



**REPUBLIC OF ZAMBIA**

**THE NATIONAL  
ANTI-MONEY LAUNDERING  
AND  
COUNTERING TERRORISM AND PROLIFERATION FINANCING  
POLICY**

**2022**



## **The National Anti-Money Laundering and Countering Terrorism and Proliferation Financing Policy**

**2022**

## FOREWORD

The Government of the Republic of Zambia recognizes the negative impact that the vices of money laundering, terrorism financing and proliferation financing (ML/TF/PF) have on national development. As a result, there have been efforts to develop a legal and institutional framework for countering the aforementioned vices.

The National Anti-Money Laundering (AML) and Countering Terrorism Financing and Proliferation Financing (CTPF) Policy outlines a statement by the Zambian Government that sets a clear direction for the effective combatting of money laundering, terrorism financing and proliferation financing.

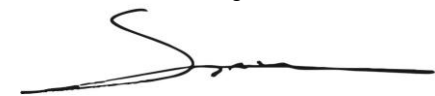
Money Laundering, Terrorism Financing and Proliferation Financing are complex and transnational crimes. The international community led by the United Nations (UN) has come up with various instruments to combat these aforementioned vices. The Financial Action Task Force (FATF) developed the 40 International Standards on AML/CTPF. FATF is an inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorism financing and proliferation financing. The Financial Action Task Force was created under auspices of the G7 with an objective to fight the organized financial flow from crime and drug trade. Zambia is a founder member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) which is a FATF styled regional body and has domesticated and ratified the necessary Conventions and Protocols to curb money laundering, terrorism financing and proliferation financing.

The promulgation of this Policy demonstrates and underscores Government's commitment to combat ML, TF and PF. The Policy takes into consideration findings of the 2016 ML/TF National Risk Assessment, 2007 and 2019 Mutual Evaluation Reports and subsequent ESAAMLG follow up reports (FURs). It also sets out measures that shall guide legislation, strategies and programmes in the AML/CTPF regime.

The Policy takes cognizance of the milestones the country has achieved in the AML/CTPF regime. Further, the Policy also highlights the identified gaps.

It is Government's sincere hope that this National AML/CTPF Policy will guide the continuous efforts to improve and deliver effective implementation of AML/CTPF standards to ensure that incidences of ML/TF/PF are not only prevented and detected but that the perpetrators of these vices are prosecuted and deprived of the proceeds of crime. The Policy is a clarion call for action and collaboration by all stakeholders towards '*a Zambia with a stable social, economic and political environment intolerant to financial crimes.*'

We all have an obligation to ensure that crime stops providing gains.



**Hon. Dr. Situmbeko Musokotwane, MP**  
**Minister of Finance and National Planning**

## ACKNOWLEDGMENTS

The formulation of the National AML/CTPF Policy involved wide consultations through the AML/CTPF National Task Force of Senior officials. Our appreciation is accordingly being extended to all stakeholders and these include: the Anti-Money Laundering Authority (AML/A); Public and Private Sectors; Research and Academia; Civil Society Organisations and Development Partners.

In particular, we would like to recognize the valuable contribution made by the Ministry of Home Affairs and Internal Security in the development of the Policy. Further, we would like to thank Cabinet Office for the policy guidance during the development of the Policy.

A handwritten signature in black ink, appearing to be 'Felix Nkulukusa', with a long horizontal flourish extending to the right.

**Felix Nkulukusa**  
**Secretary to the Treasury**

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For the purposes of this Policy, the following words and concepts have been defined as follows:

<b>Competent Authority</b>	Means a public institution with designated responsibilities for combating money laundering and/or terrorist and proliferation financing excluding Self-Regulatory Bodies.
<b>Designated Non-Financial Businesses and Professions</b>	Include the following professions and businesses: <ol style="list-style-type: none"><li>i. Casinos</li><li>ii. Real estate agents.</li><li>iii. Dealers in precious metals.</li><li>iv. Dealers in precious stones.</li><li>v. Lawyers, notaries, other independent legal professionals and</li><li>vi. Accountants.</li></ol>
<b>Eastern and Southern Africa Anti-Money Laundering Group</b>	Means the Financial Action Task Force styled regional body subscribing to global standards to combat money laundering terrorism financing and proliferation financing.
<b>Financial Action Task Force</b>	Means the inter-governmental body established in 1989 by the G7 Group of Countries with a mandate to set international standards and to promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorism financing and proliferation financing, and other related threats to the integrity of the international financial system.

**Financial Service Provider**

Includes any institution regulated by:

- i. The Bank of Zambia
- ii. The Securities and Exchange Commission
- iii. The Pensions and Insurance Authority

**Law Enforcement Agency**

Means any Government agency responsible for enforcement of the laws. These include the following:

- i. Anti-Corruption Commission
- ii. Anti-Money Laundering Investigations Unit
- iii. Drug Enforcement Commission
- iv. Immigration Department
- v. Zambia Police Service
- vi. Zambia Revenue Authority

**Money Laundering**

Means where a reasonable inference may be drawn, having regard to the objective factual circumstances, any activity by a person -

- a) who knows or has reason to believe that the property is the proceeds of a crime; or
- b) without reasonable excuse, fails to take reasonable steps to ascertain whether or not the property is proceeds of a crime; where the person-
  - i) engages, directly or indirectly, in a transaction that involves proceeds of a crime;
  - ii) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes, uses, removes from or brings into Zambia proceeds of a crime; or
  - iii) conceals, disguises or impedes the establishment of the true nature, origin,

location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of crime.

**Mutual Evaluation**

Means a mutual peer review system to determine the levels of compliance with the international anti-money laundering and countering terrorism financing and proliferation financing standards and implementation thereof.

**National Risk Assessment**

Means a process in which countries take appropriate steps to identify and assess the money laundering and terrorist financing risks for the country, on an ongoing basis to assist in the allocation and prioritisation of resources.

**National Task Force of Senior Officials**

AML/CTPF National Task Force of Senior Officials coordinates implementation of AML/CTPF measures and has representation from LEAs, selected supervisory authorities, selected government Ministries and other competent authorities.

**Non-Profit Organisations**

Means a legal person or arrangement or organisation that primarily engages in raising or disbursing funds for charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of “good works”.

**Proliferation**

Includes the manufacture, acquisition, possession, development, export, transshipment, brokering, transport, transfer, stockpiling, supply, sale



or use of nuclear, ballistic, chemical, radiological or biological weapons or any other weapon capable of causing mass destruction and their means, of delivery and related materials, including both technologies and dual use goods used for non-legitimate purposes, including technology, goods, software, services or expertise, in contravention of the laws of the Republic and the relevant United Nations Security Council Resolutions.

**Proliferation Financing**

Means an act by any person who by any means, directly or indirectly, willfully or negligently provides funds or financial services to be used or knowing that they are to be used in whole or in part for proliferation, the manufacture, acquisition, possession, development, export, transshipment, brokering, transport, transfer, stockpiling, supply, sale or use of nuclear, ballistic, chemical, radiological or biological weapons or any other weapon capable of causing mass destruction and their means of delivery and related materials including both technologies and dual-use goods used for non-legitimate purposes, including technology, goods, software, services or expertise.

**Risk Based Approach**

Means the application of measures and resources to prevent or mitigate money laundering, terrorism financing and proliferation financing that are commensurate with the risks identified.

**Terrorism Financing**

Means providing or collecting funds or attempting to do so in support of terrorism.

## ABBREVIATIONS AND ACROYNMS

ACC	Anti-Corruption Commission
AML	Anti-Money Laundering
AMLA	Anti-Money Laundering Authority
AMLIU	Anti-Money Laundering Investigations Unit
BoZ	Bank of Zambia
CDR	Currency Declaration Report
CTF	Countering Terrorism Financing
CPF	Countering Proliferation Financing
CTR	Currency Transaction Report
DEC	Drug Enforcement Commission
DNFBPs	Designated Non-Financial Businesses and Professions Eastern and Southern Africa Anti Money Laundering Group
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FSRB	FATF Style Regional Body
LEAs	Law Enforcement Agencies
ME	Mutual Evaluation
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoJ	Ministry of Justice
ML	Money Laundering
MLA	Mutual Legal Assistance
NATC	National Anti-Terrorism Centre
NPA	National Prosecution Authority
NPO	Non-Profit Organisation
NRA	National Risk Assessment
NTFoSO	National Task Force of Senior Officials
PF	Proliferation Financing
PIA	Pensions and Insurance Authority

RBA	Risk Based Approach
SA	Supervisory Authority
SADC	Southern African Development Community
SEC	Securities and Exchange Commission
SRB	Self-Regulatory Body
STR	Suspicious Transaction Report
TF	Terrorism Financing
UNODC	United Nations Organisation for Drug Crimes
UNSCRs	United Nations Security Council Resolutions
ZRA	Zambia Revenue Authority

### 1.0 INTRODUCTION

Money Laundering (ML), Terrorism Financing (TF) and Proliferation Financing (PF) are complex and transnational vices which cut across various sectors and have a negative effect on the economic, political and social stability of a country. These effects are evidenced by diminished tax revenues; uncompetitive interest rates and foreign exchange rates, loss of confidence in markets; weakened governance systems, compromised rule of law and diversion of resources from developmental projects. On the other hand, TF and PF threaten the lives of citizens and compromise national security.

The Government of the Republic of Zambia recognizes the negative impact that the vices of ML/TF/PF have on national development. Zambia conducted a National Risk Assessment (NRA) on ML and TF in 2016. The NRA revealed that ML risk was medium high. This implies that there is a real presence of ML which requires Government's intervention. The TF risk was assessed at medium low. However, the threat of TF has since been heightened by the presence of migrant communities from high risk jurisdictions, the use of informal sector, cash-based economy and informal transfers of funds. Additionally, Zambia shares borders with eight (8) neighbouring countries some of which have reported incidences of terrorism and terrorism financing.

Proliferation Financing risk is yet to be assessed. However, this does not entail that there is no potential risk given the presence of uranium in Zambia which is one of the raw materials in the production of weapons of mass destruction.

The National AML/CTPF Policy therefore provides a framework within which ML, TF, PF and associated predicate crimes will be effectively addressed.

The Policy is organised into five Chapters. Chapter one covers the introduction while Chapter two presents a situation analysis. Chapter three outlines the vision, rationale and guiding principles. Chapter four outlines the objectives and measures whereas Chapter five contains the implementation framework.

### 2.0 SITUATION ANALYSIS

#### 2.1 Money Laundering, Terrorism Financing and Proliferation Financing

Money Laundering (ML) refers to the concealing and disguising of the true nature and origin of criminal proceeds so that they appear to originate from a legitimate source.

Terrorism Financing (TF) refers to the provision of funds and any other support to facilitate the carrying out of terrorist activities. Proliferation Financing (PF) refers to the funding of production and distribution of weapons, components, and technology of weapons of mass destruction.

Zambia being a state party to United Nations Conventions relating to ML, TF, PF, has criminalized these vices under the various statutes.

#### 2.2 Historical Background

##### 2.2.1 Global Efforts in Combatting Money Laundering, Terrorism Financing and Proliferation Financing

The United Nations (UN) is a global organization with special interest in international peace and security. Current security efforts of the UN include countering acts of ML, TF and PF. Zambia has ratified and domesticated the following UN Conventions relating to countering ML, TF, PF:

- (i) **The Vienna Convention: UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988** – provides inter alia for comprehensive measures against drug trafficking, money laundering, the diversion of precursor chemicals and international cooperation in the area of extradition of drug traffickers, controlled deliveries and transfer of proceeds.
- (ii) **The International Convention for the Suppression of the Financing of Terrorism 1999** – criminalizes financing of terrorism and enhances international cooperation amongst states.
- (iii) **The Palermo Convention: UN Convention Against Transnational Organized Crime 2001** – criminalizes participation in organized international criminal groups, corruption, money laundering, obstruction of justice and urges member countries to establish financial intelligence units.

- (iv) **The United Nations Security Council Resolution 1540- Affirming that proliferation of nuclear, chemical and biological weapons, as well as their means of delivery constitutes a threat to international peace and security.**
- (v) **The Merida Convention: UN Convention Against Corruption 2005** – criminalizes various forms of corruption, money laundering, concealment of the proceeds of crime and obstruction of justice. The Convention urges member countries to establish financial intelligence units.

Concerns over the negative effects of ML, TF and PF also prompted the G7 Countries to establish the Financial Action Task Force (FATF) which sets global standards for combating ML, TF and PF.

Zambia is a founder member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), a FATF styled regional body. Zambia as a member of both the UN and ESAAMLG, is required to comply with the UN conventions and FATF standards. Zambia's compliance with the international standards is periodically assessed through Mutual Evaluations (MEs) by ESAAMLG.

## **2.2.2 Domestic Efforts in Combating Money Laundering, Terrorism Financing and Proliferation Financing**

The problem of ML in Zambia was first detected in the 1980s. During this period Zambia was mainly a point for various drugs which were being trafficked from South America, Europe and the Middle East to the Southern African region. Drug trafficking generated huge proceeds that were laundered through the purchase of various properties such as houses, vehicles and other luxurious goods.

This prompted Government to enact new laws including the Dangerous Drugs (Forfeiture of Property) Act No.7 of 1989. The Act targeted the proceeds generated from drug trafficking and signified the genesis of money laundering laws in Zambia and established the Drug Enforcement Commission (DEC). It was repealed and replaced with the Narcotic Drugs and Psychotropic Substances Act, Chapter 96 of the Laws of Zambia. The Act was later repealed and replaced by Narcotic Drugs and Psychotropic Substances Act No. 35 of 2021.

In addition, Zambia enacted the Prohibition and Prevention of Money Laundering Act (PPMLA) No.14 of 2001 which redefined ML to meet the international standards and broadened the predicate offences.

The Act established the Anti-Money Laundering Authority (AMLA) whose functions include advising the Minister responsible for Home Affairs and Internal Security on measures required to prevent and detect

ML in Zambia. It further established the Anti-Money Laundering Investigations Unit (AMLIU) tasked with combating Money Laundering.

In relation to TF, Zambia enacted the Anti-Terrorism Act No. 21 of 2007 which was amended in 2015. The 2015 amendments inter alia established the National Anti-Terrorism Centre and criminalised TF. This Act has since been repealed and replaced by Anti-Terrorism and Non-Proliferation Act No. 6 of 2018 which criminalises both terrorism financing and proliferation financing.

## 2.3 CURRENT STATUS

The 2016 ML/TF NRA results revealed that ML in Zambia is mostly predicated by tax evasion, corruption, drug trafficking, theft and fraud.

The extent of the ML problem in Zambia is illustrated by the ML threat ratings of tax evasion, corruption and drug trafficking as highlighted in the NRA report.

The ML threat for tax evasion was rated high on account of inadequate mechanisms for monitoring compliance with tax obligations and the large informal sector.

The current trend shows that tax evasion, corruption, drug trafficking, fraud and theft have remained high for the period 2017 to 2021.

During the period 2018 to 2021, AMLIU received a total of 1,006 reports on various predicate offences to ML predominantly fraud, theft/embezzlement, drug trafficking, corruption and tax evasion. A total of 383 persons in 232 cases were arrested for money laundering related offences involving total amounts of: Two hundred and Twenty-Four Million, Three hundred and Sixty-Five thousand, Nine hundred and Forty-Three Kwacha and Nineteen Ngwee (ZMW224, 365, 943.19); and Two million and Forty-Four thousand, Four Hundred and Ninety-Nine United States Dollars and Thirty Six Cents (US\$2,044,499.36). A number of properties reasonably suspected to be proceeds and instrumentalities of crime were seized. The conviction rate for the four (4) years stood at 82.23 percent.

The 2019 Zambia ME report identified AMLIU and the Anti-Corruption Commission (ACC) as being the only LEAs currently conducting parallel financial investigations. It has also been observed that other LEAs investigate financial crimes without pursuing the ML aspects or referring that aspect to AMLIU and ACC.

During the period 2018 to 2021 the DEC received a total of 20, 288 drug related reports. In 2018, a total of 5,241 persons were arrested in 4,403 cases; in 2019, a total of 5,352, persons were arrested in 4,693 cases; in 2020, a total of 4,335 persons were arrested in 3,026 cases; while in 2021 a total of 3,893

persons were arrested in 3,304 cases. The estimated total street value of the major drugs seized in the four (4) years was Three hundred and Twelve million, One hundred and Twenty-One thousand, Eight hundred and Forty-Six Kwacha and Sixty-Four Ngwee (ZMW312, 121,846.64). The conviction rate stood at 86.39percent.

Corruption remains a serious issue in Zambia mainly arising from abuse of authority, bribery and conflict of interest. In 2020, ACC received a total of 232 corruption related reports while in 2021, ACC received a total of 304 corruption related reports. In the period 2020/2021 ACC forfeited properties with a total value of **ZMW 72 491 046.00** to the state. The properties include cash and real estate.

Similarly, tax evasion has continued to be of concern as evidenced by tax evasion cases investigated by the Zambia Revenue Authority (ZRA). In 2018, ZRA investigated 151 cases out of which K97,418,274.06 was collected. In 2019 ZRA investigated 115 cases and collected K477,693,537.04.

There have also been incidences of environmental crimes that have been detected relating to illegal trafficking in wildlife and harvesting of rosewood. Investigated cases show that foreign nationals engage locals in the illegal harvest of endangered tree species and wildlife for subsequent transportation out of the country.

The manipulation of artificial intelligence in the creation of new technologies such as block chain technology and virtual currencies present both opportunities and ML, TF, PF risks. Virtual currencies are being traded in Zambia. These products have inherent ML, TF and PF risks. The lack of regulation has compounded the risks.

In the recent past there has been an increase in the number of entities offering gaming services including casinos and online betting services. The gaming sector in Zambia is not supervised for AML/CTPF matters. The sector has inherent risks susceptible to ML, TF, PF. The lack of supervision of the sector exacerbates the risks.

Whilst there have been no incidences of terrorism in Zambia, the threat of TF is heightened by the presence of migrant communities from high risk jurisdictions, the informal sector, cash-based economy and informal transfers of funds. Further, the NPO sector is not subjected to risk based approach supervision. The lack of TF supervision in the NPO sector renders it susceptible to abuse by terrorist entities.



The Southern African region faces increased risk of terrorism and terrorism financing. Zambia shares borders with eight (8) neighboring countries some of which have reported incidences of terrorism and terrorism financing. The MER of 2019 indicated that Zambia detected, investigated and disrupted three (3) cases of terrorism financing in the period 2015 to 2018.

The threat of terrorism financing is expected to be high in the region.

While there has never been proliferation financing cases in Zambia, this does not entail that there is no potential risk given the presence of uranium in Zambia which is one of the raw materials in the production of weapons of mass destruction.

As regards vulnerability to ML/TF/PF abuse, both Financial Service Providers (FSPs) and DNFBPs remain at risk. This is due to lack of effective supervision of the sectors by most supervisory authorities.

### 3.0 VISION, RATIONALE AND GUIDING PRINCIPLES

#### 3.1 Vision

*“A Zambia with a stable social, economic and political environment free of financial crimes.”*

#### 3.2 Rationale

According to the results of the National Risk Assessment (NRA) conducted in 2016 there is a real presence of ML which requires Government’s intervention. Further, the threat of TF has been heightened by the presence of migrant communities from high risk jurisdictions, the use of informal sector, cash-based economy and informal transfers of funds. Additionally, Zambia shares borders with eight (8) neighboring countries some of which have reported incidences of terrorism and terrorism financing.

While the PF risk was not assessed, the presence of uranium in Zambia which is one of the raw materials in the production of weapons of mass destruction, gives cause for continuous monitoring of the risk.

This Policy therefore, provides a guide and a basis for development of measures and programmes that address the country’s ML, TF and PF risks. The Policy will enable stakeholders to undertake targeted measures and allocate resources effectively in response to ML, TF and PF risks.

#### 3.3 Guiding Principles

This Policy is anchored on the national values and principles as enshrined in the Constitution. Its effective implementation will be guided by the following principles:

**Leadership** - a committed leadership with unquestionable integrity.

**Impartiality** - financial crimes dealt without fear or favour.

**Inter-Agency Complementarity** - competent authorities shall collaborate and cooperate effectively in order to complement efforts in the fight against financial crimes.

**Adherence to Domestic and International AML/CTPF Requirements** - adherence to domestic and international AML/CTPF standards shall be promoted.

**Integrity** - Competent authorities shall conduct themselves in a manner that is above reproach and does not compromise the reputation of their respective agencies.

**Professionalism** - Competent authorities shall be committed and dedicated to their work and shall value quality service delivery.

**Accountability** - Competent authorities shall be responsible to stakeholders for decisions and actions taken.

**Transparency** - Competent authorities shall conduct themselves in an open and predictable manner.

**Patriotism** – Competent authorities shall put the interests of the Country above all other interests.

### 4.0 OBJECTIVES AND MEASURES

#### 4.1 Overall Objective

The overarching objective of this Policy is to effectively fight ML/TF/PF crimes in Zambia.

#### 4.2 Specific Objectives

1. To improve effectiveness and efficiency in institutions to prevent and counter ML/TF/PF;
2. To achieve increased awareness on the vices of ML/TF/PF among the general public;
3. To augment international cooperation for effective implementation of International Conventions and Standards on AML/CTPF;
4. To create effective mechanisms for inter-agency cooperation and collaboration; and
5. To harness collaboration between private and public sector in AML/CTPF.

#### 4.3 Policy Measures

##### 4.3.1 To improve effectiveness and efficiency in institutions to prevent and counter ML/TF/PF.

###### Measures

1. Strengthen the capacity of LEAs and other competent authorities in intelligence gathering, investigations, prosecution and asset forfeiture in relation to ML/TF/PF cases;
2. Sstrengthen the capacity of AML/CTPF supervisory authorities and other competent authorities;
3. Develop and implement a case management system;
4. Develop and implement monitoring mechanisms for minerals and other natural resources for countering the financing of proliferation; and
5. Develop and implement a risk based framework for AML/CTPF supervision and monitoring.

##### 4.3.2 To achieve increased awareness on the vices of ML/TF/PF among the general public.

## **Measures**

1. Develop a communication strategy on ML/TF/PF for use by competent authorities;
2. Develop partnerships for public awareness;
3. undertake outreach and educational programmes to raise and deepen awareness on ML/TF/PF;
4. Dissemination of the trends on ML/TF/PF matters; and
5. Capacity building for media on ML/TF/PF reporting.

### **4.3.3 To augment international cooperation for effective implementation of International Conventions and Standards on AML/CTPF.**

#### **Measures**

1. Accede, ratify and domesticate international Conventions relevant to AML/CTPF;
2. Harmonise laws to comply with required standards; and
3. Enhance information sharing mechanisms between domestic and international stakeholders.

### **4.3.4 To create effective mechanisms for inter-agency cooperation and collaboration.**

#### **Measures**

1. Strengthen liaison and collaboration among LEAs and other competent authorities in ML/TF/PF intelligence/investigations, prosecution and assets forfeiture;
2. Develop inter-agency framework to promote domestic co-operation, co-ordination and information exchange; and
3. Enhance information sharing mechanisms among competent authorities.

### **4.3.5 To harness collaboration between the private and public sectors in AML/CTPF**

#### **Measure**

1. Develop mechanisms for collaboration between the private and public sector on AML/CTPF;
2. Develop and implement Public Private partnerships strategy; and
3. Strengthen information sharing between the public and private sector stakeholders

### 5.0 IMPLEMENTATION FRAMEWORK

The attainment of the vision, strategic objectives, and policy measures set out in this Policy shall largely depend on the following implementation framework.

#### 5.1 Institutional Arrangements

The key stakeholders and their roles in the implementation of this Policy are as follows:

- a) The Ministry responsible for finance and planning shall:
  - i) coordinate the fight against ML/TF and PF;
  - ii) monitor the implementation of preventative measures for ML/TF and PF; and
  - iii) mobilize resources for effective implementation of this Policy.
  
- b) The Ministry responsible for internal security shall enforce measures in the fight against ML/TF and PF.
  
- c) The Ministry responsible for justice shall:
  - i) facilitate the enactment of laws and regulations relating to AML/CFTP;
  - ii) facilitate implementation of international obligations relating to mutual legal assistance and extradition; and
  - iii) facilitate ratification and domestication of international protocols and conventions on AML/CTPF.
  
- d) The Ministry responsible for foreign affairs shall:
  - i) facilitate the process of the depositing the ratified international conventions and protocols on AML/CTPF with the United Nations;
  - ii) coordinate the implementation of the international conventions and protocols on AML/CTPF; and
  - iii) facilitate the conveyance of mutual legal assistance and extradition with different authorities.

- e) The Ministry responsible for registration and regulation of Non-Governmental Organisations shall supervise and monitor Non-Profit Organisations (NPO's) for terrorist financing and proliferation financing.
- f) The Ministry responsible for mines shall license dealers in precious stones and minerals.
- g) The Ministry responsible for tourism shall license Casinos and ensure that they comply with the AML/CTPF obligations.
- h) The Ministry responsible for incorporation and registration of trusts shall ensure their compliance with AML/CTPF obligations.
- i) The Ministry responsible for Information and Media shall:
  - (i) Promote the civic education of Money Laundering and Countering Financing of Terrorism; and
  - (ii) Publicise the dangers associated with Money Laundering and Terrorists Financing in order to prevent the impact on the economy.
- j) The Anti- Money Laundering Investigations Unit (AMLIU) shall be responsible for the investigations of ML and other business and financial transactions suspected of being part of ML.
- k) The Drug Enforcement Commission (DEC) shall be responsible for the detection and prevention of drug trafficking and related offences which are predicate offences to ML.
- l) The Anti-Corruption Commission (ACC) shall be responsible for the detection and prevention of corruption related offences which are predicate offences to ML and prosecution thereof.
- m) The Zambia Police Service shall be responsible for the detection and prevention of all crimes which are predicate offences to ML.
- n) The Zambia Revenue Authority (ZRA) shall be responsible for the detection and prevention of tax related crimes which are predicate offences to ML.
- o) The Department of Immigration shall be responsible for the detection and prevention of movement of persons involved in activities related to financial crimes.
- p) The Financial Intelligence Centre shall be responsible for the receiving, requesting, analysing and disseminating of the disclosure of suspicious transactions reports related to ML/TF/PF. It

shall also be responsible for the supervision of reporting entities which have no supervisory authority or where the supervisory authority fails or neglects to enforce compliance.

- q) The National Anti-Terrorism Centre (NATC) shall be responsible for the detection, response to, mitigation and investigation of, terrorist incidents and threats to internal security. The NATC shall also be responsible for implementing obligations related to all relevant United Nations Security Council Resolutions.
- r) The Bank of Zambia (BoZ) shall be responsible for ensuring that banks and non-bank financial institutions comply with the AML/CTPF obligations;
- s) The Securities and Exchange Commission (SEC) shall be responsible for ensuring that players in the capital market comply with the AML/CTPF obligations.
- t) The Pensions and Insurance Authority (PIA) shall be responsible for ensuring that pensions and insurance institutions comply with the AML/CTPF obligations.
- u) The Zambia Institute of Chartered Accountants shall be responsible for ensuring that accounting and audit firms comply with the AML/CTPF obligations.
- v) The Law Association of Zambia shall be responsible for ensuring that legal practitioners, notary and other independent legal practitioners comply with the AML/CTPF obligations.
- w) The Zambia Institute of Estate Agents shall be responsible for ensuring that real estate agents comply with the AML/CTPF obligations.
- x) Reporting entities shall be responsible for the establishment of AML/CTPF compliance programmes.
- y) The AML/CTPF National Task Force of Senior Officials shall be responsible for the development and implementation of AML/CTPF strategies.
- z) The Anti- Money Laundering Authority (AMLA) shall be responsible for giving general or specific ML policy to the Commissioner of the Drug Enforcement Commission and to the Minister of Home Affairs.
- aa) The National Anti-Terrorism Committee (NAT Committee) shall be responsible for giving general or specific policy directives to the NATC on obligations and measures to be taken in the prevention and detection and of terrorism, proliferation and their financing.



bb) The National Prosecution Authority shall be responsible for the prosecution of ML/TF/PF and associated predicate offences in Zambia.

cc) Academia

The academia can contribute to successful implementation of the Policy. Thus, they shall among others, undertake operational research in the AML/CFTP Sector.

dd) Civil Society Organisations

The Civil Society will collaborate with Government in the implementation of the Policy through advocacy.

ee) ESAAMLG shall be responsible for evaluating Zambia's compliance with AML/CTPF international standards; and

ff) Other cooperating partners may be requested for technical assistance and financial support

Notwithstanding the existing institutional framework, there is limited coordination among competent authorities within the AML/CTPF regime which negatively impacts on the fight against ML/TF/PF. For instance, individual LEAs have priority cases they focus on based on internal strategic plans or other case prioritization mechanisms. This implies that the efforts employed by LEAs in dealing with ML/TF/PF cases may not necessarily respond to the identified ML/TF/PF high risk areas at national level and may result in duplicity. This places constraints on the limited resources available to LEAs.

To ensure effective implementation of this Policy it is recommended that:

1. A permanent inter-agency working committee be established among LEAs to proactively conduct financial investigations related to major proceeds generating predicate offences in a coordinated manner;
2. Expand the membership of AMLA to include the Director of Public Prosecutions, Director General-FIC, Director-NATC and Chairperson of the AML/CTPF National Task Force.

## **5.2 Legal Framework**

Zambia's AML/CTPF legal framework comprises the following legislation:

**(a) Principal AML/CTPF Acts**

- i. The Prohibition and Prevention of Money Laundering Act, No. 14 of 2001 (as amended) establishes AMLA and AMLIU and criminalises money laundering;
- ii. The Anti-Terrorism and Non-Proliferation Act No. 6 of 2018 establishes the NATC, criminalises terrorism and proliferation financing and provides for targeted financial sanctions;
- iii. The Financial Intelligence Centre Act, No. 46 of 2010 establishes the Financial Intelligence Centre (FIC) which is responsible for receiving, requesting, analysing and dissemination of suspected ML/TF/PF and other serious offences; and
- iv. The Forfeiture of Proceeds of Crime Act, No. 19 of 2010 which provides for the forfeiture/confiscation of proceeds of crime and establishes the forfeited assets fund.

**(b) Other Acts Augmenting the Principal AML/CTPF Acts:**

- i. The Narcotic Drugs and Psychotropic Substances Act No. 35 of 2021– Cap 96 of the laws of Zambia;
- ii. The Anti-Corruption Act, No. 3 of 2012;
- iii. The Mutual Legal Assistance in Criminal Matters Act, Cap. 98 of the Laws of Zambia;
- iv. The Extradition Act, Cap. 94 of the Laws of Zambia;
- v. The Penal Code Act, Cap. 87 of the Laws of Zambia;
- vi. The Plea Negotiations and Agreements Act, No. 20 of 2010; and
- vii. The Public Interest Disclosure (Protection of Whistle-blowers) Act, No. 4 of 2010.

To ensure effective implementation of this Policy it is recommended that the following pieces of legislation are amended:

1. the Prohibition and Prevention of Money Laundering Act, No. 14 of 2001 to expand the mandate of AMLA to include TF and PF;
2. National Anti-Terrorism Act; and
3. Any other law that may affect the implementation of the Policy.

Further, the legal framework in relation to seizure, forfeiture/confiscation and management of assets should be harmonized.

### **5.3 Resource Mobilisation**

The Government shall commit to providing sufficient funding for the successful implementation of this Policy. Resources shall be mobilized from:

- i. the National Treasury;
- ii. forfeited proceeds of crime; and
- iii. co-operating partners.

Technical and financial assistance may be accessed from cooperating partners.

### **5.4 Monitoring and Evaluation**

The Ministry responsible for finance and national planning through AMLA shall ensure effective monitoring of the implementation of the Policy across various institutions in the AML/CTPF regime. This Policy will be reviewed periodically to assess its efficacy.

A comprehensive Implementation Plan for this Policy has been developed and attached to this Policy.

