



REPUBLIC OF ZAMBIA

**SPEECH BY**

**THE SECRETARY TO THE CABINET, DR. ROLAND MSISKA,  
DURING THE LAUNCH OF THE 2016 MONEY LAUNDERING/  
TERRORIST FINANCING NATIONAL RISK ASSESSMENT REPORT**

**ON 22ND SEPTEMBER, 2017**

CABINET OFFICE  
LUSAKA

SEPTEMBER, 2017

- **THE ATTORNEY GENERAL;**
- **PERMANENT SECRETARIES PRESENT;**
- **MEMBERS OF THE DIPLOMATIC CORPS;**
- **HEADS OF THE LAW ENFORCEMENT AGENCIES PRESENT;**
- **HEADS OF THE SUPERVISORY AUTHORITIES;**
- **MEMBERS OF THE ANTI-MONEY LAUNDERING AUTHORITY;**
- **BOARD OF DIRECTORS OF THE FINANCIAL INTELLIGENCE CENTRE;**
- **REPRESENTATIVES OF CIVIL SOCIETY ORGANISATIONS;**
- **MEMBERS OF THE PRESS;**
- **LADIES AND GENTLEMEN.**

**GOOD MORNING**

AM DELIGHTED TO BE HERE TODAY AT THE LAUNCH OF THE MONEY LAUNDERING/TERRORIST FINANCING NATIONAL RISK ASSESSMENT REPORT, 2016. AM PERSONALLY OVERWHELMED BY YOUR POSITIVE RESPONSE TO ATTEND THIS HISTORICAL EVENT IN THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM REGIME IN ZAMBIA.

AS YOU MAY BE AWARE, THE NATIONAL RISK ASSESSMENT REPORT WAS APPROVED BY CABINET ON THE 14TH AUGUST, 2017 AND IT PROVIDES A COMPREHENSIVE DETAIL COVERING THE COUNTRY'S STATUS ON MONEY LAUNDERING AND TERRORIST FINANCING RISKS IT IS INDEED BOTH AN HONOUR AND A PLEASURE TO BE HERE WITH YOU TODAY TO OFFICIALLY LAUNCH THE NATIONAL RISK ASSESSMENT REPORT.

**DISTINGUISHED GUESTS,  
LADIES AND GENTLEMEN,**

AS YOU ALL MAYBE AWARE, MONEY LAUNDERING AND TERRORIST FINANCING AND INDEED OTHER FINANCIAL CRIMES HAVE ADVERSE SOCIAL AND SECURITY IMPLICATIONS. THE PROLIFERATION OF CRIMINAL ACTIVITIES THAT GENERATE PROCEEDS THAT CAN BE LAUNDERED IS ONE OF THEM. BUT THE MOST IMPORTANT HARM IS THAT OF HURTING THE INVESTMENT OPPORTUNITIES THAT CAN CONTRIBUTE TO ECONOMIC GROWTH BECAUSE OF FEAR THAT SUCCESSFUL MONEY LAUNDERING AND TERRORIST FINANCING WILL DESTABILISE THE FINANCIAL SECTOR AND ULTIMATELY, THE ECONOMY AND ITS GROWTH.

DEALING WITH MONEY LAUNDERING AND TERRORIST FINANCING REQUIRED A NATIONAL RESPONSE. THEREFORE, INTERAGENCY NATIONAL RISK ASSESSMENT OF MONEY LAUNDERING AND TERRORIST FINANCING WAS AN IMPORTANT STEP TO BETTER UNDERSTAND THE COUNTRY'S VULNERABILITIES AND TO DEVELOP PLANS TO DEAL WITH THEM. INDEED, IDENTIFICATION, ASSESSING AND UNDERSTANDING OF MONEY LAUNDERING AND TERRORIST FINANCING RISKS ARE ESSENTIAL PARTS OF THE DEVELOPMENT AND IMPLEMENTATION OF EFFECTIVE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM REGIME.

THE NATIONAL RISK ASSESSMENT WOULD ASSIST IN THE PRIORITISATION AND EFFICIENT ALLOCATION OF RESOURCES BY AUTHORITIES AND PROVIDE USEFUL INFORMATION TO REPORTING ENTITIES TO SUPPORT THE CONDUCT OF THEIR OWN RISK ASSESSMENTS. IN PARTICULAR, THE OBJECTIVES OF THE NATIONAL RISK ASSESSMENT WERE TO:

- (A) EXAMINE MONEY LAUNDERING AND TERRORIST FINANCING METHODS USED IN THE REPUBLIC OF ZAMBIA;
- (B) APPLY THE RISK-BASED APPROACH IN ORDER TO ENSURE THAT MEASURES IMPLEMENTED BY SUPERVISORY AUTHORITIES AND REGULATED ENTITIES ARE COMMENSURATE WITH THE LEVEL OF MONEY LAUNDERING AND TERRORIST FINANCING RISKS AT NATIONAL LEVEL;
- (C) IDENTIFY GAPS IN ZAMBIA'S ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM SYSTEMS AND CONTROLS;
- (D) PRIORITISE AND ALLOCATE ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM RESOURCES BY COMPETENT AUTHORITIES AND REGULATED ENTITIES;
- (E) PROVIDE INPUT TO REPORTING ENTITIES AS THEY DEVELOP THEIR OWN RISK ASSESSMENTS;

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- (F) ENSURE THAT COMPETENT AUTHORITIES APPLY ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM MEASURES THAT ARE PROPORTIONATE TO THE IDENTIFIED RISKS;
- (G) INFORM POTENTIAL IMPROVEMENTS TO THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM REGIME, INCLUDING THROUGH THE FORMULATION OR CALIBRATION OF NATIONAL ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM REGULATIONS, POLICIES, LAWS AND STRATEGIES;
- (H) ASSIST LAW ENFORCEMENT AGENCIES IN UNDERSTANDING THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM RISKS, THEREBY ARMING THEM ADEQUATE MECHANISMS TO COMBAT MONEY LAUNDERING AND TERRORIST FINANCING ISSUES WHENEVER THEY OCCUR; AND
- (I) PROVIDE THE PUBLIC WITH A GREATER AWARENESS OF THE MONEY LAUNDERING AND TERRORIST FINANCING RISKS IN ZAMBIA AND THE MEASURES THE GOVERNMENT AND THE REGULATED ENTITIES HAVE IMPLEMENTED OR THAT NEED TO BE IMPLEMENTED TO MITIGATE THEM.

**DISTINGUISHED INVITED GUESTS,  
LADIES AND GENTLEMEN,**

GOVERNMENT IN MAY, 2015, TOOK A BOLD DECISION FOR THE COUNTRY TO UNDERTAKE A MONEY LAUNDERING/TERRORIST FINANCING NATIONAL RISK ASSESSMENT. THE NATIONAL RISK ASSESSMENT WHICH WAS COORDINATED BY THE FINANCIAL INTELLIGENCE CENTRE UNDER THE AMBIT OF THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM NATIONAL TASK FORCE OF SENIOUR OFFICIALS, INCLUDED PARTICIPANTS FROM SELECTED GOVERNMENT MINISTRIES, LAW ENFORCEMENT AGENCIES, SUPERVISORY AUTHORITIES, REPORTING ENTITIES, CIVIL SOCIETY ORGANISATIONS AND THE PRIVATE SECTOR.

THE REPORT CONTAINS FACTUAL DATA FROM RELEVANT GOVERNMENT AGENCIES AND THE PRIVATE SECTOR INCLUDING OTHER CONTEXTUAL INFORMATION ABOUT THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM REGIME IN ZAMBIA. THE REPORT ALSO HIGHLIGHTS SOME SIGNIFICANT INFORMATION AND DATA GAPS, WEAKNESSES IN THE SYSTEMS AND PROCESS OF GOVERNMENT, DATA STORAGE AND RECORD KEEPING AND LEGISLATIVE AND POLICY CONSTRAINTS THAT REQUIRE OUR INTERVENTION. HOWEVER, I AM GLAD THAT THIS REPORT HAS SET THE BASIS FOR THE GOVERNMENT AND OTHER STAKEHOLDERS TO ADDRESS SOME OF THESE CHALLENGES AND WEAKNESSES IN THE NEAR FUTURE.

FURTHER, I AM DELIGHTED TO SEE IN THE AUDIENCE CRITICAL STAKEHOLDERS IN THE FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING. BASED ON THE NATIONAL RISK ASSESSMENT FINDINGS, I WISH TO URGE ALL OF YOU TO QUICKLY MAKE USE OF THE INFORMATION CONTAINED IN THIS REPORT AND USE IT TO DEVELOP THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM PROGRAMMES IN ACCORDANCE WITH THE RELEVANT LEGISLATION TO FIGHT MONEY LAUNDERING, TERRORISM FINANCING AND ALL OTHER FINANCIAL CRIMES.

**DISTINGUISHED INVITED GUESTS,  
LADIES AND GENTLEMEN,**

YOU WILL NOTE THAT THE NATIONAL RISK ASSESSMENT REVEALED THAT MONEY LAUNDERING RISK IN ZAMBIA IS **MEDIUM HIGH** WHILE TERRORIST FINANCING RISK IS **MEDIUM LOW**. THE RISK ASSESSMENT OF FINANCIAL INCLUSION PRODUCTS WAS UNDERTAKEN BY THE COUNTRY WITH A VIEW TO UNDERSTAND MONEY LAUNDERING AND TERRORIST FINANCING RISKS THAT MAY ARISE FROM BOTH EXISTING AND ANY EMERGING NEW PRODUCTS BEING OFFERED IN ZAMBIA.

THE COUNTRY'S DESIRE IN UNDERTAKING RISK ASSESSMENT OF FINANCIAL INCLUSION PRODUCTS WAS ALSO AIMED AT ENSURING THAT THE OUTCOMES OF THE ASSESSMENT ASSIST REGULATORS AND VARIOUS MARKET PLAYERS IN THE DESIGN OR RE-DESIGN AS THE CASE MAYBE, OF PRODUCT FEATURES AND PUT IN PLACE MITIGATION MEASURES AS INFORMED BY THE RESULTS OF THE RISK ASSESSMENT. THE ASSESSMENT OF FINANCIAL INCLUSION PRODUCTS UNDERTAKEN, INDICATED THAT THERE WAS NO SIGNIFICANT USE OF THE PRODUCTS IN THE GENERATION OF PROCEEDS OF CRIME OR ANY SIGNIFICANT USE TO PERPETRATE TERRORIST ACTIVITIES IN THE COUNTRY. TO THIS END, THE MONEY LAUNDERING/TERRORIST FINANCING RISK FOR THE FINANCIAL INCLUSION PRODUCTS WAS **RATED LOW**.

**LADIES AND GENTLEMEN,**

ALTHOUGH THE COUNTRY HAS COMPREHENSIVE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM LEGAL FRAMEWORK, THE ASSESSMENT ALSO NOTED SOME DEFICIENCIES. THESE INCLUDED INEFFECTIVE MONITORING OF SUSPICIOUS TRANSACTIONS ACTIVITIES, INEFFECTIVE COMPLIANCE FUNCTIONS IN REPORTING ENTITIES, INADEQUATE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM KNOWLEDGE FOR BOTH SUPERVISORY AUTHORITIES AND REPORTING ENTITIES ESPECIALLY FOR THE DESIGNATED NON-FINANCIAL BUSINESSES AND



PROFESSIONS AND WEAK ENFORCEMENT OF ADMINISTRATIVE AND CRIMINAL SANCTIONS.

BASED ON THE FINDINGS OF THE ASSESSMENT, AN ACTION PLAN HAS BEEN DEVELOPED TO ASSIST BOTH GOVERNMENT AND THE PRIVATE SECTOR TO PRIORITISE THEIR ALLOCATIONS OF RESOURCES TO MITIGATE MONEY LAUNDERING AND TERRORIST FINANCING RISKS.

I WANT TO ASSURE YOU THAT GOVERNMENT IS FULLY COMMITTED IN SUPPORTING EFFORTS TO ADDRESS MONEY LAUNDERING AND TERRORIST FINANCING RISKS IN THE COUNTRY. WE WILL CONTINUE TO PROVIDE AN ENABLING ENVIRONMENT FOR THE STAKEHOLDERS TO EFFECTIVELY ADDRESS THE DEFICIENCIES IDENTIFIED DURING THE NATIONAL RISK ASSESSMENT. I, THEREFORE, ENCOURAGE EVERYONE TO USE THE NATIONAL RISK ASSESSMENT REPORT TO INFORM YOURSELF ABOUT THE RISK LEVELS OF THE COUNTRY AND THE DEVISED STRATEGIES TO ADDRESS THE DEFICIENCIES.

**DISTINGUISHED INVITED GUESTS,  
LADIES AND GENTLEMEN,**

GOVERNMENT IS COGNIZANT OF THE IMPORTANCE OF COOPERATION IN THE FIGHT AGAINST FINANCIAL CRIMES. IF WE ARE TO SUCCEED AS A NATION, AGAINST THESE VICES, COOPERATION AMONG DIFFERENT

STAKEHOLDERS IN THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM REGIME CANNOT BE OVEREMPHASISED.

THEREFORE, THERE IS NEED TO COMBINE EFFORTS BY DIFFERENT STAKEHOLDERS IN THE FIGHT AGAINST MONEY LAUNDERING, TERRORIST FINANCING AND OTHER FINANCIAL CRIMES. THIS FOR EXAMPLE, CALLS FOR FORMATION OF JOINT INVESTIGATING TASK FORCES AND SHARING AND EXCHANGING OF INFORMATION ON ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM MATTERS.

THIS REPORT COULD NOT HAVE BEEN LAUNCHED AT A BETTER TIME THAN THIS WHEN THE COUNTRY HAS COMMENCED ITS PREPARATIONS FOR THE MUTUAL EVALUTION OF ITS ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM SYSTEM BY THE EASTERN AND SOUTHERN AFRICA ANTI - MONEY LAUNDERING GROUP (ESAAMLG) BASED ON THE 2012 FINANCIAL ACTION TASK FORCE STANDARDS USING THE METHODOLOGIES FOR ASSESSING COMPLIANCE WITH THE FINANCIAL ACTION TASK FORCE RECOMMENDATIONS AND THE EFFECTIVENESS OF THE ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM SYSTEMS (2013). GOVERNMENT WILL BE CALLING ON YOU AGAIN, AS STAKEHOLDERS, TO COOPERATE DURING THE MUTUAL EVALUATION COMMENCING IN OCTOBER, 2017.

**DISTINGUISHED INVITED GUESTS,  
LADIES AND GENTLEMEN,**

WHILE WE CELEBRATE THE PUBLICATION OF THE FIRST NATIONAL RISK ASSESSMENT REPORT, THERE IS MUCH WORK LEFT TO BE DONE.

ALL ACTION PLANS NEED TO BE IMPLEMENTED. THIS REPORT WILL ASSIST US TO MAINTAIN OUR FOCUS, AND COME TOGETHER TO ENSURE THAT WE, STAKEHOLDERS IN THIS GREAT NATION, SHOW TO OURSELVES AND THE WORLD THAT, TOGETHER WE CAN ACHIEVE A LOT AND BE AN ADMIRATION TO THE REST OF THE WORLD IN THE FIELD OF ANTI-MONEY LAUNDERING/COUNTERING THE FINANCING OF TERRORISM MATTERS.

ACCORDINGLY, THE NATIONAL RISK ASSESSMENT WILL FROM TIME TO TIME BE UPDATED AND AS SUCH, A THREE YEAR INTERVAL OF UPDATE HAS SINCE BEEN ALLOCATED THEREOF.

LET ME TAKE THIS OPPORTUNITY TO CONGRATULATE THE MULTI STAKEHOLDER GROUP FOR A JOB WELL DONE IN ACHIEVING THIS IMPORTANT MILESTONE IN UNDERTAKING THE NATIONAL RISK ASSESSMENT. I ALSO ACKNOWLEDGE GOVERNMENT ENTITIES AND THE PRIVATE SECTOR THAT PARTICIPATED IN THIS EXERCISE AND ENCOURAGE YOU ALL TO CONTINUE WITH THE GOOD WORK YOU HAVE DEMONSTRATED.

LAST BUT NOT THE LEAST, MY ACKNOWLEDGEMENT ALSO GOES TO THE WORLD BANK FOR PROVIDING A MONEY LAUNDERING/TERRORIST FINANCING NATIONAL RISK ASSESSMENT TOOL THAT WAS USED TO

CONDUCT THE NATIONAL RISK ASSESSMENT. THIS MADE THE PROCESS EASIER AS EVIDENCED BY THE ASSESSMENT REPORT.

**LADIES AND GENTLEMEN,**

IT IS NOW MY HONOUR AND PRIVILEGE TO OFFICIALLY LAUNCH THE FIRST MONEY LAUNDERING/TERRORIST FINANCING NATIONAL RISK ASSESSMENT REPORT.

**GOD BLESS OUR GREAT NATION ZAMBIA,**

**I THANK YOU ALL.**