic money;
- (f) issuing financial guarantees and commitments;
- (g) trading in—
 - (i) money market instruments, including, but not limited to, cheques, bills, certificates of deposit and derivatives; or
 - (ii) foreign exchange; or
 - (iii) exchange, interest rate and index instruments; or
 - (iv) transferable securities; or
 - (v) commodity futures;
- (h) participation in securities issues and the provision of financial services related to such issues;
 - (i) individual and collective portfolio management;
 - (j) safekeeping and administration of cash or liquid securities on behalf of other persons;
 - (k) investing, administering or managing funds or money on behalf of other persons;
 - (l) underwriting and placement of life insurance and other investment-related insurance, including insurance intermediation by agents and brokers;
- (m) money and currency changing;
- (n) the provision—
 - A. or transfer of ownership, of a life insurance policy or the provision of reinsurance in respect of any such policy
 - B. of investment-related insurance services; or
 - C. of services as or by means of insurance underwriters, insurance agents or insurance brokers;

and, without derogating from the generality of the foregoing, includes any of the financial institutions or classes of financial institution listed in Part I of the First Schedule;

ⁱ Any person or entity who/which offer any one or more of the listed activities is a “financial institution” for purposes of the MLPC Act and is, therefore required to comply with all AML/CFT requirements for financial institutions, generally or as are applicable to specific types of financial institutions