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Anti-Money Guidelines

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Anti-Money Laundering Guidelines for Bank of Tanzania

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The United Republic of Tanzania

Financial Intelligence Unit



***Anti-Money Laundering Guidelines
for Bank of Tanzania***

GUIDELINES NO: 3

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1 INTRODUCTION

- 1.0 The Anti-Money Laundering Act Cap. 423 was promulgated to make better provisions for the prevention and prohibition of money laundering, to provide for the disclosure of information on money laundering, to establish a Financial Intelligence Unit and the National Multi-disciplinary Committee on Anti-Money Laundering and to provide for matters connected thereto.
- 1.1 Bank of Tanzania is one of the regulatory authorities provided for in the Anti-Money Laundering Act. Cap. 423.
- 1.2 Section 6 of the Anti-Money Laundering Act. Cap. 423 empowers the Financial Intelligence Unit to issue anti-money laundering and combating the financing of terrorism guidelines to various stakeholders.
- 1.3 In view of paragraph 1.2 above the Financial Intelligence Unit has prepared these guidelines for Bank of Tanzania as one of the regulators and reporting persons identified in the Anti-Money Laundering Act. Cap. 423.

2 COMPLIANCE WITH ANTI-MONEY LAUNDERING ACT, REGULATIONS AND GUIDELINES

- 2.1 Bank of Tanzania has to comply with the Anti-Money Laundering Act. **Cap. 423**, Anti-Money Laundering Regulations, 2007 and various guidelines issued by the Financial Intelligence Unit when dealing with various customers.
- 2.2 As regulator of banking institutions in Tanzania, Bank of Tanzania is responsible for ensuring that all banking institutions comply with all provisions of the Anti-Money Laundering Act. **Cap. 423**, Anti-Money Laundering Regulations, 2007 and various guidelines issued by the Financial Intelligence Unit from time to time.

3 POLICIES, PROCEDURES AND CONTROLS

- 3.1 Bank of Tanzania is responsible for ensuring that banking institutions have board approved Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) policies.
- 3.2 Bank of Tanzania is responsible for ensuring that institutions under its jurisdiction have in place adequate AML/CFT policies, procedures and controls that are implemented effectively.

4 ON-SITE INSPECTIONS

- 4.1 Bank of Tanzania, in its supervisory function, should carry out on-site AML/CFT examinations to ensure that policies, procedures and controls are adhered to and AML/CFT laws and regulations are implemented.
- 4.2 Bank of Tanzania should develop and use inspection manual and procedures for examining AML/CFT. This can be a separate manual or a section in the normal supervision examination manual.
- 4.3 In addition to taking appropriate supervisory measures, Bank of Tanzania is required to report to the Financial Intelligence Unit any matter noted at any banking institution relating to violation of the Anti-Money Laundering Act Cap. 423, Anti-Money Laundering Regulations, 2007 and various guidelines issued by the Financial Intelligence Unit.

5 STAFF TRAINING AND AWARENESS

- 5.1 Bank of Tanzania should develop and implement a training /awareness programme for BOT staff on AML/CFT issues.
- 5.2 Bank of Tanzania should ensure that banking institutions train their staff adequately in AML/CFT issues.

6 KNOW YOUR CUSTOMER, CUSTOMER DUE DILIGENCE, CUSTOMER IDENTITY VERIFICATION AND RECORD KEEPING

- 6.1 Bank of Tanzania has to ensure that banking institutions have sound Know Your Customer (KYC), Customer Due Diligence (CDD), and Enhanced Due Diligence (EDD) for more risky customers and transactions policies and procedures, which are critical elements in anti-money laundering and effective tools in management of banking risks.
- 6.2 Bank of Tanzania should ensure that banking institutions retain records pertaining to customer identification and transactions as required by law and regulations. This is an essential constituent of the audit trail.
- 6.3 Bank of Tanzania should ensure that banking institutions, like all reporting persons, verify identities of the customers they deal with in line with the provisions of the Act, implementing regulations and guidelines.

7 REPORTING SUSPICIOUS TRANSACTIONS AND ESTABLISHING CONTACT WITH THE FINANCIAL INTELLIGENCE UNIT

- 7.1 Bank of Tanzania should file suspicious transaction reports with the Financial Intelligence Unit in case of any money laundering or financing of terrorism suspicion when dealing with its customers (including the Government).
- 7.2 Bank of Tanzania should ensure that banking institutions report money laundering or financing of terrorism suspicious transactions to the Financial Intelligence Unit.
- 7.3 Bank of Tanzania should ensure that Banking institutions establish contact point with the FIU for handling AML/CFT issues including reported suspicious transactions.
- 7.4 Bank of Tanzania should establish a contact point with the FIU for dealing with AML/CFT issues in general.

8 MONEY LAUNDERING REPORTING OFFICER

- 8.1 Bank of Tanzania should ensure that banking institutions appoint a "Money Laundering Reporting Officer" (MLRO) who will be known to the FIU and will be responsible for AML/CFT issues in the institution including ensuring that suspicious transaction reports are timely and appropriately filed with the FIU.

9 REVIEW OF GUIDELINES

- 9.1 Bank of Tanzania is encouraged to compile and record any comments, which arise in relation to the implementations of these guidance notes, and forward them to the Financial Intelligence Unit for its appropriate action.

10 EFFECTIVE DATE

These Guidelines become effective on 1st April, 2009


Herman M. Kessy
Commissioner
FINANCIAL INTELLIGENCE UNIT