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Money Laundering

Anti - Money Laundering

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2021-09

# AML CFT Risk Assessment Report

## Format Name of Reporting Person, 2021

United Republic, Tanzania

Ministry of Finance and Planning

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**THE UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT**



**AML/CFT RISK ASSESSMENT REPORT FORMAT  
NAME OF REPORTING PERSON**

**SEPTEMBER, 2021**

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## **1. Introduction**

“This AML/CFT Risk Assessment Report (the “Report”) is issued in accordance with the provisions of the Anti-Money Laundering Act (Cap.423) and the AML/CFT Institutional Risk Assessment Guidelines issued by the Financial Intelligence Unit (“FIU”).

### **1.1 Overview of Business Activities**

*Provide a brief overview of the Company’s profile, including background information such as business structure, services/products offered, general overview of the categories/types of customers to which services/products are provided for, geography of customers acted for and any other appropriate information)*

### **1.2 Purpose of Risk Assessment**

To effectively prevent money laundering and combat the financing of terrorism, an assessment mechanism that adopts Risk-based Approach is established to carry out regular overall assessment of money laundering and terrorist financing (ML/TF) risks so as to grasp effectively the distribution and controls of ML/TF risks.

### **1.3 Period and Frequency of Risk Assessment**

The Company conducts an overall ML/TF risk assessment at least once every year.

The assessment period for which this Report is applicable to is from *\*insert date* to *\*insert date*.

## **2. ML/TF Risk Assessment Process**

The ML/TF risk assessment methodology was conducted in accordance with the following process:

- a) Identifying the inherent risks through a review of customer risk factors for the past one year and assessing its likelihood for the forthcoming year
- b) Evaluating the risk controls programs

## 2.1 Risk Factors and Risk Weights

The Company analysed the ML/TF risks facing the Company in *\*four/five* risk factors category, with percentage weighting assigned as follows:

Risk Factor	% Weight Assigned
Customer Risks	x %
Product/Service Risks	x %
Geographic Risks	x %
Transaction and Delivery Channels Risks	x %
*Others (if any)	x %

## 3. Overall Risk Assessment Result

Based on the analysis of inherent risks, the Company's overall vulnerability to ML/TF is rated as **\*LOW/MEDIUM/HIGH**.

### 3.1 Inherent Risk Statistics

#### (a) Customer Risks

*\*Provide detailed summary and statistics of the categories/types of customers to which services/products are provided for. You may also insert statistics based on the Risk Assessment results in the below table for the period being assessed.*

Customer Type	% Customers
<i>e.g. Individual Customers</i>	
<i>e.g. Non-Individual Customers</i>	
<i>e.g. Politically Exposed Customers</i>	
<i>e.g. Foreign Customers</i>	

#### (b) Product/Service Risks

*\*Provide detailed summary of the general products/services offered to customers. You may also provide information on the percentage of customers that has used the different services for the period being assessed.*

### (c) Geographic Risks

*\*Provide detailed summary of the geographic locations of customers for the period being assessed, including the percentage of customers from the specified location.*

### (d) Transaction and Delivery Channel Risk

*\*Provide description of the manner in which products/services are delivered to customers and the manner in which transactions are conducted for the period being assessed. This includes the number/percentage of customers which are obtained face-face, non-face-face or through intermediaries. For transactions, this should outline the manner in which transactions are conducted, that is, whether transactions are conducted through banking facilities, cash or a combination of both.*

## 3.2 Inherent Risk Assessment Result

Following the analysis of inherent risks, the key ML/TF risks of the Company are classified in the following four risk category:

### (a) Customer Risk

*\*Brief overview of what is the main risk posed by your customers, including its likelihood of it occurring and the risk rating assign to the customer risk factor*

### (b) Product/Service Risk

*\*Brief overview of what is the main risk posed by the services/products, including its likelihood of it occurring and the risk rating assign to the product/service risk factor*

### (c) Geographic Risk

*\*Brief overview of what is the main risk posed by the geographic risk of the customer, its likelihood of it occurring and including the risk rating assign to the geographic risk factor*

### (d) Transaction and Delivery Channel Risk

*\*Brief overview of what is the main risk posed by the transaction and delivery channels used, its likelihood of it occurring and including the risk rating assign to the transaction and delivery channel risk factor.*

## 4. Risk Control Measures

### 4.1 Risk Management Policy

On the basis of risk perception, controls commensurate with the size and risk level of the Company shall be adopted, which are prioritized corresponding to the assessed risk across the four risk factors category, namely:

- (a) Customer Risk
- (b) Product/Service Risk
- (c) Geographic Risk
- (d) Transaction and Delivery Channel Risk

### 4.2 Action Plan of Risk Management

In the face of inherent ML/TF risks in each risk factors category, the Company, in line with the requirements of the AML/CFT Act and guidelines issued by the FIU, and in considering the Company's nature of business nature and profile of its customer, adopts the following AML/CFT controls to mitigate the inherent risks which have been identified:

- ❖ Verification of customer identity
- ❖ Record keeping
- ❖ Reporting of cash transactions above SCR 50,000 to the FIU
- ❖ Reporting of suspicious activities and/or transactions to the FIU.
- ❖ Appointment of a compliance officer at the management level to take charge of AML/CFT compliance matters
- ❖ Screening procedures to screen persons before recruitment
- ❖ Ongoing employee training plan
- ❖ Regular review of procedures implemented

*\*controls listed above to be selected based on the risks identified*

## 5. Conclusion

Based on the combined analysis of inherent risks and risk control measures, the Company's overall risk level is determined to be \***LOW/MEDIUM/HIGH**