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2016

National Money Laundering and Terrorist Financing Risk Assessment

The United Republic of Tanzania

Ministry of Finance

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The United Republic of Tanzania



Ministry of Finance and Planning

**NATIONAL MONEY LAUNDERING
AND TERRORIST FINANCING RISK
ASSESSMENT**

**FINANCIAL INCLUSION PRODUCTS RISK
ASSESSMENT REPORT**

DECEMBER 2016

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DECLARATION

The Financial Inclusion Products Risk Assessment of the United Republic of Tanzania has been conducted as a self-assessment by Tanzanian authorities, being a collaboration between Government and the private sector, and using the National ML/TF Risk Assessment Tool that was developed and provided by the World Bank Group. The World Bank Group's role was only limited to delivery of the tool and providing guidance on the technical aspects of the tool.

ACRONYMS

ACB	- Akiba Commercial Bank Limited.
AML	- Anti-Money Laundering
AMLA	- Anti-Money Laundering Act , Cap 423
AMLPOCA	- Anti-Money Laundering and Proceeds of Crime Act, No. 10 of 2009
ASCA	- Accumulated Savings and Credit Association
ATM	- Automated Teller Machine
BOA	- Bank of Africa
BOT	- Bank of Tanzania
CCTV	- Closed Circuit Television
CDD	- Customer Due Diligence
CFT	- Counter the Financing of Terrorism
FATF	- Financial Action Task Force
FI	- Financial Inclusion
FIU	- Financial Intelligence Unit
FT	- Financing of Terrorism
KYC	- Know Your Customer
MCB	- Mwanga Community Bank Limited.

MFI	- Microfinance Institution
ML	- Money Laundering
MNO	- Mobile Network Operator
MOFP	- Ministry of Finance and Planning
MuCoBa	- Mufindi Community Bank Ltd
NAMLC	- National Multi-Disciplinary Committee on Anti-Money Laundering
NBC	- National Bank of Commerce
NEEC	- National Economic Empowerment Council
NFIF	- National Financial Inclusion Framework
NGO	- Non Governmental Organisation
NHIF	- National Health Insurance Fund
NIDA	- National Identification Authority
NMB	- National Microfinance Bank (T) Limited.
NRA	- National Money Laundering and Terrorist Financing Risk Assessment
NRAWG	- National Risk Assessment Work Group
ROSCA	- Rotating Savings and Credit Association
SACCOS	- Savings and Credit Cooperative Society
SHG	- Self-Help Group
SSRA	- Social Security Regulatory Authority

TADB	- Tanzania Agricultural Development Bank
TBA	- Tanzania Bankers Association
TF	- Terrorist Financing
TPB	- Tanzania Postal Bank
TZS	- Tanzania Shillings
UTT AMIS	- Unit Trust of Tanzania, Asset Management and Investor Services
VSLA	- Village Savings and Loans Association

EXECUTIVE SUMMARY

In September 2015, the United Republic of Tanzania embarked on Financial Inclusion (FI) Products Risk Assessment, as part of the wider National Money Laundering and Terrorist Financing Risk Assessment (NRA). The exercise lasted 16 months and it was championed by the Ministry of Finance and Planning and it was closely advised by the National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC). The Financial Intelligence Unit (FIU) coordinated the exercise and it worked in close collaboration with Bank of Tanzania. NRA was conducted on the basis of a self-assessment by Tanzanian authorities, using the NRA tool developed and provided by the World Bank. The NRA exercise involved 127 participants from 80 public and private sector institutions. The subgroup that conducted the FI Products Risk Assessment comprised 17 participants. The aim of FI Products Risk Assessment was to assess the risk of Money Laundering and Terrorist Financing (ML/TF) arising from existing as well as emerging FI products, as well as to propose measures to mitigate the identified risks.

In order to identify Financial Inclusion products, questionnaires were sent out to service providers (banks, insurance companies, electronic money issuers, securities companies, pension funds, etc.) requesting for information regarding products which will meet criteria for financial inclusion. In response, information in relation to 165 different products was submitted for consideration as FI products. After analysis, 79 products were found to meet criteria to be FI products. In conducting the assessment, the selected 79 FI products were grouped into 9 different categories based on their functions and characteristics. Products in each category perform similar functions and they have similar characteristics. The nine categories of products were 1) Savings Bank Account

for Individuals, 2) Bank Credit for Individuals and Micro Enterprises, 3) Bank Savings and Credit for Groups, 4) Bank Payments and Transfer Services, 5) Securities Investment (Collective Investment Schemes), 6) Electronic Wallets, 7) Mobile Savings and Credit, 8) Pension Schemes and 9) Micro Insurance. The following product features were taken into consideration: a) Value limits, b) Transaction limits, c) Anonymous use of products, d) Non-face to face account opening, e) Non-face to face transactions, f) Cross border transactions, g) Product use by non-citizens, h) Product use by legal persons, and i) The use of agents to deliver products.

The assessment showed that FI products pose different ML/TF risks in different product features. In rating the products as either High, Medium or Low in terms of ML/TF risk, seven (7) products were found to be Low risk and two (2) products were found to be medium risk.

The assessment recommends for AML/CFT legislation changes to allow simplified measures for low risk FI products, NIDA to fast track the issuance of national IDs country wide, service providers to carry out FI products risk assessment in their respective areas, and AML/CFT training and awareness raising especially to service provider agents.

1. INTRODUCTION

1.1. Background

In September 2015, the United Republic of Tanzania embarked on Financial Inclusion (FI) Products Risk Assessment, as part of the wider National Money Laundering and Terrorist Financing Risk Assessment (NRA). The exercise lasted 16 months and it was championed by the Ministry of Finance and Planning and it was closely advised by the National Multi-Disciplinary Committee on Anti-Money Laundering (NAMLC). The Financial Intelligence Unit (FIU) coordinated the exercise and it worked in close collaboration with Bank of Tanzania. NRA was conducted on the basis of a self-assessment by Tanzanian authorities, using the NRA tool developed and provided by the World Bank (the World Bank Tool). The NRA exercise involved 127 participants from 80 public and private sector institutions. The subgroup that conducted the FI Products Risk Assessment comprised 17 participants. The aim of FI Products Risk Assessment was to assess the risk of Money Laundering and Terrorist Financing (ML/TF) arising from existing as well as emerging FI products, as well as to propose measures to mitigate the identified risks.

1.2. What is Financial Inclusion?

Financial inclusion is the process of ensuring access and usage of formal financial services on a timely manner at an affordable cost by low income and underserved groups. In other words, financial inclusion is the process of facilitating those sectors and segments of the population that are underserved or are outside the formal financial system, to become part of the formal financial system. Financial inclusion should be accompanied with financial education and consumer protection to make it more sustainable.

1.3. Objectives of Products Risk Assessment in Financial Inclusion

The aim of this assessment is to evaluate Money Laundering and Terrorist Financing (ML/TF) risks stemming from existing as well as emerging or new financial inclusion (FI) products in Tanzania as well as to propose measures to mitigate the risks in the products. The assessment entails recognising specific characteristics of financial inclusion products and analysing the associated risks, to test if they qualify for simplified CDD. The assessment is also intended to ensure that Tanzania does not become the weakest link in the fight against ML/TF by complying with AML/CFT international standards.

The assessment will primarily inform policy formulation at the national level, which may lead to legislative changes to regulate financial inclusion products. The financial inclusion products risk assessment will also be helpful to regulators as well as market players to redesign product features and to introduce mitigation measures depending on the results of the assessment.

1.4. Tanzania Financial Sector Landscape

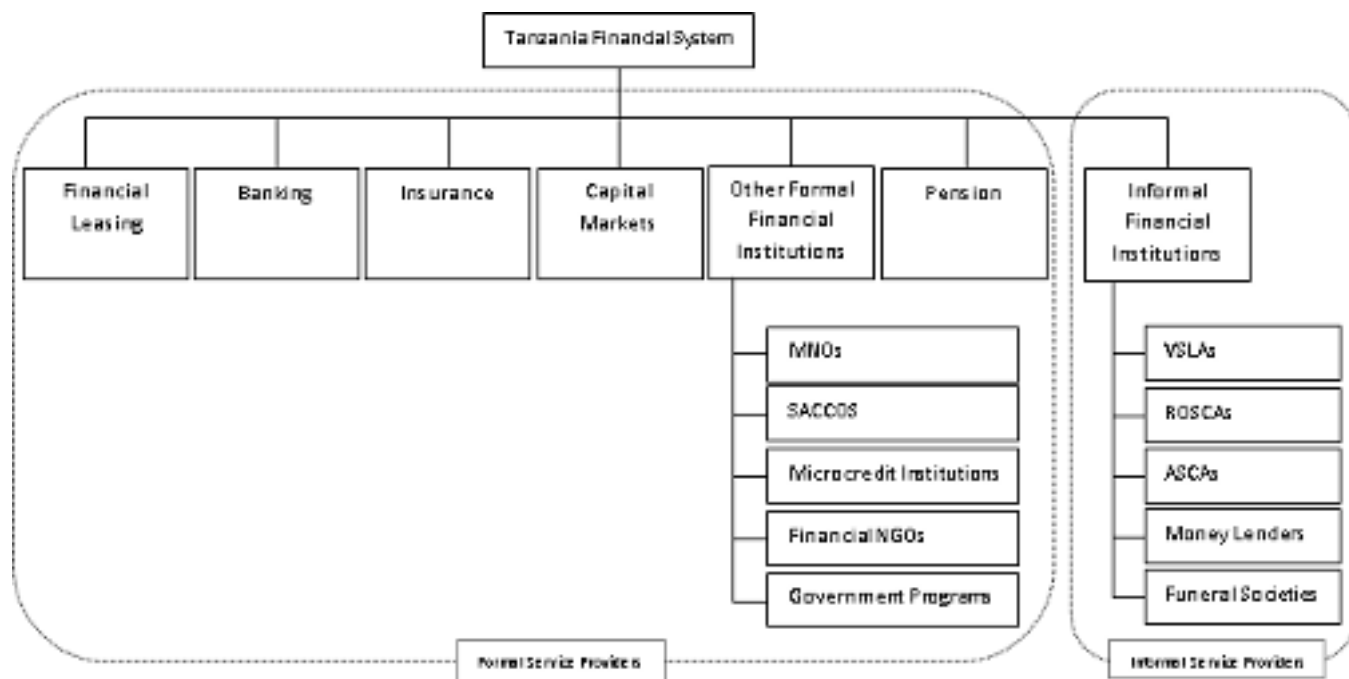
The Tanzania financial system comprises formal and informal financial institutions. Formal financial institutions include banks, insurance companies, capital markets, pension funds, financial leasing companies, electronic money issuers, Savings and Credit Cooperative Societies (SACCOS), micro credit institutions, financial NGOs and Government programs. Formal financial institutions are usually not limited in terms of geographical coverage. They may cover the local community, the neighbouring region, the whole country and they may as well spread beyond national borders. The amount of capital, loans and savings involved also differ significantly with informal financial institutions. Formal

financial institutions handle any transactions from small loans and savings for individuals to huge development capital for corporates.

Informal financial institutions are predominantly local in their coverage not extending beyond the local community such as a village, the local church, mosque or the local workplace. Informal financial institutions usually handle relatively smaller transactions for individuals and micro-enterprises. Big loans and savings such as one thousand US dollars and above are the exception rather than the norm for informal financial institutions. Informal service providers are usually individuals and self-help groups which may not be legal persons and they are not licensed or registered. Another difference between formal and informal financial institutions is the geographical coverage.

Informal financial institutions include Village Savings and Loan Associations (VSLAs), Rotating Savings and Credit Associations (ROSCAs), Accumulated Savings and Credit Association (ASCAs), money lenders and funeral societies.

Fig. 1: A diagram depicting components of Tanzania Financial System - Vehicles for Financial Inclusion



Formal Financial Institutions

- i) **Banks** – According to FinScope Survey (2013 FinScope Survey), in 2013, the adult population using banking services in Tanzania was 14 percent. Later in 2015, there were 56 banks in Tanzania and according to the Bank of Tanzania 2014-2015 Annual Report, as at 30th June 2015, the banking sector had 709 branches and the banking sector total assets was TZS 25.29 Trillion.
- ii) **Capital Markets** - As at the end of September 2015, total market capitalization amounted to TZS 22,166.4 billion. There was one stock exchange with 22 listed companies. Capital markets players included 10 licensed stock brokers, 4 securities custodian banks, 10 fund managers, 23 investment advisers and 5 collective investment schemes managers.

- iii) **Insurance Companies** – By the end of 2015 there were 30 insurance companies including 1 reinsurance company, 112 insurance brokers and 471 insurance agents. In 2014, contribution of the insurance sector to the national economy was TZS 41,231 billion.
- iv) **Pension Funds** – As at December 2016, membership to pension schemes stood at 2,142,350 people. There were 7 pension funds. The total social security coverage stood at about 10 percent of the labour force. Total annual contributions amounted to TZS 2.27 trillion while benefits payments were TZS 1.53 trillion.
- v) **Financial Leasing** – In 2015, there were two (2) financial leasing companies.
- vi) **Electronic Money Issuers** – In 2015, there were 5 Mobile Network Operators (MNOs) providing mobile money services. MNOs in collaboration with banks, technology companies and other financial institutions formed a total of 24 mobile money service providers. As at June 2015, there were about 113 million mobile money transactions involving TZS 4.75 trillion. At that time, there was a total of 34,251,801 simcard subscriptions from all MNOs, which is an estimate of potential mobile money service users.

The 2013 FinScope Survey indicated that in 2013, 49.9% of adults accessed mobile money services. The services included: 33% sent money, 37.6% received money, 25.6% saved or stored their money value while 9.9% used the services for business transactions and payments of bills, fees and taxes.

- vii) **Savings and Credit Cooperative Societies (SACCOS)** – As at December 2015, Tanzania had 4,309 SACCOS with some 754,923 members. These SACCOS had accumulated deposits and savings amounting to TZS 382,636,506,730 and they had issued loans to members amounting to TZS 861,131,846,509.

- viii) **Government Programs** – These are Government initiatives to empower the poor economically. These programs are the Women Development Fund (WDF), the Youth Development Fund (YDF), Presidential Trust Fund (PTF), Export Credit Guarantee Scheme (ECGS), Credit Guarantee Scheme (CGS), Small Entrepreneurs Loan Facility (SELF), SMEs Credit Guarantee Scheme (SME-CGS), Mwananchi Empowerment Fund (MEF), Promotion of Rural Initiatives & Development Enterprises (PRIDE), Agricultural Inputs Trust Fund (AGITF), National Entrepreneurship Development Fund (NEDF) and Tanzania Social Action Fund (TASAF). These programs to a large extent provide microfinance and micro credit financial services to the underserved and the poor in marginalised communities.

- ix) **Financial NGOs and Micro Credit Institutions** – In 2015 there was a total of 200 financial NGOs and micro credit institutions with a total of about 750,000 adults accessing services in these institutions.

Informal Financial Institutions



Informal financial institutions shown in Fig. 1 were mostly self-help groups, owned and self managed by members to mobilize their own resources and to extend credit to their members. These included Rotating Savings and Credit Associations (ROSCAs), Accumulated Savings and Credit Associations (ASCAs), Village Savings and Loans Associations (VSLAs) and Funeral Societies. The groups in their basic form comprised 15 to 30 members. Alongside self-help groups were money lenders. Money lenders are mostly individuals with additional funds to lend. A typical money lender is a micro entrepreneur, a shop owner or indeed any relatively well to do individual in the community.

According to 2013 FinScope Survey, the adult population using informal financial services had decreased from 29% in 2009 to 16% in 2013. By 2015, informal financial institutions had attracted the attention of investors, policymakers and donors in financial markets. Informal financial institutions contributed significantly in the provision of financial services in Tanzania. According to the National Economic Empowerment Council (NEEC), in the year 2015, it was estimated that there were over 200,000 informal financial institutions in Tanzania, with 80 percent of the members of these institutions being women. Investment capital was estimated to be 500 billion Tanzania shillings.

Unlike formal financial institutions, informal financial institutions are not licensed or registered. Subsequently, they are not regulated or monitored. It is for this reason that despite their importance, there is lack of proper coordination and

limited information on the existence of these institutions in Tanzania. Lack of adequate quantitative and qualitative information on their operations and the extent of their access to members in the country limit the ability to design proper intervention measures for promoting their growth and viability.

2. FINANCIAL INCLUSION PRODUCTS RISK ASSESSMENT

The assessment of financial inclusion products involved sending questionnaires to various service providers for purposes of soliciting information on financial inclusion (FI) products (Appendix 4.5). The service providers included banks, insurance companies, mobile money service providers, securities companies and pension funds. Service providers were requested to submit information on existing products in the market. Information on 165 different products were submitted for assessment as shown in Appendix 4.3. The NRA Financial Inclusion subgroup used the table in Appendix 4.1 to determine whether the submitted products meet the criteria to be considered as FI products. After analysis, 79 products were found to meet the criteria to be FI products as shown in Appendix 4.4. The other 86 products did not meet the set criteria to be considered as FI products.

In presenting FI products, the 79 selected FI products were grouped into 9 different categories. Products in each category perform similar functions and have similar characteristics. The products were grouped to simplify the presentation of results. Had the 79 products been presented separately, the results would have been lengthy and repetitive because of many similarities among products. This being the case, there is need to note that the presented assessment results are aggregated, but they are very close to the results if the products had been presented individually.

2.1. Savings Bank Account for Individuals

i) Specific products

Product Name	Name of Service Provider
1. Savings bomba	Akiba Commercial Bank Ltd.
2. Normal savings account	Mwanga Community Bank Ltd.
3. Hakika	Advans Bank (T) Ltd.
4. Normal Savings Account	Mufindi Community Bank Ltd.
5. Young Champions Account	Mufindi Community Bank Ltd.
6. Senior Savings Account	China Commercial Bank
7. Savings Account	Habib African Bank (T) Ltd.
8. TPB Popote	Tanzania Postal Bank
9. Chap chap account	National Microfinance Bank (T) Ltd.

ii) Products description

Savings Bank Account for Individuals are savings bank accounts targeting low income earners. In various ways, all these products meet criteria for FI products, but they can optionally be improved by way of redesigning to reduce ML/TF risks further. There are no eligibility criteria for clients to fulfil to use these products, but the products target low income earners by way of benefits of using the products.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** Products in this group do not have value limits except for one (1) product which has a value limit of TZS 5,000,000. This could make the other eight (8) products attractive to potential money launderers in terms of the big amounts that can be laundered using these products. In order to mitigate ML/TF risks in this product feature, there may be a need to carry

out qualitative and quantitative analysis to determine an appropriate value limit that may be applied on these products.

- b) **Transaction Limits:** Five (5) out of the 9 products have transaction limits. The limits are not on the number of transactions per day, but rather the amount that can be transacted per day. The limits on the five products vary from TZS 3,000,000 to TZS 50,000,000 per day. The remaining four (4) products have no transaction limits. This could make the products without transaction limits attractive to potential money launderers in terms of the big amounts and the number of transactions that can be carried out per day using the products. In order to mitigate ML/TF risks in this product feature, there may be a need to carry out qualitative and quantitative analysis to determine appropriate thresholds on the amounts that can be transacted per day.
- c) **Operating of Accounts Anonymously:** All the nine (9) products do not allow the opening and operating of accounts anonymously. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** All the nine (9) products require face to face meetings to open accounts. This greatly reduces the risk of unknown persons opening accounts.
- e) **Face to Face Transactions:** Four (4) out of the nine (9) products require face to face transactions. Five (5) products do not.

Non-face to face transactions are:

- Transactions over the Internet. In this case, users are required to use a password and transactions are secured by encryption provided by the bank software
- Transactions using ATMs. In this case, users are required to provide a bank ATM card, a pin code and users are captured by CCTV cameras while transacting

- Transactions using mobile phones. In this case, users are required to use a password, a pin code and transactions can only be conducted using a registered handset and phone number. Prior to conducting mobile phone transactions, the customer must submit the required mobile phone details to the bank for registration and subsequent use. In addition to this, mobile phones in Tanzania must be registered with the relevant mobile phone company.

In all the non-face to face transaction scenes above, there is a limit on the type of transaction and the amount that can be transacted per day.

- f) **Geographical Coverage:** Products in this group are not limited in terms of geographical coverage within the country except for one (1) product. This could introduce the risk of attracting customers who are not well known to the bank to open and operate bank accounts. With geographical coverage, sometimes risks are mitigated by other product features such as mandatory face to face transactions. For instance, customers who are not within that geographical location may not open bank accounts if they must only transact face to face.
- g) **Cross Border Transactions:** Seven (7) out of the nine (9) products do not permit cross border transactions. Only two (2) products permit cross border transactions. The absence of cross border transactions among products from many of the service providers greatly reduces the attractiveness of the products to potential money launderers and terrorist financiers because ML/TF are inherently cross border in nature.

Measures to mitigate risks associated with cross border transactions include limiting such transactions in terms of the number of transactions, the amounts transacted and transactions with high risk jurisdictions.

- h) **Non-citizens:** All the nine (9) products permit non-citizens to use the products. This introduces the risk of unknown or little known customers using the products.
- i) **Legal Persons:** All the nine products primarily target individual low income earners. However, three (3) out of the nine (9) products also permit legal persons (small/micro and medium enterprises) to use the products. Allowing legal persons to use the products increases the risk of unknown persons using the products, especially when it is difficult or not possible to determine beneficial owners of the legal persons. Measures to mitigate risks associated with legal persons using the products include limiting the use of the products to small, micro and local enterprises, and ensuring that company beneficial owners (natural persons) are known. The best mitigation measure is to disallow legal persons altogether.
- j) **The Use of Agents:** Products of this group permit the use of products through agents except for two (2) products. Agents are likely to increase ML/TF risks in a product because agents are likely not to enforce KYC/CDD requirements as rigorously as the principal would. When this happens, it could allow potential money launderers and terrorist financiers to take advantage of the product through the use of agents. There is need to understand the following in the process of mitigating risks associated with agents,:
- Banks in Tanzania usually conduct good CDD of their agents
 - Bank agents usually have an understanding of AML/CFT obligations. However, staff of bank agents are usually not as well trained in AML/CFT as bank staff.
 - AMLA and AMLPOCA permit agents to perform KYC/CDD on behalf of reporting persons. However, the ultimate responsibility for KYC/CDD lies with the reporting persons.

ML/TF Risk Assessment for Products of this Category

ML/TF risk associated with products of the category “Savings Bank Account for Individuals” was rated Low due to, among others, prohibited operating of accounts anonymously, mandatory face to face meetings to open bank accounts, adequate risk mitigation measures for non-face to face transactions and the majority of products do not permit cross border transactions. The other factor that supports the Low ML/TF risk rating is that the majority of products do not permit the use by legal persons. In order for the products of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with the absence of value limits, the use of agents to sell the products, the unlimited geographical coverage country wide and the absence of transaction limits.

2.2. Bank Credit for Individuals and Micro Enterprises

i) Specific products

Product Name	Name of Service Provider
1. Xpress loan	Advans Bank (T) Ltd.
2. Micro loan	Advans Bank (T) Ltd.
3. Asset Acquisition on Microloan	Mufindi Community Bank Ltd.
4. Business Loan	Mufindi Community Bank Ltd.
5. Salary Loan	Mufindi Community Bank Ltd.
6. Student Loan	NIC Bank (T) Ltd.
7. Pre-Harvest Loan	Tanzania Agricultural Development Bank (TADB)
8. Post-Harvest Loan	TADB
9. Asset Finance Loan – 1	TADB
10. Short Term Loan (Other)	TADB
11. Asset Finance Loan – 2	TADB
12. Medium Term Loan (Other)	TADB
13. Youth Empowered Program	TADB

ii) Products description

Bank Credit for Individuals and Micro Enterprises are bank loans targeting low income individuals, small informal traders (without formal registration) and small and micro enterprises. These products meet the criteria for FI products but some can optionally be redesigned to reduce ML/TF risks further. Eligibility criteria for these products vary from loan to loan ranging from being a student enrolled at a known and registered academic institution, owning a farm to owning a viable and running business.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** Products in this group do not have value limits except for three (3) products which have value limits ranging between TZS 200,000 and TZS 1,000,000 for first time loan applicants, up to TZS 2,000,000 for renewing applicants. That makes these products attractive to potential money launderers in terms of the big amounts that can be laundered using the products. In order to mitigate ML/TF risks in this product feature, there may be a need to carry out qualitative and quantitative analysis to determine appropriate value limits that may be applied on these products.
- b) **Transaction Limits:** Twelve (12) out of thirteen (13) products have no transaction limits. Only one (1) product has transaction limits. Transaction limits in this case have to do with loan disbursements and loan repayments. The only product with transaction limits requires that loan repayments be done monthly for a year. Only after this loan repayment can a new loan be issued. Having no transaction limits renders products susceptible to ML/TF. In order to mitigate ML/TF risks in this product feature, there may be a need to carry out qualitative and quantitative analysis to determine appropriate limits for loan disbursements and loan repayments that may be applied on these products.
- c) **Operating of Accounts Anonymously:** All the thirteen products do not allow the opening and operating of accounts anonymously. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** All the thirteen products require face to face meetings to open accounts. This greatly reduces the risk unknown persons opening accounts.
- e) **Face to Face Transactions:** Products in this group do not require face to face transactions except for three (3) products. Face to face

transactions greatly reduce the risk of unknown persons using the product. Non-face to face transactions are primarily transactions over the Internet, using ATMs and using mobile phones. As discussed in 2.1.(iii).e, measures to mitigate non-face to face transactions risks apply to this category.

- f) **Geographical Coverage:** Eleven (11) out of thirteen (13) products have limited geographical coverage within the country. The remaining two (2) products have unlimited geographical coverage. The eleven (11) products are only available at specified zones in the branch network. Limited geographical coverage reduces the risk of attracting customers from far away and who may not be well known to take loans. Geographical coverage is also enforced by other features of the products such as face to face transactions. Customers from far away may not take the loans if every time they need to transact they must go to the bank.
- g) **Cross Border Transactions:** Products in this group do not permit cross border transactions except for two (2) products. The absence of cross border transactions greatly reduces the appeal of the products for laundering and financing of terrorism. ML/TF are inherently cross border.
- h) **Non-citizens:** Products in this group do not permit the use of the products by non-citizens except for three (3) products. This greatly reduces the risk of little known or unknown persons using the product.
- i) **Legal Persons:** All the thirteen (13) products target low income individuals, small informal traders and small and micro enterprises. This being the case, the products are expected to accommodate legal persons. Four (4) products do not permit the use by legal persons while the remaining nine (9) products permit the use by legal persons. Allowing legal persons to use the products increases the risk of unknown individuals using the products, especially when it is difficult or not possible to determine beneficial owners of the legal persons. Measures

to mitigate risks associated with legal persons using the products include limiting the use of the products to small, micro and local enterprises, and ensuring that company beneficial owners (natural persons) are known.

- j) **The Use of Agents:** All products in this group use agents except for one product. Agents are likely to increase ML/TF risks in a product because agents are likely not to enforce KYC/CDD requirements as rigorously as the principal. Mitigation measures may include limiting the number and amount of loans that are issued through agents. There is no need to limit loan repayments.

ML/TF Risk Assessment for Category Products

ML/TF risk associated with products of the category “Bank Credit for Individuals and Micro Enterprises” was rated Low due to prohibited operating of accounts anonymously, mandatory face to face meetings to open bank accounts, adequate risk mitigation measures for non-face to face transactions and the majority of products do not permit cross border transactions. Other factors that support the Low ML/TF risk rating are the restricted use of products by non-citizens and the majority of the products have limited geographical coverage country wide. Features that introduce risk in the products include a few without value and transaction limits and the use of agents to sell the products and the availability of some of the products to legal persons.

Based on this assessment, in order for the products of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with the absence of value and transaction limits in some of the products, the use of agents to sell the products and the availability of the products to legal persons.

2.3. Bank Savings and Credit for Groups

i) Specific products

Product Name	Name of Service Provider
1. VICOBA group & individual	Akiba Commercial Bank
2. Chama Account	Bank of Africa (T) Ltd.
3. Group Loans	Mwanga Community Bank
4. Community Savings Account	National Microfinance Bank (T) Plc
5. Group Savings Account	Mufindi Community Bank Ltd.
6. Group Lending	Mufindi Community Bank Ltd.
7. Group Lending (VSLAs)	Twiga Bancorp Ltd.
8. Solidarity Group Loan	Mkombozi Commercial Bank Plc
9. Savings Micro Accounts	Mkombozi Commercial Bank Plc
10. Loans to Tobacco Farmers SACCOS	Azania Bank Ltd.
11. Village Savings & Loans Association	Tanzania Postal Bank

ii) Products description

Bank Savings and Credit for Groups are bank savings and credit products targeting low income formal and informal groups. These groups are primarily Village Savings and Loans Associations (VSLAs). The primary objective of people organising themselves in groups and saving money is so that they can access group backed loans at these banks. In some cases, individuals start as group members accessing loans and after adequate time showing financial discipline through timely savings and loan repayments, they can graduate from groups to become direct customers of the bank. All products in this group meet the criteria for Financial Inclusion products but they can optionally be improved by way of redesigning to reduce ML/TF risks further. The main eligibility criterion with these products is that individuals must belong to a group such as a VSLA. Banks do not render these products to individuals.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** Six (6) out of eleven (11) products have value limits while the remaining five (5) do not have limits. Most transactions are usually pre-determined because people save in order to qualify for loans. Loans issued to groups are usually later distributed to individual group members. Savings and loans to group members are usually small. The small sizes of savings and loans make these products unattractive for money laundering.
- b) **Transaction Limits:** Products of this group do not have transaction limits except for four (4) products. There is need to understand however that, transaction limits are almost always imposed implicitly: Not by the bank, but by individual groups. This is because every time the group meets, each member must make a predetermined amount of savings and loan repayments. These amounts are usually small. This feature renders all these products unattractive for potential money launderers, making ML/TF risk in the product minimal.
- c) **Operating of Accounts Anonymously:** All the eleven (11) products do not allow the opening and operating of accounts anonymously. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** All the eleven (11) products require face to face meetings to open accounts. This greatly reduces the risk of unknown persons opening accounts.
- e) **Face to Face Transactions:** Seven (7) out of eleven (11) products require face to face transactions while the remaining four (4) do not. As discussed in 2.1.(iii).e, non-face to face transactions involve using ATMs, the internet and mobile phones. Non-face to face transactions introduce some ML/TF risks but in this case the risks are adequately mitigated.
- f) **Geographical Coverage:** Products of this group have unlimited geographical coverage in the country except three (3) products. There is

need to understand however that with group lending as in this case, geographical coverage is limited indirectly. This is because group members must meet regularly, usually on a weekly or bi-weekly basis and they must know each other well, which usually means that they must come from the same community. This being the case, there is a very minimal chance that a user of this product will come from far afield.

- g) **Cross Border Transactions:** Products of this group do not permit cross border transactions except for two (2) products. The users of these products are usually low income earners and they usually do not have foreign relations and connections to engage in cross border transactions. The limited cross border transactions in these products greatly reduces the appeal of the products for money laundering, thereby reducing ML/TF risk in the products.
- h) **Non-citizens:** Products of this group are not for use by non-citizens except for three (3) products. Allowing non-citizens to use products increases the risk of unknown customers using the products. However, when it comes to dealing with groups as in this case, the risk is greatly reduced because the non-citizens are local residents and they must belong to a group where all members know each other well.
- i) **Legal Persons:** Products of this group do not permit legal persons to subscribe except for three (3) products. Allowing legal persons to use products increases the risk of unknown persons using the products, especially when it is difficult or not possible to determine beneficial owners of the legal persons. Measures to mitigate risks associated with legal persons using the products include limiting the use of the products to small, micro and local enterprises, and ensuring that company beneficial owners (natural persons) are known.
- j) **The Use of Agents:** Six (6) out of eleven (11) products do not permit the use of products through agents. The remaining five (5) products permit the

use through agents. Agents are more likely to increase ML/TF risks in a product because they are likely not to enforce KYC/CDD product requirements as rigorously as the principal would. In mitigating risks associated with agents, there is need to engage agents as discussed in 2.1.(iii).j

ML/TF Risk Assessment for Category Products

Having considered all the product features, it was concluded that ML/TF risk associated with products of the category “Bank Savings and Credit for Groups” is Low. Generally, products of this category have low ML/TF risk because of the group lending practice. With group lending, peer pressure is at play and it helps a great deal in enforcing AML/CFT compliance. Group members guarantee each other’s loans and therefore, they are very careful in selecting each other to form a group, they know each other well, which is very good KYC/CDD, they most probably live in the same community, they keep a close eye on each other’s business to prevent default in loan repayments, and everyone in the group tries to be in their best behaviour so as not to attract sanctions from other group members.

The small value of these products mainly attract small informal traders and micro enterprises. They do not attract legal persons with complex beneficial ownership structures, which introduce the highest ML/TF risk. Some product features that may introduce risk include the lack of value and transaction limits on some of the products. More risk is introduced by use of the products through agents and unlimited geographical coverage country wide.

Based on this assessment, in order for the products of this category to qualify for simplified KYC/CDD, there is a need to institute adequate

measures to mitigate risks associated with the use of agents to sell the products, the absence of value and transaction limits on some of the products and the availability of products to legal persons.

2.4. Bank Payments and Transfer Services

i) Specific products

Product Name	Name of Service Provider
1. Cash Popote	National Bank of Commerce Ltd.

ii) Product description

Bank Payments and Transfer Services allow customers to send money to the “unbanked” communities using ATMs. To withdraw these funds, the “unbanked” recipient will only be able to collect these funds through ATMs.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** The sender has to have a bank account. There is no limit on the amount that can be held in the account however, the customer can only send up to TZS 1,500,000 per day to the “unbanked” recipients. This measure to mitigate ML/TF risks in this product feature seems to suffice in terms of transfer services because the set amount is not significant.
- b) **Transaction Limits:** Only TZS 200,000 can be sent per transaction and the sender can only send up to TZS 1,500,000 per day to the “unbanked” recipients. This ML/TF risk mitigation measure seems suffices.
- c) **Operating of Accounts Anonymously:** The money sender has to have a bank account but the recipient does not. The anonymous recipient is probably the single biggest ML/TF risk with this product. In order to mitigate this risk, the bank should consider putting in place measures to identify the recipient. Currently, the only way to identify the recipient is to look at the CCVT footage that is captured when the recipient withdraws cash from the ATM.

- d) **Face to Face Account Opening:** This product requires face to face meetings to open the bank account. This greatly reduces the risk unknown persons opening bank accounts.
- e) **Face to Face Transactions:** Transactions with this product are 100% non-face to face. Money has to be sent through an ATM and the recipient must receive the money through an ATM.
- f) **Geographical Coverage:** This product has a countrywide coverage. It is available wherever there is the service provider's ATM.
- g) **Cross Border Transactions:** This product cannot be used for cross border transactions. This is because the service provider's ATMs are only available in Tanzania and the Visa and Mastercard services that are also available abroad are not used to deliver this product. This greatly reduces the appeal of the product for money laundering and terrorist financing.
- h) **Non-citizens:** Non-citizens are allowed to use this product. The embedded ML/TF risk mitigation measure is that the product must be used within Tanzania. This is because sender and recipient must use the service provider's ATMs and such ATMs are only available in Tanzania. This restricts the use of the product by non-citizens within the country.
- i) **Legal Persons:** This product can not be used by legal persons.
- j) **The Use of Agents:** This product is not available through agents. This greatly reduces the chances of this product feature being abused for ML/TF.

ML/TF Risk Assessment for the Category Product

ML/TF risk associated with the product of the category "Bank Payments and Transfers" was rated Medium due to, among others, the value limits, transaction limits, mandatory face to face meetings to open bank accounts, the restricted use of the product through agents, prohibited cross border transactions and limited geographical coverage whereby the product is

available only within national boundaries. Product features that introduce ML/TF risks include the anonymous recipients of cash, non-face to face transactions and the use of the product by non-citizens, but only those found within the country.

Based on this assessment, in order for the product of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with anonymous recipients, non-face to face transactions and the use of the product by non-citizens.

2.5. Securities Investment (Collective Investment Schemes)

i) Specific products

Product Name	Name of Service Provider
1. Umoja Fund	Unit Trust of Tanzania, Asset Management and Investor Services (UTT AMIS)
2. Wekeza Maisha Fund	UTT AMIS
3. Watoto Fund	UTT AMIS
4. Jikimu Fund	UTT AMIS
5. Liquid Fund	UTT AMIS

ii) Products description

Securities Investment (Collective Investment Schemes) are open ended collective investment schemes. The schemes vary in eligibility criteria ranging from children to adults, minimum investment amounts, scheme duration, maturity and returns with some including insurance features. All the schemes have no maximum investment amounts.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** All the five (5) products have no value limits but most have tenure and maturity periods. This makes the products attractive for money laundering in terms of the big amounts that can be laundered using these products. In order to mitigate ML/TF risks in this product feature, there may be a need to carry out qualitative and quantitative analysis to determine an appropriate value limit that may be applied on these products.
- b) **Transaction Limits:** The five (5) products have no transaction limits and transactions vary across the products. Some products require regular monthly contributions, liquidity varies among products whereby some

products allow partial repurchases and some have a cool off period and a redemption period.

- c) **Operating of Accounts Anonymously:** All the five (5) products do not allow the opening and operating of schemes anonymously. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** All the five (5) products require face to face meetings to open schemes. This greatly reduces the risk unknown persons opening schemes.
- e) **Face to Face Transactions:** All the five (5) products require face to face transactions. This greatly reduces the risk unknown persons operating the schemes.
- f) **Geographical Coverage:** All the five products have unlimited geographical coverage within the country. UTT AMIS offices and agents operate within Tanzania.
- g) **Cross Border Transactions:** Two (2) out of the five (5) products permit cross border transactions while the remaining three (3) products do not. Cross border transactions introduce ML/TF risk in the relevant products. Measures to mitigate risks associated with cross border transactions may include limiting such transactions in terms of the number of transactions, the amounts transacted and transactions with high risk jurisdictions. There may be a need to conduct qualitative and quantitative analysis to determine whether there is a significant number of cross border transactions, and in particular, transactions with high risk jurisdictions.
- h) **Non-citizens:** All the five (5) products do not permit non-citizens to use the products. This greatly reduces the risk of unknown or little known customers using the products.
- i) **Legal Persons:** Three (3) out of the five (5) products can be used by legal persons. Allowing legal persons to use the products increases the risk of unknown persons using the products, especially when it is difficult or not

possible to determine beneficial owners of the legal persons. Measures to mitigate risks associated with legal persons using the products may include ensuring that company beneficial owners (natural persons) are known.

- j) **The Use of Agents:** All the five (5) products are available through agents. Generally, agents are regarded as being likely to increase ML/TF risks in a product because they are likely not to enforce KYC/CDD requirements as rigorously as the principal would. When this happens, it allows money launderers and terrorist financiers to take advantage of the product through agents.

ML/TF Risk Assessment for Category Products

ML/TF risk associated with products of the category “Securities Investment (Collective Investment Schemes)” was rated Low due to, among others, the prohibited operating of accounts anonymously, mandatory face to face meetings to open schemes, face to face transactions and the prohibited use of the products by non-citizens. Product features that introduce ML/TF risks include the use of the products by legal persons and the lack of value and transaction limits.

Based on this assessment, in order for the products of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with the use of the products by legal persons, cross border transactions and the lack of value and transaction limits.

2.6. Electronic Wallets

i) Specific products

Product Name	Name of Service Provider
1. M-Pesa	M-Pesa (T) Ltd.
2. Halopesa	Viettel E-Commerce Ltd.
3. Tigo Pesa	Millicom Tanzania Mobile Solutions Ltd.
4. Airtel Money	Airtel Money (T) Ltd.
5. Ezy Pesa	Zantel Mobile Financial Services Solution Ltd.
6. Selcom card	Selcom (T) Ltd.

ii) Products description

The electronic wallet is essentially a mobile phone with subscription to a service provider (a mobile phone company). The subscription process involves registering the owner and user of the mobile phone, and hence the owner of the electronic wallet. The service provider maintains an account with each subscriber and that account maintains a money balance. Using mobile phones, customers can transfer funds between mobile phones, irrespective of the service provider, and they can also transfer funds between mobile phones and bank accounts. With this possibility, electronic wallets are used to transfer funds, to pay for goods and services, to deposit and withdraw cash from the wallet through Mobile money service provider agents and bank ATMs, to purchase mobile phone air time, etc. There are security measures to protect the electronic wallet, such as restricting access to the wallet to a specific phone number, encryption of the communication while transacting and the use of pin codes and passwords. Electronic wallet transactions have strict limitations in terms of the number of transactions and the amount of money that can be transacted per day (usually not more than TZS 3,000,000).

These are Financial Inclusion products, and there is no eligibility criterion to use electronic wallets, but the mobile phone user must be registered with the service provider. Electronic wallets target low income earners by way of being able to transact from almost anywhere and at any time, to transact in very small amounts and at low transaction costs. However, electronic wallets need to be redesigned to reduce ML/TF risks further.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** All the six (6) products have value limits which do not exceed TZS 5,000,000. This means that at any given time the electronic wallet cannot hold more than the threshold amount. In order for the wallet to hold a value above the threshold, the customer must apply for it by visiting the service provider or any of the agents for enhanced KYC/CDD. These value limits greatly reduce the appeal of the products for ML/TF abuse.
- b) **Transaction Limits:** All the six (6) products have transaction limits. The limit is usually that the customer cannot perform transactions above TZS 3,000,000 per day. These value limits greatly reduce the appeal of the products for ML/TF abuse.
- c) **Operating of Accounts Anonymously:** All the six (6) products do not permit the opening and operating of electronic wallets anonymously. Customers must visit the service provider or any of its agents to register the mobile phone number before the electronic wallet can be activated. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** All the six (6) products require face to face meetings to open accounts. Customers must visit the service provider or any of its agents to register the mobile phone number. This greatly reduces the risk unknown persons opening electronic wallet.

- e) **Face to Face Transactions:** All the six (6) products permit non-face to face transactions. Electronic wallet transactions are inherently non-face to face. The ML/TF risk introduced by this feature is mitigated by most of the other features including the registration requirements and value and transaction limits.
- f) **Geographical Coverage:** All the six (6) products have no limits in terms of geographical coverage. The ML/TF risk introduced by this feature is mitigated by most of the other features including the registration requirements and value and transaction limits.
- g) **Cross Border Transactions:** Two (2) out of the six (6) products permit cross border transactions. The remaining four (4) products do not permit cross border transactions. Cross border transactions increase the appeal of the products for money laundering and terrorist financing. Measures to mitigate risks associated with cross border transactions may include reporting cross border transactions above the threshold, limiting such transactions in terms of the number of transactions, the amounts that can be transacted and transactions with high risk jurisdictions.
- h) **Non-citizens:** All the six (6) products permit non-citizens to use the products. This increases the risk of unknown or little known customers using the products. The low ML/TF risk introduced by this feature may be mitigated by the other features of the product including the limiting cross border transactions.
- i) **Legal Persons:** All the six (6) products can be used by legal persons. Allowing legal persons to use the products increases the risk of unknown persons using the products, especially when it is difficult or not possible to determine beneficial owners of the legal persons. Measures to mitigate risks associated with legal persons using the products may include ensuring that company beneficial owners (natural persons) are known.

- j) **The Use of Agents:** All the six (6) products can be used through agents. Agents are likely to increase ML/TF risks in a product because they are likely not to enforce KYC/CDD requirements as rigorously as the principal would. Measures to mitigate ML/FT risk introduced by agents may include:
- Service providers to conduct proper CDD of their agents
 - Proper AML/CFT training to agents
 - Introducing the supervision of agents for AML/CFT compliance wherever possible.

ML/TF Risk Assessment for Category Products

ML/TF risk associated with products of the category “Electronic Wallet” was rated Medium due to, among others, the prohibited operating of accounts anonymously, mandatory face to face meetings to open accounts, value limits and transaction limits. Product features that introduce some ML/TF risks include non-face to face transactions, the use of the products by non-citizens, the use of the products by legal persons, unlimited geographical coverage country wide, cross border transactions and the use of agents to sell the products.

Based on this assessment, in order for the product of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with non-face to face transactions, the use of the products by non-citizens and legal persons, unlimited geographical coverage, cross border transactions and the use of agents.

2.7. Mobile Savings and Credit

i) Specific products

Product Name	Name of Service Provider
1. M-Pawa	M-Pesa (T) Ltd.
2. Tigo Nivushe	Millicom Tanzania Mobile Solutions Ltd.
3. Airtel Timiza	Airtel Money (T) Ltd.

ii) Products description

Mobile savings and credit are savings and micro loan products disbursed through electronic wallets and targeting low income earners. These products meet the criteria for Financial Inclusion products. Eligibility criteria for these products vary from product to product. The common criterion for all the products is the age of the customer. The customer must be an adult (18 years old and above). The key pre-condition to use the products is that the customer must have an electronic wallet. The amount of loan that a customer qualifies for depends on the customer's electronic wallet transaction history.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** All the three (3) products have value limits. In terms of savings, the maximum amount that can be saved in the electronic wallet is around TZS 5,000,000. In terms of loans, the maximum loan that can be disbursed is TZS 500,000. In order for the customer to exceed these limits, they must apply by visiting the service provider or any of the agents for enhanced KYC/CDD. These value limits greatly reduce the appeal of the products for ML/TF.
- b) **Transaction Limits:** All the three (3) products have transaction limits. The limit is usually that the customer cannot perform transactions amounting to

a total of more than TZS 3,000,000 per day. These value limits greatly reduce the appeal of the products for ML/TF.

- c) **Operating of Accounts Anonymously:** All the three (3) products do not permit the opening and operating of mobile savings and credit services anonymously. Customers must first have an electronic wallet for the service to be activated. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** All the three (3) products require face to face meetings to open mobile savings and credit services. Customers must first have an electronic wallet for the service to be activated. This means that they must visit the service provider or its agent. This greatly reduces the risk unknown persons opening electronic wallet.
- e) **Face to Face Transactions:** All the three (3) products permit non-face to face transactions. Electronic wallet transactions are inherently non-face to face and the ML/TF risk introduced by this feature is mitigated by most of the other features including the registration requirements and the transaction limits.
- f) **Geographical Coverage:** All the three (3) products have no limits in terms of geographical coverage. The ML/TF risk introduced by this feature is mitigated by most of the other features including the registration requirements and cross border transaction limitations.
- g) **Cross Border Transactions:** All the three (3) products do not permit cross border transactions. This greatly reduces the risk of unknown persons using the products.
- h) **Non-citizens:** All the three (3) products permit non-citizens to use the products. This increases the risk of unknown or little known customers using the products. However, the low ML/TF risk introduced by this feature is mitigated by the other features of the product including the limitations in cross border transactions.

- i) **Legal Persons:** All the three (3) products are not available to legal persons. This greatly reduces the risk of unknown persons using the products.
- j) **The Use of Agents:** All the three (3) products cannot be used through agents. This greatly reduces the risk of abuse of the products through agents.

ML/TF Risk Assessment for Category Products

ML/TF risk associated with products of the category “Mobile Savings and Credit” was rated Low due to, among others, the prohibited operating of accounts anonymously, mandatory face to face meetings to open accounts, value and transaction limits, lack of cross border transactions, prohibited use by legal persons and the lack of agents in selling the products. Product features that introduce some ML/TF risks include non-face to face transactions, the use of the products by non-citizens, unlimited geographical coverage and the use of agents.

Based on this assessment, in order for the product of this category to qualify for simplified KYC/CDD, there is need to institute adequate measures to mitigate risks associated with non-face to face transactions, the use of the products by non-citizens and unlimited geographical coverage within the country.

2.8. Pension Schemes

i) Specific products

Product Name	Name of Service Provider
1. Wote scheme	PPF Pensions Fund
2. Deposit administration scheme	PPF Pensions Fund
3. Direct contribution scheme	LAPF Pensions Fund
4. Voluntary scheme	Zanzibar Social Security Fund
5. PSPF supplementary scheme	Public Service Pensions Fund
6. Voluntary savings retirement scheme	GEPF Retirement Benefits Fund
7. Wakulima scheme	National Social Security Fund
8. Wavuvi scheme	National Social Security Fund
9. Hiari scheme	National Social Security Fund
10. Madini scheme	National Social Security Fund

ii) Products description

Pension schemes are non-traditional supplementary pension schemes. They are voluntary pension schemes designed to provide various benefits, including gratuity and pension during old age. They target people with irregular income and the informal sector. All these schemes have similar benefits but they differ in the number and the way these benefits are rendered. Scheme benefits include gratuity, pension, education loans, funeral benefits, invalidity benefits, maternity benefits, pre-retirement housing loans, survivor benefits and withdrawal benefits. Unlike traditional pension schemes with fixed regular contributions, supplementary schemes have flexible and negotiable modes of contribution. For instance, a subsistence farmer may negotiate to contribute after harvest, while a casual labourer may negotiate to contribute whenever he

gets paid. There are no fixed eligibility criteria for these schemes, and all the schemes meet the criteria for Financial Inclusion products.

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** All the ten (10) schemes have no value limits. Contributions to pension schemes depend much on individual incomes. This product feature makes the products attractive for money laundering because big money can be laundered.
- b) **Transaction Limits:** All the ten (10) schemes have no transaction limits. This is primarily due to, among others, varying client contributions and the benefits clients receive. This feature makes the products attractive for money laundering because potential money launderers have a free hand on how to go about transacting.
- c) **Operating of Accounts Anonymously:** All the ten (10) products do not permit subscription and operating of schemes anonymously. This greatly reduces the risk of unknown persons running the schemes.
- d) **Face to Face Account Opening:** All the ten (10) products require face to face meetings to subscribe to schemes. This greatly reduces the risk of unknown persons subscribing to the schemes.
- e) **Face to Face Transactions:** All the ten (10) products do not require face to face transactions. This is primarily because the pension schemes allow subscribers to make contributions using various means including mobile phones. They also deliver some of the benefits through mobile phones. Risk mitigation measures in place include the fact that mobile phones in Tanzania are registered and client bank accounts (which also permit non-face to face transactions) have adequate KYC/CDD measures in place. It is highly unlikely that transactions by unknown persons can be effected.

- f) **Geographical Coverage:** Products of this category have no limits in terms of geographical coverage except for one (1) product. This introduces the risk of attracting customers who are not well known to subscribe to the schemes. However, the risk introduced by this product feature is implicitly mitigated by other product features such as mandatory face to face account opening and prohibited anonymous account operations.
- g) **Cross Border Transactions:** All the ten (10) products do not permit cross border transactions. The absence of cross border transactions greatly reduces the appeal of the products for money laundering and terrorist financing because ML/TF are inherently cross border in nature.
- h) **Non-citizens:** All the ten (10) products can be used by non-citizens. This increases the risk of unknown or little known customers using the products. However, the risk in this feature is implicitly mitigated by other features such as the lack of cross border transactions. This is because non-citizens are the most likely to transfer funds abroad.
- i) **Legal Persons:** All the ten (10) products cannot be used by legal persons. This greatly reduces the chances of unknown persons subscribing to and using the schemes.
- j) **The Use of Agents:** All the ten (10) products are not rendered through agents. This greatly reduces the chances of abuse of the products through agents.

ML/TF Risk Assessment for Category Products

ML/TF risk associated with products of the category “Pension Schemes” was rated Low due to, among others, the prohibited operating of accounts anonymously, mandatory face to face meetings to open accounts, lack of cross border transactions, prohibited use by legal persons and the lack of agents in selling the products. Product features that introduce ML/TF risks include the use of products by non-citizens, the lack of value and

transaction limits, unlimited geographical coverage country wide and the availability of non-face to face transactions.

Based on this assessment, in order for the products of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with use of the products by non-citizens, the lack of value and transaction limits, unlimited geographical coverage and the availability of non-face to face transactions.

2.9. Micro Insurance

i) Specific products

S/N	Type of Product	No.	Product Name	Name of Service Provider
i	Health Insurance	1	Health Insurance for Private Groups of Entrepreneurs (KIKOA)	National Health Insurance Fund
		2	Community Health Fund	Ministry of Health, Community Development, Gender, Elderly and Children
		3	Social Health Insurance Benefit	National Social Security Fund
		4	Bima Afya	Jubilee Insurance Co. Ltd
ii	Loan Protection Insurance	5	Enhanced Credit Life	Metropolitan Tanzania Life Assurance Co. Ltd
		6	Malaika Credit Cover	Bumaco Insurance Co. Ltd
		7	Group Credit Life Assurance Cover	Jubilee Life Insurance Corporation of Tanzania Ltd
		8	Microcredit life insurance	SANLAM Life Insurance (T) Ltd
iii	Personal Accident Insurance	9	Jikingo and UAP Family Kinga	UAP Insurance (T) Ltd.
		10	Personal Accident	Phoenix of Tanzania Assurance Co. Ltd
iv	Life Insurance	11	Life Plan	Alliance Life Assurance Ltd
v	Education Plan	12	Education Plan	Alliance Life Assurance Ltd
vi	Funeral Plan	13	Jubilee Family Shield Cover	Jubilee Life Insurance Corporation of Tanzania Ltd
		14	Family Finance Plan	SANLAM Life Insurance (T) Ltd
vii	Life and Hospitalisation Insurance	15	Tigo Pona, Mo Maisha, Tigo Farijika	MO Assurance Co. Ltd
viii	Business Insurance	16	Fire and Special Perils Policy & Burglary	Phoenix of Tanzania Assurance Co. Ltd

ii) Products description

The majority of these are micro insurance products targeting low income earners and the informal sector. They are mostly non-life insurance products but there are also some life insurance products. These products perform different functions on the insurance arena but they bear similar ML/TF risks. That is why it is convenient to conduct a single ML/TF risk assessment encompassing all the products. In various ways, all these products meet criteria for Financial Inclusion products. Following is a brief description of what the products do, and the products have been grouped according to the functions they perform:

a) **Health Insurance** - This is a type of insurance coverage that covers the cost of an insured individual's medical and surgical expenses. Depending on the type of health insurance coverage, either the insured pays costs out-of-pocket and is then reimbursed, or the insurer makes payments directly to the service provider. The products offered include Health Insurance for Private Groups of Entrepreneurs (KIKOA), Community Health Fund, Social Health Insurance Benefit and Bima Afya.

Loan Protection Insurance - This type of insurance is designed to help the insured repay a loan in times of need. Whether the need is due to death, disability or unemployment, this insurance can help protect monthly loan repayments and protect the insured from loan repayment default. The products offered include Enhanced Credit Life, Malaika Credit Cover, Group Credit Life Assurance Cover and Microcredit life insurance.

b) **Personal Accident Insurance** - This is an insurance coverage that provides compensation in the event of injury, disability or death caused by violent, accidental, external or other visible events. The products offered include Jikinga and UAP Family Kinga and Personal Accident

- c) **Education Plan** – This is a type of insurance that is designed as a savings tool to provide funding to the insured at a certain stage in life such as at higher education or university, or in the event of death of the care provider. The products offered include Education Plan.
- d) **Life Insurance** - This is a type of insurance that pays out a sum of money either on the death of the insured person or after a set period. The products offered include Life Plan.
- Funeral Plan** - This is a type of insurance that pays the costs associated with a funeral. It is an easy way to plan ahead and beat the rising funeral costs. The products offered include Jubilee Family Shield Cover and Family Finance Plan.
- e) **Life and Hospitalisation Insurance** – This is a health insurance plan that provides coverage for hospital confinement due to illness, accidents or intensive care of convalescence. The products offered include Tigo Pona, Mo Maisha and Tigo Farijika.
- f) **Business Insurance** - This is a type of insurance coverage that protects businesses from losses due to events that may occur during the normal course of business. There are many types of insurance for businesses including coverage for property damage, legal liability, employee-related risks, etc. The products offered include Fire and Special Perils Policy & Burglary

iii) Product features

The following are product features with their relevant risks:

- a) **Value Limits:** Products of this category have value limits except for three (3) products. Value limits on products reduce the appeal of the products for money laundering because not much money may be laundered.
- b) **Transaction Limits:** Eleven (11) out of the sixteen (16) products have transaction limits. The limits are not on the amount or the number of

transactions per day, but rather the total amount that can ever be transacted. The remaining five (5) products have no transaction limits. This makes the products without transaction limits attractive for money laundering in terms of the big amounts and the number of transactions that can be carried out per day using the products.

- c) **Operating of Accounts Anonymously:** All the sixteen (16) products do not allow customers to register and use the products anonymously. This greatly reduces the risk of unknown persons using the products.
- d) **Face to Face Account Opening:** Products of this category require face to face meetings to sign insurance policies except for one (1) product.
- e) **Face to Face Transactions:** The majority of products of this category (11 out of 16 products) do not require face to face transactions. This increases the risk of unknown persons using the products.
- f) **Cross Border Transactions:** All the sixteen (16) products do not permit cross border transactions. This greatly reduces the appeal of the products because ML/TF are inherently cross border in nature.
- g) **Geographical Coverage:** The majority of products (10 out of 16) have unlimited geographical coverage within the country. This introduces the risk of attracting customers who are not well known to the service provider to use the products. Such customers increase the risk of ML/TF abuse of the products.
- h) **Non-citizens:** The majority of products (13 out of 16) cannot be used by non-citizens. This reduces the risk of unknown or little known customers using the products.
- i) **Legal Persons:** The majority of products (13 out of 16) cannot be used by legal persons. This reduces the risk of unknown or little known customers using the products.
- j) **The Use of Agents:** All the sixteen (16) products can be delivered through agents (insurance brokers and insurance agents). Agents are likely to

increase ML/TF risks in a product because they are likely not to enforce KYC/CDD requirements as rigorously as the service provider (insurance company) would.

ML/TF Risk Assessment for Category Products

ML/TF risk associated with products of the category “Micro Insurance” was rated Low due to, among others, the prohibited anonymous use of products, prohibited use by non-citizens and legal persons, mandatory face to face meetings to subscribe to insurance policies, lack of cross border transactions, as well as the existence of value and transaction limits. Product features that introduce ML/TF risks include the unlimited geographical coverage country wide, availability of non-face to face transactions and the use of agents to sell products.

Based on this assessment, in order for the products of this category to qualify for simplified KYC/CDD, there is a need to institute adequate measures to mitigate risks associated with unlimited geographical coverage, availability of non-face to face transactions and the use of agents.

3. KEY RECOMMENDATIONS

Following are the key recommendations out of Financial Inclusion products assessment:

1. The Government should develop a Financial Inclusion policy.
2. There is a need to promote financial inclusion by implementing a risk-based approach to combating ML/TF, by allowing the application of simplified measures for low risk financial inclusion products. This can be achieved by legislative amendments of AMLA, AMLPOCA and other relevant laws.
3. There is a need to set criteria for financial inclusion products in order to provide guidance to reporting persons to identify products which qualify to be financial inclusion products and the required simplified measures to be applied to such products.
4. NIDA should fast track the issuance of national IDs to all eligible persons. This will greatly improve KYC/CDD of FI product customers.
5. Service providers should carry out regular ML/TF risk assessments of Financial Inclusion products in their respective areas. They should also share results of such assessments with respective regulators and the FIU.
6. There is an urgent need to deliver AML/CFT training and awareness to agents in a cost effective and ongoing manner.


4. APPENDICES

4.1. Criteria to determine whether a given product is a Financial Inclusion Product

CONDITIONS			IMPLICATION
Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	
Yes	Yes	Yes	The module is designed for such products.
Yes	No	Yes	This product cannot be subject to exemption or simplification. The tool can be used to redesign the product and its controls in order to reduce its risk.
No	Yes	Yes	This product cannot and should not be called a financial inclusion product. However, the module can be used to test ML/TF risk, and to determine whether the product can be exempt or subject to simplified controls.
No	No	Yes	No benefit from using the module. This product cannot be subject to exemption or simplification.
Yes	Yes	No	The module is designed for such products, and can be used for designing simplified measures.
Yes	No	No	The module can be used to redesign the product and its controls in order to reduce its risk.
No	Yes	No	This product cannot and should not be named a financial inclusion product. However, the module can be used to test ML/TF risk, and to determine whether the product can be exempt or subject to simplified controls.
No	No	No	Off-topic

4.2. All the Products that were Submitted by Service Providers

Key:

Yellow background rows	- Means the product did not meet the criteria to be considered a “Financial Inclusion Product”
	- Background colours under column “Product Group” show products belonging to the same group

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
A. BANKING								
	1	Akiba Commercial Bank Ltd	ACB Savings Bomba	1. Savings Bank Account for Individuals	Yes	No	Yes	FI product for simplification of AML/CFT measures
	2	Akiba Commercial Bank Ltd	ACB VICOBA group & individual	3. Bank Savings & Credit for Groups	Yes	No	Yes	FI product for simplification of AML/CFT measures
	3	DCB Commercial Bank Plc	DCB Jirani (Agency banking services)	6. Agency banking	Yes	Yes	Yes	FI product for exemption
	4	EFC Tanzania M.F.C Ltd	EFC Business loan		No	No	No	Non FI product
	5	EFC Tanzania M.F.C Ltd	EFC Home improvement loan		No	Yes	No	Non FI product
	6	EFC Tanzania M.F.C Ltd	EFC Premium Savings Account		No	No	No	Non FI product
	7	EFC Tanzania M.F.C Ltd	EFC Regular Savings Account		No	No	No	Non FI product
	8	EFC Tanzania M.F.C Ltd	EFC Term Deposit Account		No	No	No	Non FI product
	9	Amana Bank Ltd	Amana Bank Personal Saving Account		No	No	No	Non FI product
	10	Amana Bank Ltd	Amana Annisaa Account (women account)		No	No	No	Non FI product
	11	Amana Bank Ltd	Amana Nuru Account (children account)		No	No	No	Non FI product

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	12	Amana Bank Ltd	Amana Salaried Account		No	No	No	Non FI product
	13	Bank of Africa (T) Ltd	BOA Chama Account	3. Bank Savings & Credit for Groups	Yes	No	Yes	FI product for simplification of AML/CFT measures
	14	Mbinga Community Bank Ltd	MCB Normal Saving Account	1. Savings Bank Account for Individuals	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	15	Mbinga Community Bank Ltd	MCB Fixed Deposit Account		No	No	No	Non FI product
	16	Mbinga Community Bank Ltd	MCB Current Account		No	No	No	Non FI product
	17	Mbinga Community Bank Ltd	MCB Junior Account		No	No	No	Non FI product
	18	Mbinga Community Bank Ltd	MCB Foreign Account		No	No	No	Non FI product
	19	Mbinga Community Bank Ltd	MCB Loans to employees		No	No	No	Non FI product
	20	Mbinga Community Bank Ltd	MCB Loans to Business Community		No	No	No	Non FI product
	21	Mbinga Community Bank Ltd	MCB Group Loans	3. Bank Savings & Credit for Groups	Yes	Yes	Yes	FI product for exemption
	22	Mbinga Community Bank Ltd	MCB Guarantees to Customer		No	Yes	No	Non FI product
	23	Mbinga Community Bank Ltd	MCB Money Transfer Services		No	No	No	Non FI product
	24	National Microfinance Bank (T) Plc	NMB Community Savings Account	3. Bank Savings & Credit for Groups	Yes	No	Yes	FI product for simplification of AML/CFT measures
	25	National Microfinance Bank (T) Plc	NMB chap chap account	1. Savings Bank Account for Individuals	Yes	Yes	Yes	FI product for exemption
	26	Advans Bank (T) Ltd	Advans Mavuno		No	No	No	Non FI product
	27	Advans Bank (T) Ltd	Advans Hakika	1. Savings Bank Account for Individuals	Yes	No	Yes	FI product for simplification of AML/CFT measures
	28	Advans Bank (T) Ltd	Advans Biashara		No	No	No	Non FI product
	29	Advans Bank (T) Ltd	Advans Wekeza		No	No	No	Non FI product
	30	Advans Bank (T) Ltd	Advans Express loan	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	31	Advans Bank (T) Ltd	Advans Micro loan	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	32	Advans Bank (T) Ltd	Advans Mobile Money Services	7. Payments & transfers	Yes	Yes	Yes	FI product for exemption
	33	Mufindi Community Bank Ltd	MuCoBa Normal Savings Account	1. Savings Bank Account for Individuals	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	34	Mufindi Community Bank Ltd	MuCoBa Business Savings Account		No	No	No	Non FI product
	35	Mufindi Community Bank Ltd	MuCoBa Fixed Deposit Account		No	No		Non FI product
	36	Mufindi Community Bank Ltd	MuCoBa Young Champion Account	1. Savings Bank Account for Individuals	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	37	Mufindi Community Bank Ltd	MuCoBa Group Savings Account	3. Bank Savings & Credit for Groups	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	38	Mufindi Community Bank Ltd	MuCoBa Group Lending	3. Bank Savings & Credit for Groups	Yes	Yes	Yes	FI product for exemption
	39	Mufindi Community Bank Ltd	MuCoBa Insurance Premium Finance (IPF)		No	No	Yes	Non FI product
	40	Mufindi Community Bank Ltd	MuCoBa Asset Acquisition on Microloan	2. Bank Credit for Individuals and micro enterprises	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	41	Mufindi Community Bank Ltd	MuCoBa Agriculture Loan			No		Non FI product
	42	Mufindi Community Bank Ltd	MuCoBa Business Loan	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	43	Mufindi Community Bank Ltd	MuCoBa Salary Loan	2. Bank Credit for Individuals and micro enterprises	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	44	Mufindi Community Bank Ltd	MuCoBa Mobile/ATM Services			No		Non FI product
	45	NIC Bank (T) Ltd	NIC Student Loan	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	46	NIC Bank (T) Ltd	NIC Mshahara Account		No	No		Non FI product
	47	China Commercial Bank	China Com. Bank Personal Savings Account		No	No	Yes	Non FI product
	48	China Commercial Bank	China Com. Bank Junior Savings Account		No	No	Yes	Non FI product
	49	China Commercial Bank	China Com. Bank Senior Savings Account	1. Savings Bank Account for Individuals	Yes	No	Yes	FI product for simplification of AML/CFT measures
	50	China Commercial Bank	China Com. Bank Staff Savings Account		No	No	No	Non FI product
	51	China Commercial Bank	China Com. Bank Personal Current Account		No	No		Non FI product
	52	Commercial Bank of Africa (T) Ltd	CBA Nufaika Savings Account		No	Yes	Yes	Non FI product
	53	Commercial Bank of Africa (T) Ltd	CBA Young Champion Account		No	No		Non FI product
	54	Commercial Bank of Africa (T) Ltd	CBA Personal Current Account		No	No		Non FI product
	55	Commercial Bank of Africa (T) Ltd	CBA Fixed Deposit Account		No	No		Non FI product
	56	Commercial Bank of Africa (T) Ltd	CBA Freedom Savings Account		No	No		Non FI product
	57	United Bank for Africa (T) Ltd	UBA no Wahala		No	No		Non FI product
	58	United Bank for Africa (T) Ltd	UBA Loan Against Salary (Executive Loan)		No	No		Non FI product
	59	United Bank for Africa (T) Ltd	UBA Revolving Personal Overdraft		No	No		Non FI product
	60	United Bank for Africa (T) Ltd	UBA Asset Finance a) Salaried Auto Loan		No	No		Non FI product
	61	United Bank for Africa (T) Ltd	UBA Asset Finance b) Other Household Assets		No	No		Non FI product
	62	United Bank for Africa (T) Ltd	UBA Schools		No	No		Non FI product
	63	United Bank for Africa (T) Ltd	UBA Medicals		No	No		Non FI product
	64	United Bank for Africa (T) Ltd	UBA Divine		No	No		Non FI product

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	65	United Bank for Africa (T) Ltd	UBA Cheque Purchase/Direct Credit		No	No		Non FI product
	66	United Bank for Africa (T) Ltd	UBA Receivable/Invoice Discounting		No	No		Non FI product
	67	United Bank for Africa (T) Ltd	UBA LPO/Supply Contract Finance		No	No		Non FI product
	68	United Bank for Africa (T) Ltd	UBA Bonds and Guarantees		No	No		Non FI product
	69	United Bank for Africa (T) Ltd	UBA APG		No	No		Non FI product
	70	United Bank for Africa (T) Ltd	UBA Cash Collateralized Loan		No	No		Non FI product
	71	Exim Bank (T) Ltd	EXIM Faida Savings Account		No	No		Non FI product
	72	Exim Bank (T) Ltd	EXIM Nyota Junior Savings Plan		No	No		Non FI product
	73	Exim Bank (T) Ltd	EXIM Salary Account		No	No		Non FI product
	74	Exim Bank (T) Ltd	EXIM Current Account		No	No		Non FI product
	75	Exim Bank (T) Ltd	EXIM Haba na Haba		No	No		Non FI product
	76	Exim Bank (T) Ltd	EXIM Fixed Deposit		No	No		Non FI product
	77	Exim Bank (T) Ltd	EXIM TANAPA Card		No	No		Non FI product
	78	Exim Bank (T) Ltd	EXIM Credit Card		No	No		Non FI product
	79	Exim Bank (T) Ltd	EXIM Nufaika Personal Loan		No	No		Non FI product
	80	Exim Bank (T) Ltd	EXIM Mortgage Loan		No	No		Non FI product
	81	Exim Bank (T) Ltd	EXIM Vehicle Loan		No	No		Non FI product
	82	Exim Bank (T) Ltd	EXIM MoneyGram		No	No		Non FI product
	83	Exim Bank (T) Ltd	EXIM Mobile Banking					Non FI product
	84	Exim Bank (T) Ltd	EXIM Smart App					Non FI product
	85	Exim Bank (T) Ltd	EXIM Internet Banking					Non FI product
	86	Twiga Bancorp Ltd	Twiga Group Lending (VSLA)	3. Bank Savings & Credit for Groups	Yes	No	Yes	FI product for simplification of AML/CFT measures
	87	Habib African Bank (T) Ltd	Habib Savings Account	1. Savings Bank Account for Individuals	Yes	Yes	Yes	FI product for exemption
	88	Habib African Bank (T) Ltd	Habib Fixed Deposit Account		No	No		Non FI product

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	89	Habib African Bank (T) Ltd	Habib Current Account		No	No		Non FI product
	90	Habib African Bank (T) Ltd	Habib Overdraft Account		No	No		Non FI product
	91	Habib African Bank (T) Ltd	Habib Loans Account		No	No		Non FI product
	92	Habib African Bank (T) Ltd	Habib Tax Banking		No	No		Non FI product
	93	NBC Ltd	NBC Malengo Account		No	No		Non FI product
	94	NBC Ltd	NBC Cash Popote	4. Bank Payments and Transfers	Yes	No	Yes	FI product for simplification of AML/CFT measures
	95	Tanzania Agriculture Development Bank	TADB Pre-Harvest Loan	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	96	Tanzania Agriculture Development Bank	TADB Post-Harvest Loan	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	97	Tanzania Agriculture Development Bank	TADB Asset Finance Loan - 1	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	98	Tanzania Agriculture Development Bank	TADB Short Term Loan (Other)	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	99	Tanzania Agriculture Development Bank	TADB Asset Finance Loan - 2	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	100	Tanzania Agriculture Development Bank	TADB Infrastructure Loan		No	No		Non FI product
	101	Tanzania Agriculture Development Bank	TADB Medium Term Loan (Other)	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	102	Tanzania Agriculture Development Bank	TADB Youth Empowered Program	2. Bank Credit for Individuals and micro enterprises	Yes	No	Yes	FI product for simplification of AML/CFT measures
	103	Mkombozi Commercial Bank Plc	Mkombozi Solidarity Group Loan	3. Bank Savings & Credit for Groups	Yes	Yes	Yes	FI product for exemption
	104	Mkombozi Commercial Bank	Mkombozi Savings Micro	3. Bank Savings &	Yes	Yes	Yes	FI product for

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
		Plc	Accounts	Credit for Groups				exemption
	105	Tanzania Postal Bank	TPB Popote	1. Savings Bank Account for Individuals	Yes	No	Yes	FI product for simplification of AML/CFT measures
	106	Tanzania Postal Bank	TPB Village Savings & Loans Association (VSLA)	3. Bank Savings & Credit for Groups	Yes	No	Yes	FI product for simplification of AML/CFT measures
	107	Ecobank (T) Ltd	Ecobank Current Account		No	No		Non FI product
	108	Ecobank (T) Ltd	Ecobank Fixed Deposit Account		No	No		Non FI product
	109	Ecobank (T) Ltd	Ecobank Cash Collateral Account		No	No		Non FI product
	110	Ecobank (T) Ltd	Ecobank Cash Call Account		No	No		Non FI product
	111	Ecobank (T) Ltd	Ecobank Western Union		No	No		Non FI product
	112	Ecobank (T) Ltd	Ecobank Rapid Transfer		No	No		Non FI product
	113	Ecobank (T) Ltd	Ecobank Debit Card		No	No		Non FI product
	114	Ecobank (T) Ltd	Ecobank Retail Internet Banking		No	No		Non FI product
	115	Azania Bank Ltd	Azania Loans to Tobacco Farmers SACCOS	3. Bank Savings & Credit for Groups	Yes	Yes	Yes	FI product for exemption
	116	Azania Bank Ltd	Azania MoneyGram					Non FI product
	117	Azania Bank Ltd	Azania Western Union					Non FI product
	118	Azania Bank Ltd	Azania Mpesa					Non FI product
B. INSURANCE								
	1	SANLAM Life Assurance (T) Ltd	Family Finance Plan	5. Life Insurance	Yes	Yes	Yes	FI product for exemption
	2	SANLAM Life Assurance (T) Ltd	Microcredit life insurance	5. Life Insurance	Yes	Yes	Yes	FI product for exemption
	3	MO Assurance Co. Ltd	Tigo Pona, Mo Maisha, Tigo Farijika	5. Life Insurance	Yes	No	Yes	FI product for simplification of AML/CFT measures
	4	Alliance Life Insurance Ltd	Education Plan	7. Microinsurance	Yes	Yes	Yes	FI product for exemption
	5	Alliance Life Insurance Ltd	Life Plan	7. Microinsurance	Yes	Yes	Yes	FI product for exemption

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	6	Jubilee Life Insurance Corporation of Tanzania Ltd	Group Credit Life Assurance Cover	7. Microinsurance	Yes	Yes	Yes	FI product for exemption
	7	Jubilee Life Insurance Corporation of Tanzania Ltd	Jubilee Family Shield Cover	7. Microinsurance	Yes	Yes	Yes	FI product for exemption
	8	Bumaco Insurance Co. Ltd	Malaika Credit Cover	7. Microinsurance	Yes	No		FI product for simplification of AML/CFT measures
	9	Jubilee Insurance Co. Ltd	Bima Afya	7. Microinsurance	Yes	No	Yes	FI product for simplification of AML/CFT measures
	10	Phoenix of Tanzania Assurance Co. Ltd	Personal Accident	7. Microinsurance	Yes	No	Yes	FI product for simplification of AML/CFT measures
	11	Phoenix of Tanzania Assurance Co. Ltd	Fire and Special Perils Policy & Burglary	7. Microinsurance	Yes	No	Yes	FI product for simplification of AML/CFT measures
	12	UAP Insurance (T) Ltd.	Jikingo and UAP Family Kinga	7. Microinsurance	Yes	No	Yes	FI product for simplification of AML/CFT measures
	13	Metropolitan Tanzania Life Assurance Co. Ltd	Enhanced Credit Life	7. Microinsurance	Yes	Yes	Yes	FI product for exemption
	14	National Social Security Fund	Social Health Insurance Benefit	12. Health Insurance	Yes	Yes	Yes	FI product for exemption
C. SECURITIES								
	1	UTT AMIS	UTT Umoja Fund	8. Securities Investment (Collective Investment Schemes)	Yes	No	Yes	FI product for simplification of AML/CFT measures
	2	UTT AMIS	UTT Wekeza Maisha Fund	8. Securities Investment (Collective Investment Schemes)	Yes	Yes	Yes	FI product for exemption

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	3	UTT AMIS	UTT Watoto Fund	8. Securities Investment (Collective Investment Schemes)	Yes	Yes	Yes	FI product for exemption
	4	UTT AMIS	UTT Jikimu Fund	8. Securities Investment (Collective Investment Schemes)	Yes	No	Yes	FI product for simplification of AML/CFT measures
	5	UTT AMIS	UTT Liquid Fund	8. Securities Investment (Collective Investment Schemes)	Yes	No	Yes	FI product for simplification of AML/CFT measures
D. ELECTRONIC MONEY ISSUERS (Electronic Wallet - Savings, transfers, payment)(e.g. MNOs, banks, SELCOM)								
	1	Millicom Tanzania Mobile Solutions Ltd.	Tigo Pesa	9. Electronic Wallet	Yes	No	Yes	FI product for simplification of AML/CFT measures
	2	Airtel Money (T) Ltd.	Airtel Money	9. Electronic Wallet	Yes	No	Yes	FI product for simplification of AML/CFT measures
	3	Zantel Mobile Financial Services Solution Ltd.	Ezy Pesa	9. Electronic Wallet	Yes	No	Yes	FI product for simplification of AML/CFT measures
	4	Selcom (T) Ltd	Selcom card	9. Electronic Wallet	Yes	No	Yes	FI product for simplification of AML/CFT measures
	5	Airtel Money (T) Ltd.	Airtel Timiza	10. Mobile Savings and Credit	Yes	Yes	Yes	FI product for exemption
	6	M-Pesa (T) Ltd.	M-Pawa	10. Mobile Savings and Credit	Yes	No	Yes	FI product for simplification of AML/CFT measures
	7	M-Pesa (T) Ltd.	M-Pesa	9. Electronic Wallet	Yes	No	Yes	FI product for simplification of

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
								AML/CFT measures
	8	Viettel E-Commerce Ltd.	Halopesa Money Transfer Service	9. Electronic Wallet	Yes	No	Yes	FI product for simplification of AML/CFT measures
	9	Viettel E-Commerce Ltd.	Halopesa Cash-in Service		Yes	Yes	Yes	Service already covered
	10	Viettel E-Commerce Ltd.	Halopesa Cash-out Service		Yes	Yes	Yes	Service already covered
	11	Viettel E-Commerce Ltd.	Halopesa Airtime Purchase Service		Yes	No	Yes	Service already covered
	12	Viettel E-Commerce Ltd.	Halopesa Payment Service		Yes	No	Yes	Service already covered
E. PENSION FUNDS								
	1	PPF Pensions Fund	PPF - Wote scheme	11. Pension Scheme	Yes	No	Yes	FI product for simplification of AML/CFT measures
	2	PPF Pensions Fund	PPF DA Scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for exemption
	3	LAPF Pensions Fund	LAPF - LAPF scheme	11. Pension Scheme	Yes	No	Yes	FI product for simplification of AML/CFT measures
	4	National Health Insurance Fund	NHIF - NHIF scheme	11. Pension Scheme	Yes	No	Yes	FI product for exemption
	5	Ministry of Health	CHF - CHF scheme	11. Pension Scheme	Yes	No	Yes	FI product for exemption
	6	Zanzibar Social Security Fund	ZSSF - Voluntary scheme	11. Pension Scheme	Yes	No	Yes	FI product for simplification of AML/CFT measures
	7	Evangelical Lutheran Church of Tanzania	ELCT Retirement Scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for exemption
	8	Public Service Pensions Fund	PSPF Supplementary scheme	11. Pension Scheme	Yes	No	Yes	FI product for simplification of AML/CFT measures

Sector	No.	Service Provider	Product	Product Group	Targets the access of disadvantaged social groups to finance	Has or may have a low-level of ML/TF risk	Exemption or simplification exists or is planned	Implication
	9	National Social Security Fund	NSSF SACCOS Scheme	13. Pension Loan	Yes	Yes	Yes	FI product for exemption
	10	National Social Security Fund	NSSF Old Age Pension	11. Pension Scheme	Yes	Yes	Yes	FI product for exemption
	11	National Social Security Fund	NSSF Hiari scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	12	National Social Security Fund	NSSF Wakulima scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	13	National Social Security Fund	NSSF Wavuvi scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	14	National Social Security Fund	NSSF Madini scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for simplification of AML/CFT measures
	15	GEPF Retirement Benefits Fund	GEPF Voluntary Savings Retirement Scheme (VSRS)	11. Pension Scheme	Yes	Yes	Yes	FI product for exemption
	16	Medical Stores Department	MSD Wekeza Supplementary Scheme	11. Pension Scheme	Yes	Yes	Yes	FI product for exemption
GRAND TOTAL	165							

4.3. Financial Inclusion Products with Relevant Features

No.	Product (Group Representative Name)	Individual Product Name	Service Provider	Has Value Limits	Has Transaction Limits	Allows Anonymous Account Opening and Operations	Requires Face to Face Account Opening	Requires Face to Face Transactions	Has Limited Geographical Coverage	Has National Coverage	Can be Used for Cross Border Transactions	Can be Used by Non Citizens	Can be Used by Businesses /Legal Persons	Can be Used Through Agents
1	Savings Bank Account for Individuals	Savings Bomba	Akiba Commercial Bank Ltd	No	Yes	No	Yes	No	No	Yes	No	Yes	Yes	No
		Normal Savings Account	Mwanga Community Bank Ltd	No	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes
		Chap chap account	NMB (T) Plc	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes
		Hakika	Advans Bank (T) Ltd	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes
		Normal Savings Account	Mufindi Community Bank Ltd	No	Yes	No	Yes	No	No	No	No	Yes	No	Yes
		Young Champions Account	Mufindi Community Bank Ltd	No	Yes	No	Yes	Yes	No	No	No	Yes	No	Yes
		Senior Savings Account	China Commercial Bank	No	No	No	Yes	No	No	No	Yes	Yes	No	No
		Savings Account	Habib African Bank (T) Ltd	No	No	No	Yes	Yes	Yes	No	No	Yes	No	Yes
		TPB Popote	Tanzania Postal Bank	No	No	No	Yes	No	No	Yes	No	Yes	No	Yes
2	Bank Credit for Individuals and micro enterprises	Express loan	Advans Bank (T) Ltd	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes
		Micro loan	Advans Bank (T) Ltd	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes
		Asset Acquisition on Microloan	Mufindi Community Bank Ltd	No	Yes	No	Yes	No	No	No	No	No	Yes	Yes
		Business Loan	Mufindi Community Bank Ltd	No	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes
		Salary Loan	Mufindi Community Bank Ltd	No	No	No	Yes	Yes	Yes	No	No	Yes	No	Yes
		Student Loan	NIC Bank (T) Ltd	No	No	No	Yes	No	No	Yes	No	Yes	No	No
		Pre-Harvest Loan	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes
		Post-Harvest Loan	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
		Asset Finance Loan – 1	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
		Short Term Loan (Other)	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
		Asset Finance Loan – 2	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
		Medium Term Loan (Other)	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
		Youth Empowered Program	Tanzania Agricultural Development Bank	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes

No.	Product (Group Representative Name)	Individual Product Name	Service Provider	Has Value Limits	Has Transaction Limits	Allows Anonymous Account Opening and Operations	Requires Face to Face Account Opening	Requires Face to Face Transactions	Has Limited Geographical Coverage	Has National Coverage	Can be Used for Cross Border Transactions	Can be Used by Non Citizens	Can be Used by Businesses /Legal Persons	Can be Used Through Agents
3	Bank Savings & Credit for Groups	VICOBA group & individual	Akiba Commercial Bank Ltd	No	No	No	Yes	Yes	No	Yes	No	Yes	Yes	No
		Chama Account	Bank of Africa (T) Ltd	Yes	No	No	Yes	No	No	Yes	No	Yes	No	No
		Group Loans	Mwanga Community Bank Ltd	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No
		NMB Community Savings Account	National Microfinance Bank (T) Plc	No	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes
		Group Savings Account	Mufindi Community Bank Ltd	No	Yes	No	Yes	Yes	No	No	No	No	No	Yes
		Group Lending	Mufindi Community Bank Ltd	Yes	Yes	No	Yes	Yes	No	No	No	No	No	Yes
		Group Lending (VICOBA)	Twiga Bancorp Ltd	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Solidarity Group Loan	Mkombozi Commercial Bank Plc	Yes	No	No	Yes	No	No	Yes	No	No	No	No
		Savings Micro Accounts	Mkombozi Commercial Bank Plc	No	No	No	Yes	No	No	Yes	No	No	No	No
		Village Savings & Loans Association (VSLA)	Tanzania Postal Bank	No	No	No	Yes	No	No	Yes	No	No	No	Yes
		Loans to Tobacco Farmers SACCOS	Azania Bank Ltd	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No	No
4	Bank Payments and Transfer Services	Cash Popote	NBC Ltd	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes
5	Securities Investment (Collective Investment Schemes)	Umoja Fund	UTT AMIS	No	No	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
		Wekeza Maisha Fund	UTT AMIS	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes
		Watoto Fund	UTT AMIS	No	No	No	Yes	Yes	No	Yes	No	No	No	Yes
		Jikimu Fund	UTT AMIS	No	No	No	Yes	Yes	No	Yes	No	No	Yes	Yes
		Liquid Fund	UTT AMIS	No	No	No	Yes	Yes	No	Yes	No	No	Yes	Yes
6	Mobile Wallet	M-Pesa	M-Pesa (T) Ltd.	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes
		Halopesa Money Transfer Service	Viettel E-Commerce Ltd.	Yes	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes
		Tigo Pesa	Millicom Tanzania Mobile Solutions Ltd.	Yes	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes
		Airtel Money	Airtel Money (T) Ltd.	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes
		Ezy Pesa	Zantel Mobile Financial	Yes	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes

No.	Product (Group Representative Name)	Individual Product Name	Service Provider	Has Value Limits	Has Transaction Limits	Allows Anonymous Account Opening and Operations	Requires Face to Face Account Opening	Requires Face to Face Transactions	Has Limited Geographical Coverage	Has National Coverage	Can be Used for Cross Border Transactions	Can be Used by Non Citizens	Can be Used by Businesses /Legal Persons	Can be Used Through Agents
			Services Solution Ltd.											
		Selcom card	Selcom (T) Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes
7	Mobile Savings and Credit	M-Pawa	M-Pesa (T) Ltd.	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	No
		Airtel Timiza	Airtel Money (T) Ltd.	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	No
		Tigo Nivushe	Millicom Tanzania Mobile Solutions Ltd.	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	No
8	Pension Schemes	Wote scheme	PPF Pensions Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Deposit Administration Scheme	PPF Pensions Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Direct Contribution Scheme	LAPF Pensions Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Voluntary scheme	Zanzibar Social Security Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		PSPF Supplementary scheme	Public Service Pensions Fund	No	Yes	No	Yes	No	No	Yes	No	Yes	No	No
		Voluntary Savings Retirement Scheme	GEPR Retirement Benefits Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Wakulima Scheme	National Social Security Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Wavuvi Scheme	National Social Security Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Hiari Scheme	National Social Security Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
		Madini Scheme	National Social Security Fund	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
10	Health Insurance	Health Insurance for Private Groups of Entrepreneurs (KIKOA)	National Health Insurance Fund	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No	Yes
		Community Health Fund	Ministry of Health, Community Development, Gender, Elderly and Children	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No	Yes
		Social Health Insurance Benefit	National Social Security Fund	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No	Yes
		Bima Afya	Jubilee Insurance Co. Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
11	Loan Protection Insurance	Enhanced Credit Life	Metropolitan Tanzania Life Assurance Co. Ltd	Yes	Yes	No	Yes	Yes	No	Yes	No	No	Yes	Yes
		Malaika Credit Cover	Bumaco Insurance Co. Ltd	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
		Group Credit Life Assurance	Jubilee Life Insurance	No	No	No	Yes	Yes	Yes	Yes	No	Yes	No	Yes

No.	Product (Group Representative Name)	Individual Product Name	Service Provider	Has Value Limits	Has Transaction Limits	Allows Anonymous Account Opening and Operations	Requires Face to Face Account Opening	Requires Face to Face Transactions	Has Limited Geographical Coverage	Has National Coverage	Can be Used for Cross Border Transactions	Can be Used by Non Citizens	Can be Used by Businesses /Legal Persons	Can be Used Through Agents
		Cover	Corporation of Tanzania Ltd											
		Microcredit life insurance	SANLAM Life Insurance (T) Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
12	Personal Accident Insurance	Jikingo and UAP Family Kinga	UAP Insurance (T) Ltd.	No	No	No	Yes	Yes	No	Yes	No	Yes	No	Yes
		Personal Accident	Phoenix of Tanzania Assurance Co. Ltd	Yes	No	No	Yes	No	No	Yes	No	Yes	No	Yes
9	Education Plan	Education Plan	Alliance Life Assurance Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
	Life Insurance	Life Plan	Alliance Life Assurance Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
14	Funeral Plan	Jubilee Family Shield Cover	Jubilee Life Insurance Corporation of Tanzania Ltd	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	Yes
		Family Finance Plan	SANLAM Life Insurance (T) Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
16	Life & Hospitalisation Insurance	Tigo Pona, Mo Maisha, Tigo Farijika	MO Assurance Co. Ltd	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
13	Business Insurance	Fire and Special Perils Policy & Burglary	Phoenix of Tanzania Assurance Co. Ltd	Yes	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes
17	SACCOS	NSSF SACCOS Scheme	National Social Security Fund	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes

4.4. Financial Inclusion Products Survey Questionnaires

(i) Questionnaire to Banks

NATIONAL MONEY LAUNDERING AND TERRORIST FINANCING RISK ASSESSMENT FINANCIAL INCLUSION PRODUCTS IDENTIFICATION SURVEY

Kindly fill this form with the financial inclusion products that your institution provides to its customers.

What is Financial Inclusion?

Financial inclusion is the process of ensuring access to formal financial services on a timely manner at an affordable cost by low income and underserved groups. In other words, financial inclusion is the process of facilitating those sectors and segments of the population that are outside the formal financial system, to become a part of the formal financial system. A product in the context of financial inclusion includes a product such as a basic bank account, a service or a delivery channel.

Please note also that the information provided will not be used for any purpose other than the National Money Laundering and Terrorist Financing Risk Assessment.

1. Name of Institution: _____
2. Does your institution have any financial inclusion products? (Yes/No): _____
3. If you answered “No” to question 2 above, please mark (✓) the correct reason/reasons for non-availability of a financial inclusion products in your institution (select all that apply).

1	Not in line with our business model	
2	Products are high risk	
3	Difficult to reach customers	
4	Difficult to carry out customer due diligence	
5	My institution is not clear on objectives of Financial inclusion	
6	Other (Please specify): _____ _____	

4. If you answered “Yes” to question 2, please fill the table below with all financial inclusion products in your institution. *(Please note that information in the first row is provided as an example. You may insert more rows into the table if your institution has many financial inclusion products).*

S/ N	Name of the Financial Inclusion Product	Description <i>(state what the service is intended for and how it is operated)</i>	Type of the Financial inclusion Product <i>(state if it is a payment, savings, insurance, security, pension etc)</i>	Institution offering the product <i>(the name of the institution offering the service)</i>	Contact officer	Brief description of the financial inclusion product: <i>Tick the relevant box if the answer is YES and X if the answer is NO: Any other information please provide on extra sheet</i>										
						Has Value limits	Has transac tion limit	Allows Anonymo us account opening and operation s	Requires face-to- face account opening	Requir es face- to-face transa ctions	Has limited geographi cal coverage	Has nation al covera ge	Can be used for cross border transact ions	Can be used by non- citizens	Can be used by Busines ses/lega l persons	Can be used throu gh bank agent s
1.	Habana Haba	This is a savings products targeted small/micro account holders. It is operated through account opening at agents outlets or physical submission of information at bank branch	Savings	XYZ Bank	Mr P.T Mali	Yes (3 Mln only)	Yes (Not exceed ing 3 Mln)	No	Yes (At agents oulet or branch submissio n of KYC document s)	No	No	Yes (availb ale in all our branch and agent networ k)	No	Yes (all legal resident are permiss able)	X	Yes (our certif ied agent s can offer this servi ce by on- line depo sits)
2.																

(ii) Questionnaire to Insurance Companies

NATIONAL MONEY LAUNDERING AND TERRORIST FINANCING RISK ASSESSMENT FINANCIAL INCLUSION PRODUCTS IDENTIFICATION SURVEY

Kindly fill this form with the financial inclusion products that your institution provides to its customers.

What is Financial Inclusion?

Financial inclusion is the process of ensuring access to formal financial services on a timely manner at an affordable cost by low income and underserved groups. In other words, financial inclusion is the process of facilitating those sectors and segments of the population that are outside the formal financial system, to become a part of the formal financial system. A product in the context of financial inclusion includes a product such as a micro insurance product, a service or a delivery channel.

Please note also that the information provided will not be used for any purpose other than the National Money Laundering and Terrorist Financing Risk Assessment.

1. Name of Institution: _____
2. Does your institution have any financial inclusion products? (Yes/No): _____
3. If you answered "No" to question 2 above, please mark (✓) the correct reason/reasons for non-availability of a financial inclusion products in your institution (select all that apply).

1	Not in line with our business model	
2	Products are high risk	
3	Difficult to reach customers	
4	Difficult to carry out customer due diligence	
5	My institution is not clear on objectives of Financial inclusion	
6	Other (Please specify): _____ _____	

4.If you answered “Yes” to question 2, please fill the table below with all financial inclusion products in your institution. *(Please note that information in the first row is provided as an example. You may insert more rows into the table if your institution has many financial inclusion products).*

S/ N	Name of the Financial Inclusion Product	Description <i>(state what the service is intended for and how it is operated)</i>	Type of the Financial inclusion Product <i>(state if it is a payment, savings, insurance, security, pension etc.)</i>	Contact officer	Brief description of the financial inclusion product: <i>Insert the relevant answer (Yes or No), with a brief explanation if necessary. Please provide long answers on an extra sheet of paper.</i>										
					Has Value limits	Has transaction limits	Allows Anonymous client onboarding and operations	Requires face-to-face contact upon client onboarding	Requires face-to-face transactions	Has limited geographical coverage	Has national coverage	Is the product available across borders ?	Is the product available to non-citizens ?	Is the product available to Businesses/legal persons ?	Can the product be delivered by agents/brokers?
1	Habana Haba insurance	This is a micro insurance product targeting the low income group or small/micro enterprises. It is operated through insurance agents/brokers/company.	insurance	Mr P.T. Mali (0786-111111)	Yes (TZS 3 Mln only)	Yes (Not exceeding TZS 1 Mln)	No	Yes (At agent/broker/branch on submission of KYC documents)	No	No	Yes (available at all our branch, broker and agent network)	No	Yes (all legal residents are welcome)	No	Yes (our certified agents can offer this product by on-line deposits)
2.															

(iii) Questionnaire to Mobile Money Service Providers

**NATIONAL MONEY LAUNDERING AND TERRORIST FINANCING RISK ASSESSMENT
FINANCIAL INCLUSION PRODUCTS IDENTIFICATION SURVEY**

Kindly fill this form with the financial inclusion products that your institution provides to its customers.

What is Financial Inclusion?

Financial inclusion is the process of ensuring access to formal financial services on a timely manner at an affordable cost by low income and underserved groups. In other words, financial inclusion is the process of facilitating those sectors and segments of the population that are outside the formal financial system, to become a part of the formal financial system. A product in the context of financial inclusion includes a product such as “XYZ” Pesa/Payment service/Micro Insurance/Savings/Loan/..., any other service or a delivery channel.

Please note also that the information provided will not be used for any purpose other than the National Money Laundering and Terrorist Financing Risk Assessment.

1. Name of Institution: _____
2. Does your institution have any financial inclusion products? (Yes/No): _____
3. If you answered “No” to question 2 above, please mark (√) the correct reason/reasons for non-availability of a financial inclusion products in your institution (select all that apply).

1	Not in line with our business model	
2	Products are high risk	
3	Difficult to reach customers	
4	Difficult to carry out customer due diligence	
5	My institution is not clear on objectives of Financial inclusion	
6	Other (Please specify): _____ _____	

4. If you answered “Yes” to question 2, please fill the table below with all financial inclusion products in your institution. *(Please note that information in the first two rows is provided as an example. You may insert more rows into the table if your institution has many financial inclusion products).*

S/ N	Name of the Financial Inclusion Product	Description <i>(state what the service is intended for and how it is operated)</i>	Type of the Financial inclusion Product <i>(state if it is a payment, savings, insurance, security, pension etc.)</i>	Contact officer	Brief description of the financial inclusion product: <i>Insert the relevant answer (Yes or No), with a brief explanation if necessary. Please provide long answers on an extra sheet of paper.</i>										
					Has Value limits	Has transaction limits	Allows Anonymous client onboarding and operations	Requires face-to-face contact upon client onboarding	Requires face-to-face transactions	Has limited geographical coverage	Has national coverage	Is the product available across borders?	Is the product available to non-citizens?	Is the product available to Businesses/legal persons?	Can the product be delivered by agents?
1.	Habana Haba insurance	This is a micro insurance product targeting the low income group or small/micro enterprises. It is operated through insurance agents/brokers/company.	insurance	Mr P.T. Mali (0786-111111)	Yes (TZS 3 Mln only)	Yes (Not exceeding TZS 1 Mln)	No	Yes (At agent/broker/branch on submission of KYC documents)	No	No	Yes (available at all our branch, broker and agent network)	No	Yes (all legal residents are welcome)	No	Yes (our certified agents can offer this product by on-line deposits)
2.															

(iv) Questionnaire to Securities Companies

**NATIONAL MONEY LAUNDERING AND TERRORIST FINANCING RISK ASSESSMENT
FINANCIAL INCLUSION PRODUCTS IDENTIFICATION SURVEY**

Kindly fill this form with the financial inclusion products that your institution provides to its customers.

What is Financial Inclusion?

Financial inclusion is the process of ensuring access to formal financial services on a timely manner at an affordable cost by low income and underserved groups. In other words, financial inclusion is the process of facilitating those sectors and segments of the population that are outside the formal financial system, to become a part of the formal financial system. A product in the context of financial inclusion includes a product such as a fund under a certain Collective Investment Scheme, a service or a delivery channel.

Please note also that the information provided will not be used for any purpose other than the National Money Laundering and Terrorist Financing Risk Assessment.

1. Name of Institution: _____
2. Does your institution have any financial inclusion products? (Yes/No): _____
3. If you answered "No" to question 2 above, please mark (√) the correct reason/reasons for non-availability of a financial inclusion products in your institution (select all that apply).

1	Not in line with our business model	
2	Products are high risk	
3	Difficult to reach customers	
4	Difficult to carry out customer due diligence	
5	My institution is not clear on objectives of Financial inclusion	
6	Other (Please specify): _____ _____	

4.If you answered “Yes” to question 2, please fill the table below with all financial inclusion products in your institution. *(Please note that information in the first two rows is provided as an example. You may insert more rows into the table if your institution has many financial inclusion products).*

S/ N	Name of the Financial Inclusion Product	Description <i>(state what the service is intended for and how it is operated)</i>	Type of the Financial inclusion Product <i>(state if it is a payment, savings, insurance, security, pension etc.)</i>	Contact officer	Brief description of the financial inclusion product: <i>Insert the relevant answer (Yes or No), with a brief explanation if necessary. Please provide long answers on an extra sheet of paper.</i>										
					Has Value limits	Has transaction limits	Allows Anonymous client onboarding and operations	Requires face-to-face contact upon client onboarding	Requires face-to-face transactions	Has limited geographical coverage	Has national coverage	Is the product available across borders ?	Is the product available to non-citizens ?	Is the product available to Businesses/legal persons ?	Can the product be delivered by agents?
1	XYZ Fund	Investment/ Insurance Scheme	Collective Investment scheme	Mr. P.T. Mali (0786-111111)	No	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes
2.															

4.5. Financial Inclusion Group Participants

No.	Name of Organisation	Number of Participants
1	Bank of Tanzania	2
2	Tanzania Bankers Association	1
3	Financial Intelligence Unit	1
4	Social Security Regulatory Authority	2
5	President's Office, Regional Administration and Local Government	1
6	Tanzania Communications Regulatory Authority	1
7	Tanzania Investment Centre	1
8	Zanzibar Investment Promotion Authority	1
9	Ministry of Finance and Planning	2
10	Ministry of Finance, Zanzibar	1
11	Office of Chief Government Statistician, Zanzibar	1
12	Zanzibar Bureau of Standards	1
13	Ministry of Communication, Science and Technology	1
14	Ministry of Empowerment, Social Welfare, Youth, Women and Children, Zanzibar	1
	TOTAL SUBGROUP PARTICIPANTS	17