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Laws

Regulations

2009

The Anti-Money Laundering and Proceeds of Crime Act NO.10 Of 2009

The United Republic of Tanzania

Ministry of Finance

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**THE ANTI MONEY LAUNDERING AND PROCEEDS OF CRIME ACT
(NO.10 OF 2009)**

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**THE ANTI MONEY LAUNDERING AND PROCEEDS OF
CRIME ACT, NO.10 OF 2009
REGULATIONS**

(Made under section 87)

L.N 70 of 2015 **IN EXERCISE** of powers conferred upon me under section 87 of the Anti Money Laundering and Proceeds of the Crime Act, No. 10 of 2009, **I, OMAR YUSSUF MZEE**, Minister for Finance do hereby make the following Regulations:

**PART I
PRELIMINARY PROVISIONS**

Short title
and
Commen-
ement.

1. These Regulations may be cited as the Anti-Money Laundering and Proceeds of Crime Regulations 2015, and shall come into force upon being signed by the Minister.

Interpreta-
tion.

2. In these Regulations, unless the context requires otherwise:

"Act" means the Anti-Money Laundering and Proceeds of Crime Act No.10 of 2009;

"Applicant" means a person seeking to form a business relationship, or to carry out a one - off transaction, with a reporting institution;

"bearer negotiable instrument" means the following instruments in bearer form the delivery of which, with or without endorsement, passes title: bank drafts, promissory notes, cheques, money orders, and travelers' cheques, bearer bonds, postal orders;

"business relationship" means an arrangement between a customer and a reporting person, where the purpose or effect of the arrangement is to facilitate the carrying out of transaction between the customer and the reporting person on a one-off, frequent, habitual or regular basis;

"cross border transportation" means any physical transportation of currency or bearer negotiable instrument from Zanzibar to another country or vice versa; The term includes:

- (a) physical transportation by natural person, or in that person's accompanying luggage or vehicle;
- (b) shipment of currency or bearer negotiable instrument through containerized cargo; or
- (c) the mailing of currency or bearer negotiable instrument by natural or legal person.

"Currency" means the coin and printed money, local or foreign, that is designated as legal tender and circulates as, and is customarily used and accepted as a medium of exchange in the country of issue.

"customs officer" means any officer employed in the service of customs or any police or immigration officer performing duties in relation to the customs at a particular exit and entry point.

"Designated person" means a person who is appointed to report any suspicious transaction under section 13 of the Act;

"Financial Intelligence Unit" in its acronym FIU, means a Unit responsible for financial intelligence as established under section 6A of the Act;

"false declaration" means misrepresentation of the value of currency or bearer negotiable instrument being transported, or misrepresentation of other relevant data which is required for submission in the declaration or otherwise requested by the authorities.

"Guidelines" in relation to procedure, means guidelines issued by the FIU under section 6A of the Act;

"know your customer" in its acronym KNY, means requirements consisting of obtaining full particulars of the customer's identity and having a

sound knowledge of the purpose for which the customer is seeking to establish a business relationship with a reporting institution;

"market" means a currency exchange rate as applied in any recognized commercial sources;

"Executive Director" means the Executive Director of Business and Property Registration Agency and includes an officer authorized by him to act on his behalf;

"seizure" has the meaning as prescribed to it under the Act;

PART II INFORMATION AND VERIFICATION OF CUSTOMER'S INFORMATION

Information
Concerning
citizens.

3.-(1) Where a reporting person is dealing with an individual who is a citizen of United Republic of Tanzania, shall be required to obtain from such person the following particulars:

- (a) full names and residential address;
- (b) date and place of birth;
- (c) voters registration card, Zanzibar Identity card or national identity card or in the absence of such particular, a passport, birth certificate or driving license;
- (d) an introductory letter from relevant authority such as employer or local government;
- (e) employee identity card with an introductory letter from employer;
- (f) tax identification number, if such a number has been issued to that person;

- (g) a telephone number, fax number, postal and email address;
- (h) customer residential address including important landmark close to the prospective customer's residence;
- (i) where the customer is a student:
 - (i) an introductory letter from the customer's institution signed by the head of the institution or a representative of the head of institution;
 - (ii) the student's identity card;
 - (iii) nature of business activity;
 - (iv) signature and thumb print;
 - (v) utility bills, where applicable.

(2) In case a reporting person is aware or ought reasonably to be aware that the person referred to in sub regulation (1) of this Regulation does not have the legal capacity to establish a business relationship or conclude a single transaction without the assistance of another person, the reporting person shall, in addition to obtaining the particulars referred to in sub Regulation (1) of this Regulation, obtain from the person rendering assistance:

- (a) full names and residential address;
- (b) date and place of birth;
- (c) tax identification number, if such a number has been issued to that person;
- (d) a telephone number, fax number, postal and email address;

- (e) residential address including important landmark close to his residence;
- (f) nature of business relationship with the person he is helping; and
- (g) signature and thumb print.

(3) Where the reporting person is taking finger prints under these Regulations, shall use ink and pad of such quality as to enable the capturing of thumb prints.

(4) The thumb prints shall be taken in the following sequence:

- (a) where that person has both hands, right hand thumb, then the left hand thumb shall be captured;
- (b) where that person has no right hand thumb, then the left hand thumb shall be captured;
- (c) in case that person does not have both thumbs, then the next available finger shall be used, starting with the right pointing finger; and
- (d) in case that person does not have fingers, the reporting person may take palm or toes print.

(5) In case that person lacks both hands and feet, then an exceptional approval from the management of the reporting person shall be obtained after recording such situation.

(6) Where a reporting person is capable of using electronic form in capturing or storing finger prints, he shall be allowed.

(7) In determining the verification of identities under this Regulation, the reporting person shall take into account guidelines for the verification of identities applicable to the reporting person.

4.-(1) A reporting person shall verify the full names, date and place of birth and tax identification number of an individual referred to in Regulation 3(1) (a),(b) or (c) or 3(2) (a), (b) or (c) of these Regulations by comparing these particulars with:

- (a) an identification document of that person; or
- (b) in the case where that person is, for a reason that is acceptable to the reporting person, unable to produce an identification document, another document issued to that person, which taking into account any guidelines concerning the verification of identities which may apply to that reporting person, is acceptable to the reporting person and bears:
 - (i) passport size of that person;
 - (ii) that person's full names or initials and surname;
 - (iii) that person's date and place of birth, and
- (c) any other particulars with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

(2) A reporting person shall verify the tax identification number referred to under Regulation 3(1) (g) of these Regulations by comparing this number with a document issued by the Tanzania Revenue Authority bearing such a number and the name of the respective person.

(3) A reporting person shall verify the residential address referred to Regulation 3(1)(a) or 3(2)(a) of these Regulations by comparing these particulars with information which may reasonably be expected to achieve such verification and is obtained by practical means, taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

Information concerning non-citizen.

5.-(1) A reporting person shall obtain from, or in respect of, an individual who is not a citizen of United Republic of Tanzania, that person's:

- (a) full names and residential address;
- (b) date and place of birth;
- (c) nationality;
- (d) passport;
- (e) visa;
- (f) travel document, resident permit or driving license;
- (g) tax identification number, if such number has been issued to that person;
- (h) telephone number, postal and email address; and
- (i) signature and thumb print.

(2) In case a reporting person is aware or ought reasonably to be aware that the person referred to in sub-regulation (1) of this Regulation, does not have the legal capacity to establish a business relationship or conclude a single transaction without the assistance of another person, the reporting person shall, in addition to obtaining the particulars referred to in sub regulation (1) of this Regulation, obtain from the person rendering assistance:

- (a) full names and residential address;
- (b) date and place of birth;
- (c) nationality;
- (d) passport;
- (e) visa;

- (f) tax identification number, if such number has been issued to that person;
- (g) signature and thumb print; and
- (h) telephone number, postal and email address.

6.-(1) A reporting person shall verify the particulars obtained in terms of Regulation 5(1)(a), (b),(c), (d) and (e) or 5(2)(a),(b),(c), (d)and (e) of these Regulations, from or in respect of an individual who is not a citizen of United Republic of Tanzania by comparing those particulars with an identification document of that person.

Verification
of
Information
concerning
non-
citizens.

(2) A reporting person shall verify the tax identification number obtained in terms of Regulation 5(1)(f) and 5(2)(f) of these Regulations from or in respect of an individual who is not a citizen of United Republic of Tanzania, by comparing those particulars with a document issued by the Tanzania Revenue Authority bearing such a number.

(3) Notwithstanding the provisions of sub-regulations (1) and (2) of this Regulation, a reporting person may verify any of the particulars referred to in sub- regulation (1) or (2) of this Regulation with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any Guidelines concerning the verification of identities which may apply to that reporting person.

(4) Where a reporting person doubts the authenticity of a non-citizen's passport or identity document and the person is a prospective client, the reporting person shall seek information from:

- (a) embassy;
- (b) consular officer of the prospective customer's country; or
- (c) immigration office.

(5) Where a reporting person doubts the authenticity of visa, the reporting person shall seek information from the immigration office.

Information
Concerning
Local
entities.

7. A reporting person shall obtain from an individual acting or purporting to act on behalf of a local entity with which it is establishing a business relationship or concluding a single transaction:

- (a) the registered name of the entity;
- (b) the registered address of the entity;
- (c) the trade name under which the entity conducts business;
- (d) a copy of the latest audit report and accounts of the entity;
- (e) a copy of financial statement;
- (f) latest annual report duly certified by the Executive Director;
- (g) the address from which the entity operates;
- (h) for multiple addresses:
 - (i) the address of the office seeking to establish a business relationship or to enter into a single transaction with the reporting person; and
 - (ii) the address of its head office and branches if any;
- (i) the full names, date and place of birth and tax identification number, referred to in Regulation 3(1)(a),(b) and (c) of these Regulations or full names, date and place of birth and name of the country referred to in Regulation 5(1)(a),(b) and (c) of these Regulations as may be applicable, concerning:
 - (i) the manager of the entity;
 - (ii) each individual who purports to be authorized to establish a business relationship or to enter into a transaction with the reporting person on behalf of the entity; and

(iii) the individual, partnership or trust holding 5% or more of the voting rights at a general meeting of the entity concerned.

(j) the residential address and contact particulars of:

(i) the Directors;

(ii) each individual or entity holding 5% or more of the voting rights at a general meeting of the entity concerned; and

(iii) each individual who purports to be authorized to establish a business relationship or to entering to a transaction with reporting person on behalf of the entity.

8. A reporting person shall verify the particulars obtained in respect of a local entity in terms of Regulation 7 of these Regulations by comparing:

Verification
of
Information
concerning
local
entities.

(a) the registered name, registration number and registered address referred to in Regulation 7(a), (b) and (c) of these Regulations with the most recent Memorandum and Articles of Association and the Certificate of Incorporation attested by the Executive Director;

(b) the trade name and business address referred to in Regulation 7(d) and (f) of these Regulations with information which can reasonably be expected to achieve such verification and is obtained by practical means, taking into account any Guidelines concerning the verification of identities which may apply to that reporting person;

(c) the particulars referred to in regulation 7(g) and (h) of these Regulations with information obtained in accordance with Regulations 4(1)6(1) and 6(3), (a), (b) and (e) of these Regulations, as maybe applicable;

- (d) resolution of the Board of Directors and power of Attorney granted to its manager, officer or employees to transact on its behalf;
- (e) the tax identification number with documents issued by the Tanzania Revenue Authority bearing such number;
- (f) extract from the Register issued by the Executive Director; and
- (g) any other particulars which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any Guidelines concerning the verification of identities which may apply to that reporting person.

Information
Concerning
foreign
entities.

9. A reporting person shall obtain from an individual acting or purporting to act on behalf of the foreign entity with which it is establishing a business relationship or concluding a single transaction:

- (a) the name under which it was incorporated;
- (b) the number under which it was incorporated;
- (c) the address where it is situated for purposes of its incorporation;
- (d) the name under which it conducts business in the country where it is incorporated;
- (e) the name under which it conducts business in Zanzibar;
- (f) the address from which it operates in the country where it was incorporated, or if it operates from multiple addresses the address of its head office;
- (g) the address from which it operates in Zanzibar, or if it operates from multiple addresses the address of the office

seeking to establish a business relationship or enter into a single transaction with the reporting person;

- (h) the tax identification number of the entity, if such number was issued to that entity;
- (i) Zanzibar Investment Promotion Authority Certificate where applicable;
- (j) Compliance Certificates issued by the Executive Director;
- (k) resolution of the Board of Directors and power of Attorney granted to its manager, officer or employees to transact on its behalf;
- (l) the full names, date and place of birth and tax identification number referred to in Regulation 3(1)(a), (b) and (g) of these Regulations or full names, date and place of birth and name of the country, referred to in Regulation 5(1)(a), (b) and (f) of these Regulations, as may be applicable, concerning:
 - (i) the manager in respect of its affairs in Zanzibar; and
 - (ii) each individual who purports to be authorized to establish a business relationship or to enter into a transaction with the reporting person on behalf of the foreign entity;
- (m) each individual, entity, partnership or trust holding 5% or more of the voting rights in the foreign entity.
- (n) telephone number, fax number, residential, postal and email address, of:
 - (i) the manager in respect of its affairs in Zanzibar;
 - (ii) each individual or entity holding 5% or more of the voting rights in the entity; and

- (iii) each individual who purports to be authorized to establish a business relationship or to enter into a transaction with the reporting person on behalf of the entity.

Additional
Information
concerning
Foreign
entities.

10.-(1) A reporting person who establishes a business relationship with a foreign entity, shall in addition to the information obtained in accordance with Regulation 9 of these Regulations:

- (a) gather information about the foreign entity to understand the nature of its business to determine:
 - (i) the reputation of the entity;
 - (ii) the quality of supervision of the entity;
 - (iii) whether the entity has been subject to money laundering or terrorist financing investigation or regulatory action; and
- (b) assess the foreign entity's Anti-Money Laundering and counter Terrorist Financing control to determine whether they are effective.

(2) An officer of a reporting person shall obtain approval from senior management before establishing a business relationship with a foreign entity.

Verification
of
particular
Concerning
foreign
entities.

11.-(1) A reporting person shall verify the particulars obtained in respect of a foreign entity by comparing the particulars with an official document issued by an authority for recording the incorporation of entities in the country of incorporation of the foreign entity, as evidence of incorporation.

(2) Notwithstanding the provision of sub-regulation (1) of this Regulation the reporting person shall, when verifying information concerning the entity, take into account Guidelines concerning the verification of identities which may apply to that entity.

12. A reporting person shall obtain from an individual acting or purporting to act on behalf of a partnership with which it is establishing a business relationship or concluding a single transaction:

Information concerning Partnership.

- (a) the name of the partnership;
- (b) the full names, date and place of birth and tax identification number, referred to in Regulation 3(1)(a), (b) and (g) of these Regulations, full names, date and place of birth, and name of the country referred to in Regulation 5(1)(a), (b) and (f) of these Regulations, registered name, registration number, registered address, trade name and business address referred to in Regulation 7(a), (b), (c) and (d) of these Regulations, as may be applicable, concerning:
 - (i) every partner;
 - (ii) the person who exercises executive control over the partnership; and
 - (iii) each individual who purports to be authorized to establish a business relationship or to enter into a transaction with the reporting person on behalf of the partnership.

13. A reporting person shall verify the particulars obtained in respect of partnership in terms of Regulation 12 of these Regulations, by comparing:

Verification of Information concerning Partnership.

- (a) the name of the partnership referred to in Regulation 12(a) of these Regulations, with the partnership agreement in terms of which the partnership was formed;
- (b) the particulars referred to in Regulation 12(b) with information obtained in accordance with Regulations 4(1), 6(1) and (3) or 8(a), (b) and (e) or 15(1) (a) and (d) of these Regulations, as may be applicable; and

- (c) any of these particulars with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any Guidelines concerning the verification of identities which may apply to that reporting person.

Information
Concerning
Trusts.

14. A reporting person shall obtain from an individual acting or purporting to act on behalf of a trust with which it is establishing a business relationship or concluding a single transaction:

- (a) the identifying name and number of the trust;
- (b) the address of the Authority where the trust is registered;
- (c) the tax identification number of the trust, if such a number was issued to that trust;
- (d) full names, date and place of birth, referred to in Regulation 3(1)(a) and (b) of these Regulations, full names, date and place of birth and name of the country referred to in Regulation 5(1)(a), (b) and (c) of these Regulations, registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c), (d) and (e) of these Regulations;
- (e) name referred to in Regulation 12(a) of these Regulations, as may be applicable, concerning-
 - (i) each trustee of the trust; and
 - (ii) each individual who purports to be authorized to establish a business relationship or to enter into a transaction with the reporting person on behalf of the trust;
- (f) the full names, date and place of birth, referred to in Regulation 3(1)(a) and (b) of these Regulations, full names, date and place of birth and name of the country referred to in regulation

5(1)(a), (b) and (c) of these Regulations, registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c), (d) and (e) of these Regulations, names, numbers and addresses referred to in regulation 9(a), (b) and (c) of these Regulations, name referred to in Regulation 12(a) of these Regulations, as may be applicable, concerning each beneficiary of the trust referred to by name in the trust deed or other founding instrument in terms of which the trust was created;

- (g) the full names, date and place of birth, referred to in Regulation 3(1)(a) and (b) of these Regulations; full names, date and place of birth and name of the country referred to in regulation 5(1)(a), (b) and (c) of these Regulations; registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c), (d) and (e) of these Regulations; names, numbers and addresses referred to in regulation 9(a), (b) and (c) of these Regulations; and name referred to in regulation 12(a) of these Regulations, as may be applicable, concerning the founder of the trust;
- (h) the telephone number, fax number, residential postal and email address of:
 - (i) each trustee of the trust;
 - (ii) each individual who purports to be authorized to establish a business relationship or to enter into a transaction with the reporting person on behalf of the trust;
 - (iii) each beneficiary of the trust referred to by name in the trust deed or other founding instrument establishing the trust; and
 - (iv) the founder of the trust.

15. A reporting person shall verify the particulars obtained in respect of a trust in terms of Regulation 14 of these Regulations by comparing: Verification
of

Information
Concerning
Trusts.

- (a) the name and other particulars referred to in Regulation 14(a) and (f) of these Regulations; with the trust deed or other founding instruments establishing the trust and the particulars referred to in Regulation 14(d), (e) or (f) of these Regulations; with information obtained in accordance with Regulation 4(1), 6(1) and (3), 8(a), (b) and (c) and 13(c) of these Regulations, as may be applicable and:
 - (i) in the case of a trust created in Zanzibar, the authorization given by the Executive Director, to each trustee of the trust to act in that capacity; or
 - (ii) in the case of a trust created outside Zanzibar, an official document which reflects these particulars issued by an authority in the country where the trust is created which administers or oversees laws relating to trusts in that country.
- (b) the address referred to in Regulation 14(b) of these Regulations, with the authorization given by the Authority to each trustee of the trust to act in that capacity;
- (c) the tax identification number of the trust referred to in regulation 14(c) of these Regulations, with a document issued by the Tanzania Revenue Authority or any other relevant authority bearing such a number; and
- (d) any other particulars which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any Guidelines concerning the verification of identities which may apply to that reporting person.

Death of
Individual
or non-
existence
of an
individual,
entity,
Partnership
or trust.

16. Where an individual, entity, partnership or trust referred to in this Part dies or ceases to exist, a reporting person shall verify the particulars referred to in this Regulation by comparing those particulars with information which can reasonably be expected to achieve such verification and is obtained by practical means, taking into account any Guidelines concerning the verification of identities which may apply to that reporting person.

**PART III
RULES ON IDENTIFICATION**

17. Each reporting person shall maintain identification procedures that:
- General
rules on
Identifica-
tion.
- (a) require the satisfactory production of evidence of the identity of a person before a reporting person establishes a business relationship with that person;
 - (b) take into account the suspicion of money laundering or the financing of terrorism where a prospective customer of the reporting person is not physically present during the identification process;
 - (c) the business relationship or single transaction should not be continued where the reporting person is unable to obtain satisfactory evidence of the prospective customer's identity;
 - (d) identify the third person who acts on behalf of the customer;
 - (e) allow a reporting person to obtain information on the purpose and intended nature of a business relationship;
 - (f) require a reporting person to conduct ongoing due diligence by scrutinizing transactions undertaken throughout the course of the business relationship to ensure that
 - (i) the transactions being conducted are consistent with the reporting person's knowledge of the client;
 - (ii) the business and risk profile of the customer are contained; and
 - (iii) the customer's source of funds are investigated;
 - (g) ensure that information collected under the customer due diligence process is updated.

Mainten-
ance of
Correct-
ness of
particulars.

18. A reporting person shall take reasonable steps, taking into account any Guidelines concerning the verification of identities which may apply to that reporting person in respect of an existing business relationship, to maintain the correctness of particulars as provided under these Regulations.

**PART IV
REPORTING OF SUSPICIOUS TRANSACTIONS,
CURRENCY TRANSACTIONS, CROSS BORDER
TRANSPORTATION OF CURRENCY AND ELECTRONIC
FUNDS TRANSFER.**

Manner of
reporting.

19. A report made under sections 6A (2), 12 and 18 of the Act shall be made in accordance with the format and in such a manner as may be prescribed by the Financial Intelligence Unit (FIU) Guidelines.

Content of
the report.

20. A report under section 12 of the Act shall:

- (a) contain a full description of the suspicious transaction, including the reasons why it is deemed to be suspicious;
- (b) contain action the reporting person has taken in connection with the suspicious transaction concerning which the report is made; and
- (c) contain copies of supporting documents if available in respect of the suspicious transaction concerning which the report is made.

Establish-
ment
of
procedures
for
recognizing
and
reporting
Suspicious
Transaction.

21.-(1) A reporting person shall establish written internal reporting procedures which, in relation to its relevant business, shall:

- (a) enable all its directors or partners as the case may be, all other persons involved in its management and staff to know to whom they should report any knowledge or suspicion of money laundering and terrorist financing activities;
- (b) designate a Money Laundering Reporting Officer to whom

a report shall be made of any information or other matter which comes to the attention of the person handling that business and which in that person's opinion give rise to knowledge or suspicion that another person is engaged in money laundering and terrorist financing;

- (c) ensure that there is a clear reporting chain under which suspicious money laundering and terrorist financing activities are passed to the Money Laundering Reporting Officer;
- (d) require the Money Laundering Reporting Officer to consider any report in the light of other relevant information available to him for the purpose of determining whether or not it gives rise to knowledge or suspicion of money laundering and terrorist financing;
- (e) ensure that the Money Laundering Reporting Officer has reasonable access to any other information which may be of assistance to him and which is available to the reporting person; and
- (f) require that the information or other matter contained in a report is disclosed promptly to the reporting person where the Money Laundering Reporting Officer knows or suspects that another person is engaged in money laundering and terrorist financing.

(2) The Money Laundering Reporting Officer designated under sub regulation 1(b) of this Regulation shall be a Senior Officer to be able to liaise between the Management and other staff on matters related to money laundering and terrorist financing.

(3) A reporting person shall maintain a register of all reports made to the Money Laundering Reporting Officer in pursuance of sub-regulation (1)(f) of this Regulation.

(4) The register maintained under sub-regulation (3) shall contain details of the date on which the report was made, the person who made the

report, the amount and type of currencies involved and any other information that may help prove or clarify grounds of suspicion.

Reporting of suspicious transactions by reporting persons.

22.-(1) A reporting person shall pay special attention to all complex, unusual or large business transactions, currency transaction reports, cross border currency reports and electronic funds transfer reports, whether completed or not and to all unusual patterns of transactions and to insignificant but periodic transactions, which have no apparent economic or lawful purpose.

(2) Upon reasonable suspicion that the transaction described in sub-regulation (1) of this Regulation may constitute or be related to money laundering or terrorist financing, a reporting person shall promptly report the suspicious transaction to the FIU.

Information to be reported in respect of transactions.

23. A report made under sections 6A(2) and 12 of the Act, shall contain the following information :

- (a) date and time of the transaction, or, in case of a series of transactions the period over which the transactions were conducted;
- (b) type of funds or property involved;
- (c) amount or value of property involved;
- (d) currency in which the transaction was conducted;
- (e) method in which the transaction was conducted;
- (f) method in which the funds or properties were disposed of;
- (g) amount disposed;
- (h) currency in which the funds were disposed of;
- (i) purpose of the transaction;
- (j) names of other institutions or persons involved in the transaction;

- (k) bank account numbers in other institution involved in the transaction;
- (l) the name and identifying number of the branch or office where the transaction was conducted; and
- (m) any remarks, comments or explanation which the person conducting the transaction may have made or given in relation to the transaction.

24.-(1) When a reporting person makes a report concerning property associated with terrorist financing and related activities under sections 6A(2) and 12 of the Act, the report shall contain the following information:

- (a) full names of the owner or interested party to the property;
- (b) the identifying particulars of the owner or interested party to the property such as:
 - (i) in the case of natural person: Zanzibari Identification Card, passport number, voters registration card, national identity card, tax identification number, identity number or registration number and any other particulars which can reasonably identify him;
 - (ii) in the case of a legal person: Company registration number and certificate of incorporation;
- (c) the address of the owner or interested party to the property; and
- (d) occupation of the owner or interested party to the property.

Information to be reported concerning property associated with Terrorist financing and related activities.

(2) In respect of the property concerning which a report under sections 6A(2) and 12 of the Act is made, the report shall contain the following information:

- (a) type of property;
- (b) description of the property;

- (c) any identifying particulars concerning the property such as registration particulars, unique numbers or any other particulars;
- (d) the estimated value of the property; and
- (e) the physical address where the property is located.

Information
to be
reported
in respect
of an
account.

25. If a bank account is involved in the transaction concerning a report made under section 6A(2) and 12 of the Act, the report shall contain the following information:

- (a) account number;
- (b) name and identifying number of the branch or office where the account is held;
- (c) type of account;
- (d) full names of each account holder;
- (e) address of the account holder which includes physical address;
- (f) date on which the account was opened;
- (g) status of the account;
- (h) date on which the account was closed and the name of the person who gave the instructions close it;
- (i) any previous activity in the preceding six months which had been considered for reporting in connection with the account, whether the activity was reported or not; and
- (j) report the number of any previous reports made in connection with the account.

Information
to be

26. In respect of an individual or entity conducting a transaction or an individual or an entity on whose behalf the transaction is conducted, concerning

which a report under sections 6A(2) and 12 of the Act is made, the report shall contain the following information:

reported
in respect
of
individuals
or entities
while
conducting
transactions.

- (a) in the case of an individual:
 - (i) the person's full names;
 - (ii) the person's identifying number, if any;
 - (iii) the copy of identifying document from which the particulars referred to in sub-paragraphs(i) and (ii) were obtained;
 - (iv) the person's country of residence;
 - (v) any or all of the person's residential address, telephone number, fax number, postal and email address; and
 - (vi) occupation.
- (b) in the case of an entity:
 - (i) the entity's name and address;
 - (ii) the entity's identifying number, if it has such a number;
 - (iii) the type of business conducted by the entity;
 - (iv) the entity's country of origin;
 - (v) the names of individuals with authority to conduct the transactions on behalf of the entity.
- (c) in respect of an individual or other entity conducting a transaction on behalf of whom a transaction is made, a report under sections 6A(2) and 12 shall contain the following information:
 - (i) the person's full names and address;
 - (ii) the person's identifying number, if any;

- (iii) the type of identifying document from which the particulars referred to in paragraphs (a) or (b) were obtained;
- (iv) the person's country of residence;
- (v) any or all of the person's residential address, telephone number, fax number, postal and Email address; and the person's occupation.

Period for reporting.

27. A report made under sections 6A(2) and 12 of the Act shall be submitted to the FIU as soon as possible but not later than twenty four hours after a reporting person has become aware or has knowledge of a suspicious transaction.

PART V DECLARATION OF CURRENCY AND BEARER NEGOTIABLE INSTRUMENTS

Prescribed amount for declaration.

28.-(1) For purposes of declaration of currency or Bearer Negotiable Instruments under Section 18 of the Act, the prescribed amount is Tanzanian shillings or any foreign currency equivalent to United State Dollars 10,000 based on the official conversion rate of the Bank of Tanzania that is in effect at the time of transportation of the currency or bearer negotiable instrument across the border.

(2) For purposes of declaration, where a person has both currency and Bearer Negotiable Instruments, the prescribed amount for declaration will be the total of the two.

(3) If there is no official conversion rate of the Bank of Tanzania in respect of a particular currency, the average conversion rate of the market shall be used.

Declaration of currency or Bearer Negotiable Instrument.

29.-(1) A person who enters or leaves Zanzibar while in possession of currency or Bearer Negotiable Instruments in any amount equal to or above the prescribed amount for declaration, shall:

- (a) fill out the currency or Bearer Negotiable Instrument Declaration Form prescribed in the Schedule to declare to customs authority such amount of money or Bearer Negotiable Instruments; and
- (b) present the filled out form to the customs authority for inspection.

(2) The Customs Officer who receives filled out form from the person who made the declaration shall retain the original declaration form and handover a duplicate copy of the form to the person making the declaration.

(3) The customs officer shall within twenty four hours from the time of declaration, submit all filled out declaration forms to the Customs Officer in-charge of the station.

30. A person who contravenes the provisions of Regulation 29 of these Regulations commits an offence under Section 18 of the Act, and shall on conviction be liable to a penalty provided for under Section 81B of the Act.

False or non-declaration offence.

31.-(1) Where a person commits an offence under Regulation 6, the Customs Officer in charge may impose administrative sanctions at any time prior to the commencement of court proceedings provided that:

Administrative Sanctions.

- (a) the undeclared or falsely declared currency or bearer negotiable instruments are not related to financing of terrorism, money laundering, or any predicate offence;
- (b) the undeclared or falsely declared currency or bearer negotiable instruments do not exceed Tanzanian Shillings or any foreign currency equivalent to 10,000 United State Dollars;
- (c) the person concerned admits in writing that he has committed the said offence and agrees to pay the penalty imposed.

(2) A Customs Officer in charge may compound an offence as part of the administrative sanctions under sub-regulation (1) of these Regulations.

(3) Where the Customs Officer in charge compounds an offence under sub-regulation (2) he shall:

- (a) satisfy himself that the offence meets the conditions specified in sub regulation (1);
- (b) record in writing, specifying the offence committed, the sum of money to be paid and the date for payment as provided under the Schedule of these Regulations; and
- (c) order the person to pay a penalty of ten percent of the undeclared or falsely declared currency or Bearer Negotiable Instrument, in Tanzanian Shillings, United States Dollars, Euros, or Great Britain Pounds.

(4) Where an offence is compounded under these Regulations:

- (a) the person concerned shall not be liable for any other penalty or charges in respect of that offence; and
- (b) the compounding decision shall be final and not subject to any appeal.

PART VI CUSTOMS OFFICERS OBLIGATIONS

Submission
of
Declaration
Forms to
FIU.

32.-(1) The Customs Officer in-charge shall report to the FIU every declaration made under Regulation 29 of these Regulations.

(2) The report made under sub regulation (1) of this Regulation shall:

- (a) be in approved and dully filled form;
- (b) contain relevant information to the matter being reported; and
- (c) be submitted to the FIU within seven working days from the date of receipt of the declaration form.

33. Where a Customs Officer suspects on reasonable grounds that a person has violated the provisions of these Regulations, he may search the person and his belongings.

Power of Customs officer to conduct search.

34.-(1) Where a person has violated the provisions of Regulation 29 of these Regulations, the Customs Officer shall:

Seizure of undeclared or falsely declared currency and or bearer negotiable instruments.

- (a) seize the whole amount of the undeclared or falsely declared currency or Bearer Negotiable Instruments
- (b) issue a seizure notice to the person whose undeclared currency or bearer negotiable instrument is seized as provided in the Schedule to these Regulations and retain a copy of the same.

(2) Where a Customs Officer seizes the undeclared or falsely declared currency or bearer negotiable instruments he shall, within twenty four hours, deposit the seized currency to the special account established in Zanzibar by the FIU.

(3) Where the undeclared or falsely declared currency or Bearer Negotiable Instrument is seized in accordance with these Regulations, the Customs Officer shall investigate the matter and submit the case file to the Director of Public Prosecutions (DPP) for institution of criminal proceedings.

(4) Where a person is convicted for an offence committed under these Regulations, the court may order for forfeiture or confiscation of the currency or bearer negotiable instrument which was seized in connection with the offence.

(5) Where a court makes an order of forfeiture or confiscation in respect of currency which was seized and deposited in the FIU account, the Commissioner of FIU shall arrange for the payment to the Principal Secretary of Ministry of Finance of an amount specified in the forfeiture order.

(6) Where an order of forfeiture is in respect of a Bearer Negotiable Instrument, the court may order for the payment of the value of money equal to the amount prescribed in the relevant bearer negotiable instrument, or for further endorsement in favors of the Treasury.

Return of
seized
currency
and or
Bearer
Negotiable
Instruments.

35. Where a currency or bearer negotiable instruments have been seized in accordance with these Regulations, the Commissioner of FIU may return the currency or bearer negotiable instruments to the person from whom the currency or bearer negotiable instruments were seized if:-

- (a) it is decided, after investigation, that there is no need to prosecute the matter; or
- (b) there is an order of the court to that effect.

Prohibition
of
information
disclosure.

36.-(1) A person shall not disclose to any unauthorized third party any information provided in a declaration form submitted to him or which came to his knowledge by virtue of his employment except where the information is required by any law enforcement agency or court of law.

(2) A person who contravenes the provisions of this regulation commits an offence under Section 81B of the Act and shall, on conviction be liable to a penalty provided for under Section 81B of the Act.

PART VII CUSTOMER DUE DILIGENCE MEASURES

Application
of
customer
due
diligence.

37.-(1) Every reporting person shall apply Customer Due Diligence (CDD) measures when:

- (a) establishing a business relationship;
- (b) carrying out an occasional transaction;
- (c) money laundering or terrorist financing is suspected; or
- (d) veracity or adequacy of documents, data or information previously obtained for the purposes of identification or verification is doubted.

(2) A reporting person shall identify and verify the beneficial owners during the course of establishing a business relationship or when conducting transactions with its customers.

(3) A reporting person shall identify and verify the beneficial owners when conducting occasional transactions with its customers.

(4) Subject to sub-regulation (2) and (3) of this Regulation, the reporting person shall undertake reasonable measures to verify the identity of the beneficial owner such that the reporting person is satisfied that who is the beneficial owner.

(5) A reporting person shall apply customer due diligence measures at other appropriate times to existing customers on a risk sensitivity basis.

(6) When dealing with entities, the reporting person shall undertake Customer Due Diligence measures to determine the natural persons that ultimately own or control the legal person or arrangement.

(7) A reporting person shall:

- (a) determine the extent of customer due diligence measures on a risk sensitivity basis depending on the type of customer, business relationship, product or transaction; and
- (b) be able to demonstrate to his supervisory authority that the extent of the measures is appropriate in view of the risks of money laundering and terrorist financing.

(8) Notwithstanding the provisions of this Regulation, reporting persons whose requirements are stipulated in the Schedule to these Regulations, shall observe the customer due diligence.

PART VIII INTERNAL RULES

38.-(1) The internal rules of a reporting person concerning the establishment and verification of identities shall:

- (a) provide for the necessary procedures which shall cause the required particulars concerning the identities of the parties to a business relationship or single transaction to be obtained on each occasion when a business relationship is established or when a single transaction is concluded;

Internal
rules
Concerning
establish-
ment and
verification
of
identities.

- (b) provide for steps to be taken by staff members aimed at verifying particulars concerning the identities of the parties to a business relationship or single transaction;
- (c) provide for the responsibility of the management for compliance with the Act, these Regulations and the internal rules;
- (d) allocate responsibilities and accountability measures to ensure that staff duties concerning the establishment and verification of identities are complied with;
- (e) provide for disciplinary steps against the relevant staff members for non-compliance with the Act, these Regulations and the internal rules;
- (f) take into account any Guideline concerning the verification of identities which may apply to that reporting person;
- (g) provide for the necessary procedures to ensure that staff members of the reporting person obtain information of which record shall be kept on each occasion when a business relationship is established or a transaction is concluded;
- (h) provide for the necessary procedures to ensure that the accuracy and integrity of those records are maintained for the entire period for which they shall be kept;
- (i) provide for the necessary procedures to ensure that there is unhindered access to information to authorized persons under the Act and these Regulations;
- (j) provide for the necessary procedures which shall cause suspicious transactions, currency transaction reports, cross border transportation of currency reports, electronic funds transfer reports to be reported to the FIU without delay;
- (k) provide for the necessary procedures to enable staff to recognize potential suspicious transactions, currency transactions, cross border transportation of currency, electronic funds transfers or series of transactions;

- (l) allocate duties, responsibilities and accountability to staff in a manner that shall ensure compliance with the Act and these Regulations.

(2) Where a reporting person doubts the authenticity of a non-citizen's passport, visa, travel documents, Resident permit or any identity document and the person is a prospective customer, the reporting person shall seek advice from-

- (a) embassy;
- (b) consular officer of the prospective customer's country; or
- (c) immigration office.

PART IX MISCELLANEOUS PROVISIONS

39.-(1) A reporting person shall retain records required by section 11 of the Act for a minimum period of ten years from the date:

Records
retention
Period.

- (a) when all activities relating to a transaction or a series of linked transactions were completed;
- (b) when the business relationship was formally ended; or
- (c) where the business relationship was not formally ended but when the last transaction was carried out.

(2) where a reporting person is required by any enactment to release a record referred to in sub-regulation (1) before the period of ten years lapses, the reporting person shall retain a copy of the record.

(3) Where a report has been made to the FIU pursuant to the provisions of the Act or the reporting person knows or believes that a matter is under investigation, that person shall without prejudice to sub-regulation (1) of this Regulation, retain all relevant records for as long as may be required by the FIU.

(4) For the purpose of this Regulation, the question as to what records may be relevant in the analysis process may be determined in accordance with the indicated Guidelines.

Format and retrieval of records.

40.-(1) A reporting person shall ensure that any records required to be maintained under these Regulations are retrievable without delay and they can be retrieved in legible format.

(2) A reporting person may rely on the records of a third party in respect of the details of payments and transactions by customers, provided that it is satisfied that the third party is willing and able to retain and, if asked to produce in legible form, copies of the records required.

Access to appropriate information.

41.-(1). In carrying out its duties under section 6A of the Act, the FIU shall request in writing, any information from any reporting person, regulator or law enforcement agency.

(2) A reporting person, regulator or law enforcement agency shall, immediately after receiving the request, under sub-regulation (1) of these Regulations provide such information.

(3) Where a reporting person, regulator or law enforcement agency fails to comply with the provision of sub-regulation (2) of this Regulation, shall submit in writing reasons to FIU for such failure.

FIU to provide feedback.

42. The FIU shall provide the reporting persons with feedback which includes:

- (a) acknowledgement of the receipt of suspicious transactions reports and results of investigation;
- (b) whether criminal proceedings have been instituted in court in relation to a submitted Suspicious Transaction Report;
- (c) whether a report was found to relate to a legitimate transaction; and
- (d) information on the decision or results.

43. Subject to section 6A of the Act, the FIU shall issue Guidelines relating to :

- (a) the verification of customer identities;
- (b) reporting of suspicious transactions;
- (c) reporting currency transactions;
- (d) reporting electronic fund transfer;
- (e) reporting cross border currency transportation; and;
- (f) any other obligations imposed on reporting persons under the Act.

44.-(1) Law Enforcement Agencies shall on timely basis provide the following information to FIU:

FIU to be
availed
with
information.

- (a) acknowledgment of the receipt of the disseminated reports;
- (b) updates of investigation; or
- (c) results of investigation undertaken.

(2) For the purposes of enabling the FIU maintain statistics on matters related to money laundering and terrorist financing, the Director of Public Prosecution shall provide information to the FIU on the number of mutual legal assistance and extradition requests made or received and the status of the cases on money laundering and terrorist financing.

(3) The information requested under sub-regulation(2) of this Regulation shall include:

- (a) nature of the request;
- (b) time the request was made;
- (c) time the response was received;

- (d) refusal or granting of assistance requested;
- (e) the status of criminal proceedings instituted in relation to money laundering and the financing of terrorism; and
- (f) number of cases related to money laundering and financing of terrorism including:
 - (i) outcome of the cases and the amount of money involved; and
 - (ii) amount of property frozen, seized or confiscated.

FIU to
maintain
statistics.

45.-(1) The FIU shall maintain comprehensive statistics on matters relevant for effective and efficient systems for combating money laundering and terrorist financing in the country.

(2) The statistics under sub-regulation (1) of this Regulation, shall include:

- (a) suspicious transaction reports received and intelligence disseminated;
- (b) the reporting person or persons who made the report;
- (c) breakdown of suspicious transactions on anti-money laundering and terrorist financing analyzed and disseminated by the FIU;
- (d) reports filed on domestic or foreign currency transactions above the limit prescribed by the Minister;
- (e) reports on cross border transportation of currency;
- (f) reports on international electronic funds transfers;
- (g) money laundering and terrorist financing analysis;
- (h) the number of cases and the amounts of property frozen, seized or confiscated in relation to money laundering and terrorist financing; and

- (i) mutual legal assistance and extradition requests made or received in relation to money laundering and terrorist financing including:
 - (i) the nature of the request;
 - (ii) response times; and
 - (iii) whether the assistance or request was granted or refused
- (j) formal requests for assistance made by the FIU and whether they were granted or refused;
- (k) referrals made by the FIU to foreign authorities; and;
- (l) formal requests for assistance made or received by reporting persons related to money laundering and terrorist financing including whether the request was granted or refused.

46.-(1) The FIU or regulator may, upon being satisfied that a reporting person has failed to comply with the provisions of sections 10, 11, 12, and 13 of the Act, impose administrative sanctions.

Imposition
of
adminis-
trative
sanctions.

(2) The FIU or regulator shall impose any of the following administrative sanctions:

- (a) warning or caution not to repeat the conduct which led to non-compliance referred to in sub-regulation(1) of this Regulation;
- (b) a reprimand;
- (c) directive to take remedial action or to make specific arrangement to remedy the default;
- (d) restriction or suspension of certain business activities;
- (e) suspending a business license; or

(f) suspension or removal from office any member of staff who cause or fail to comply.

(3) Before imposing an administrative sanction, the FIU or regulator shall give the reporting person notice in writing of:

- (a) the nature of the alleged non - compliance;
- (b) the intention to impose administrative sanction; and
- (c) the amount or particular of the intended administrative sanction.

(4) The reporting person may, in writing, within a period specified in the notice, make representations as to why the administrative sanctions should not be imposed.

(5) Subject to sub-regulation (2) of this Regulation, the FIU or regulator when determining an appropriate administrative sanction, shall consider the following:

- (a) the nature, duration, seriousness and extent of the default;
- (b) whether the reporting person has previously failed to comply with any written laws; and
- (c) any remedial steps taken against by the reporting person to prevent a recurrence.

(6) Where the FIU or regulator has imposed sanctions under sub regulation (2)(a), (b) and (c) of this Regulation, and reporting person fails to comply with such sanctions, the FIU or regulator shall impose a fine not exceeding five million shillings per day for which a default is committed.

SCHEDULE

A. VERIFICATION OF CUSTOMERS' IDENTITIES

(a) For natural persons

1. In case a person is unable to produce an official identity document, reporting persons shall be satisfied that the customer has an acceptable reason for being unable to produce an official identity document.

2. The reasons provided under paragraph 1, shall be noted in the records of the reporting person.

3. Reporting persons shall confirm the permanent address using such things as utility bills, a letter from a public authority or embassy or consular office, recent lease or rental agreement or any other document which bear such information and which is obtained from any credible independent source.

4. Reporting persons shall contact the customer by telephone, letter or by e-mail to confirm the information supplied before and after the relationship has been established; if there is a disconnected phone, returned mail or incorrect email address the Reporting person shall issue a warrant for further investigation.

5. Reporting persons shall confirm the validity of the official documentation provided through certification by an authorized person including government official, public notary or embassy.

6. Reporting persons shall apply equally effective customer identification procedures for non-face-to-face customers as for those available for interview and must take reasonable steps to confirm the existence of the customer and verify the identity of the person involved and there shall be specific and adequate arrangements to mitigate the higher risk by taking such measures as:

- (a) certification of documents presented;
- (b) requisition of additional documents to complement those that are required for face to face customers;
- (c) independent contact with customer by the Reporting persons; and
- (d) third party introduction.

(b) *For entities' identities (corporate, partnerships, associations or clubs, sole proprietorships and trusts)*

1. For established corporate entities, Reporting persons shall review a copy of the latest periodical reports and audited accounts, if available.

2. Reporting persons shall communicate with Executive Secretary of the company and other registering authorities on the authenticity of registration certificates and communicating with Zanzibar Investment Promotion Authority, if applicable, for verification of necessary documents.

3. Reporting persons shall undertake an entity search or other enquiries to ensure that the entity has not been, or is not in the process of being, dissolved, struck off, wound up or terminated.

4. Reporting persons shall utilize an independent information verification process, including accessing public and private databases.

5. Reporting persons shall, in addition to the above:

- (a) obtain prior bank references;
- (b) gather information about the foreign entity for the purpose of determining-

- (i) the reputation of the foreign entity;
- (ii) whether the foreign entity has been subject to money laundering or terrorist financing investigation or regulatory action; and
- (iii) whether the foreign entity's anti-money laundering and counter terrorist financing controls are effective.

6. For charities, clubs and societies, Reporting persons shall take reasonable steps to identify and verify at least two signatories, in line with natural person identification, along with the entity itself the principals to be identified shall be those persons exercising control or significant influence over the organization's assets, this includes members of a governing body or committee, the President, any board member, the treasurer, and all signatories. Such identity verification shall be in line with natural person verification procedures.

7. Where Mutual or societies, Non-Governmental Organizations, Political parties, Cooperatives and societies are involved, reporting persons shall identify the persons exercising control or significant influence over the organization's assets, this includes board members plus executives and account signatories. Such identity verification shall be in line with natural person's verification procedures.

(c) For other persons such as organs of state including government ministries or departments, embassies and Public Corporations

1. Reporting persons shall verify the identity of all their customers, including organ of state such as government ministries or departments, embassies and public corporations.

2. Reporting persons shall verify the identity of organs of state which are incorporated as companies to conduct business.

3. Reporting persons shall identify other organs with legal person's identity by identifying representatives or persons acting on behalf of an organ

of state by obtaining and verifying their full names, dates of birth, identity numbers, and photographs. Information concerning the contact particulars of such persons shall be obtained and verification done in line with these Regulations.

(d) for third party or agent identities verification

1. Where a client is acting on behalf of another person, the reporting person shall establish and verify the identity of that other person and the client's authority to establish the business relationship or conclude the transaction on behalf of that person.

2. Reporting persons shall verify the information obtained by comparing the particulars of the person in line with these Regulations.

3. Reporting persons on verifying the authority of a third party acting on behalf of another person when establishing a relationship, shall confirm the identity of that person using such documents as power of attorney, mandate resolution duly executed by authorized signatories or a court order authorizing the third party to conduct business on behalf of another person.

4. Reporting persons shall take reasonable steps to verify the identity and reputation of any agent transacting on behalf of a customer, if he is a natural person, shall be identified like a natural person and, if it is an entity, shall be identified like entities as provided for in these Regulations.

(e) For ongoing customer details maintenance

1. Reporting persons shall take reasonable steps, concerning verification of customer identities in respect to existing business relationship, to maintain the correctness of particulars that are susceptible to change.

2. Reporting persons shall:

- (a) apply Know Your Customer (KYC) procedures to existing customers on the basis of materiality and risk and conduct due diligence reviews of such existing relationships as appropriate;

- (b) undertake regular reviews of existing customer records; and
- (c) if a reporting person becomes aware at anytime that it lacks sufficient information about an existing customer, the reporting person shall take steps to obtain all relevant KYC information as quickly as possible.

B. INSURERS

1. An insurer shall not deal with any person on an anonymous basis or any person using a fictitious name.

2. An insurer shall perform Customer Due Diligence measures when :

- (a) the insurer establishes business relations with any customer;
- (b) there is a suspicion of money laundering or terrorist financing; or
- (c) the insurer has doubts about the veracity or adequacy of any information previously obtained.

3. An insurer shall identify each customer who applies to the insurer to establish business relations.

4. For the purpose of paragraph 3, an insurer shall obtain and record information of the customer in accordance with the Act, including but not limited to the following:

- (a) full name, including any aliases;
- (b) unique identification number such as an identity card number, birth certificate number, voters registration card number, driving license number, national ID number, Zanzibar Identity number, number on introduction letter from the local government executive, passport number or where the customer is not a natural person, the incorporation number or business registration number;

- (c) existing residential address, registered or business address as may be appropriate and contact telephone number;
- (d) date of birth, incorporation or registration as may be appropriate; and
- (e) nationality or place of incorporation or registration as may be appropriate.

5. Where the customer is a company, the insurer shall, apart from identifying the customer, also identify the directors of the company.

6. Where the customer is a partnership or a limited liability partnership, the insurer shall, apart from identifying the customer, also identify the partners.

7. Where the customer is any other body corporate or unincorporated, the insurer shall, apart from identifying the customer, also identify the persons having executive authority in that body corporate or unincorporated.

8. An insurer shall verify the identity of the customer using reliable, independent sources.

9. An insurer shall retain copies of all reference documents used to verify the identity of the customer.

10. An insurer shall inquire if any beneficial owner exists in relation to a customer. "Beneficial owner", in relation to a customer of an insurer, means the natural person who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted and includes the person who exercises ultimate effective control over a body corporate or unincorporated.

11. Where there is one or more beneficial owners in relation to a customer, the insurer shall take reasonable measures to obtain information sufficient to identify and verify the identity of the beneficial owner.

12. Where the customer is not a natural person, the insurer shall take reasonable measures to understand the ownership and structure of the customer.

13. An insurer shall not be required to inquire if there exists any beneficial owner in relation to a customer that is-

- (a) Zanzibar Government entity;
- (b) Foreign Government entity, provided it is not sanctioned or blacklisted by the international community such as the United Nations and Financial Action Task Force (FATF);
- (c) an entity listed on a stock exchange outside of Tanzania that is subject to adequate regulatory disclosure requirements (referred regulator should be a registered member of any International Association of Regulators);
- (d) a bank or financial institution supervised by the Bank of Tanzania;
- (e) a bank or financial institution incorporated or established outside Tanzania that is subject to and supervised for compliance with Anti Money Laundering or Combating Financing of Terrorism requirements consistent with standards set by the FATF;
- (f) Life insurance policies where the annual premium is not more than Tanzania Shillings One Million and Five Hundred Thousands (1,500,000) or USD 1000 or a single premium of no more than Tanzania Shillings Four Millions (4,000,000) or USD 2500;
- (g) Insurance policies for pension schemes if there is no surrender clause and the policy cannot be used as collateral; or
- (h) A pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages and the scheme rules do not permit the assignment of a member's interest under

the scheme; Unless the insurer suspects that the transaction is connected with money laundering or terrorist financing.

14. For the purposes of items (d) and (f) of paragraph 13, an insurer shall document the basis for its determination that the requirements in those paragraphs have been duly met.

15. Where a customer appoints one or more natural persons to act on his behalf in establishing business relations with the insurer or the customer is not a natural person, an insurer shall:

- (a) identify the natural persons that act or are appointed to act on behalf of the customer, as if such persons were themselves customers;
- (b) verify the identity of these persons using reliable and independent sources; and
- (c) retain copies of all reference documents used to verify the identity of these persons.

16. In the case of private trusts, an insurer shall verify the authorization given to each trustee of the relevant trust.

17. An insurer shall verify the due authority of such person to act on behalf of the customer, by obtaining, including but not limited to, the following:

- (a) the appropriate documentary evidence that the customer has appointed the persons to act on its behalf, and
- (b) the specimen signatures of the persons appointed.

18. Where the customer is a Zanzibar government entity, the insurer shall only be required to obtain such information as may be required to confirm that the customer is a Zanzibari government entity as indicated.

19. Where the payee of the insurance policy is not a customer, an insurer shall identify the payee and verify his identity before making any of the following types of payment:

- (a) payment of the sum assured or part thereof upon the occurrence of the risk insured against in accordance with the policy;
- (b) payment of the surrender value of the insurance policy;
- (c) refund of premium upon the avoidance, cancellation and or termination of any insurance policy; or
- (d) refund of any other payment made in relation to any insurance policy.

20. An insurer shall obtain, from the customer, when processing the application to establish business relations, information as to the purpose and intended nature of business relations.

21. An insurer shall perform CDD measures as may be appropriate to its existing customers having regard to its own assessment of materiality and risk.

22. When an insurer "acquiring insurer" acquires, either in whole or in part, the business of another financial institution (whether in Tanzania or elsewhere), the acquiring insurer shall perform CDD measures on customers acquired with the business at the time of acquisition except where the acquiring insurer has:

- (a) acquired at the same time all corresponding customer records (including customer identification information) and has no doubt or concerns about the veracity or adequacy of the information so acquired; and
- (b) conducted due diligence enquiries that have not raised any doubt on the part of the acquiring insurer as to the adequacy of Anti Money Laundering and Combating Financing Terrorism measures previously adopted in relation to the business or part thereof now acquired by the acquiring insurer.

23. In the case of a joint account, an insurer shall perform CDD measures on all of the joint account holders as if each of them were individually customers of the insurer.

24. An insurer that undertakes any transaction with a non-policy holder shall:

- (a) establish and verify the identity of the customer as if the customer had applied to the insurer to establish business relations; and
- (b) record adequate details of the transaction so as to permit the reconstruction of the transaction, including the nature and date of the transaction, the type and amount of currency involved, the value date, and the details of the payee.

25. An insurer shall complete verification of the identity of the customer and beneficial owner:

- (a) before the insurer establishes business relations; or
- (b) before the insurer undertakes any transaction for a customer, where the customer does not have business relations with the insurer.

26. An insurer may establish business relations with a customer before completing the verification of the identity of the customer and beneficial owner if:

- (a) the deferral of completion of the verification of the identity of the customer and beneficial owner is essential in order not to interrupt the normal conduct of business operations; and
- (b) the risks of money laundering and terrorist financing can be effectively managed by the insurer, in all cases, identification and verification should occur at or before the time of payout or the time when the beneficiary intends to exercise vested rights under the policy.

27. Where the insurer establishes business relations before verification of the identity of the customer or beneficial owner, the insurer shall complete such verification as soon as is reasonably practicable.

28. Where the insurer is unable to complete CDD measures, it shall terminate the business relationship and consider if the circumstances are suspicious so as to warrant the filing of a suspicious transaction report.

29. An insurer shall, in relation to politically exposed persons as defined in the Act, perform enhanced CDD measures in addition to normal CDD measures, including but not limited to the following-

- (a) implement appropriate internal policies, procedures and risk management to determine if a customer or beneficial owner is a politically exposed person;
- (b) obtain approval from the insurer's senior management to establish or continue business relations where the customer or beneficial owner is a politically exposed person or subsequently found to be or subsequently becomes a politically exposed person;
- (c) take reasonable measures to establish the source of wealth and source of funds of the customer or beneficial owner; and
- (d) conduct, during the course of business relations, enhanced monitoring of business relations with the customer.

30. An insurer shall perform enhanced CDD measures in referred to in paragraph 29 for other categories of customers, business relations or transactions as the insurer may assess to prevent a higher risk for money laundering and terrorist financing.

31. An insurer shall give particular attention to business relations and transactions with any person from or in countries and jurisdictions known to have inadequate Anti Money Laundering and Combating Financing Terrorism measures, as determined by the insurer for itself or notified to insurers generally by the FIU or other foreign regulatory authorities.

32. An insurer shall put in place policies and procedures to address any specific risks associated with the use of new technologies and non-face-to-face business relations or transactions.

33. An insurer shall implement the policies and procedures referred to in paragraph 31 when establishing customer relationships and when conducting ongoing due diligence.

34. Where there is no face-to-face contact, the insurer shall carry out CDD measures that are as stringent as those that would be required to be performed if there were face-to-face contact.

35. An insurer may rely on an intermediary to perform CDD measures in accordance with the Act and these Regulations if the following requirements are met-

- (a) the insurer is satisfied that the intermediary it intends to rely upon is subject to and supervised for compliance with Anti Money Laundering and Combating Financing Terrorism requirements consistent with standards set by the FATF, and has adequate measures in place to comply with those requirements;
- (b) the intermediary is not one on which insurers have been specifically precluded by relevant Zanzibar authorities from relying;
- (c) the intermediary is able and willing to provide, without delay, upon the insurer's request, any document obtained by the intermediary which the insurer would be required or would want to obtain; and
- (d) the intermediary has capacity in terms of competent staff and resources to carry out CDD.

36. No insurer shall rely on an intermediary to conduct ongoing monitoring of customers.

37. Where an insurer relies on an intermediary to perform the CDD measures, insurer shall:

- (a) document the basis for its satisfaction that the requirements in item (a) of paragraph 35 have been met, and
- (b) immediately obtain from the intermediary the information relating to CDD measures obtained by the intermediary.

38. For the avoidance of doubt, notwithstanding the reliance upon an intermediary, the insurer shall remain responsible for its Anti Money Laundering and Combating Financing Terrorism obligations as required under the Act, these Regulations and Guidelines.

39. Every insurer shall prepare, maintain and retain documentation on all its business relations, transactions.

40. An insurer shall, when setting its record retention policies and performing its internal procedures, comply with the following document retention periods-

- (a) a period of at least ten years following the termination of business relation for customer identification document, and other documents relating to the establishment of business relations, as well as account files and business correspondence; and
- (b) a period of ten years following the completion of transaction for records relating to a transaction, including any information needed to explain and reconstruct the transaction.

41. An insurer shall retain records pertaining to a matter which is under investigation or which has been the subject of a suspicious transaction report (STR) for such longer period as may be necessary in accordance with any request or order from relevant competent authorities in Zanzibar.

42. An insurer shall monitor on an ongoing basis, its business relations with customers.

43. An insurer shall, during the course of business relations, observe the conduct of the customer's policy and scrutinize transactions undertaken to ensure that the transactions are consistent with the insurer's knowledge of the customer, its business and risk profile and where appropriate, the source of funds.

44. An insurer shall pay special attention to all complex or unusually large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.

45. An insurer shall take reasonable steps to inquire into the background and purpose of the transactions in paragraph 44 and records such information and its findings.

46. The records referred to under paragraph 45, shall be kept for at least ten years with a view to making this information available to the relevant competent authorities should the need arise.

SIGNED and Dated on 7 day of May 2015.

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(OMAR YUSSUF MZEE)
MINISTER FOR FINANCE
ZANZIBAR