



FIRST ROUND MUTUAL EVALUATIONS - POST EVALUATION PROGRESS
REPORT OF RWANDA

Covering the period August 2017 – July 2018

REPUBLIC OF RWANDA

I. INTRODUCTION

1. A mutual evaluation of Rwanda's AML/CFT regime was conducted by the IMF from June 4 - 14, 2012. The Mutual Evaluation Report (MER) was adopted by the ESAAMLG Council of Ministers in Luanda, Angola during its September 2014 meeting.
2. The main deficiencies in Rwanda's AML/CFT regime are highlighted below.

II. SCOPE OF REPORT

3. This report contains a description and analysis of the actions taken by Rwanda in respect of all Recommendations rated partially compliant (PC) or non-compliant (NC) in the 2014 MER –including the core, the key and all other Recommendations.
4. Out of the 49 FATF Recommendations, Rwanda was Compliant (C) with 2 Recommendations, Largely Compliant (LC) with 5 Recommendations, Partially Compliant (PC) with 14 Recommendations and Non-Compliant (NC) with 26 Recommendations. Two recommendations were rated Not Applicable (N/A).
5. The tables below summarize the ratings obtained by Rwanda on Core and Key Recommendations and all other Recommendations rated PC or NC.

Table 1: Core Recommendations

Core Rec.	5	10	13	SRII	SRIV
Rating	NC	PC	NC	NC	NC

Table 2: Key Recommendations

Key Rec.	4	23	26	36	40	SRI	SRIII	SRV
Rating	PC	NC	PC	PC	NC	PC	NC	PC

Table 3: Other Recommendations rated NC or PC

Rated NC	6, 7, 8, 9, 11, 12, 16, 17, 20, 21, 24, 25, 29, 30, 31, 32, SR.VI, SR.VII, SR.IX
Rated PC	2, 15, 27, 28, 33, 38, 39, SR.VIII

III. OVERVIEW OF PROGRESS MADE BY RWANDA

Overview of main changes since the adoption of the MER

6. Since the adoption of the MER in 2014, Rwanda has taken the following steps:
 - Enacted Law n° 42/2014 of 27/01/2015 governing recovery of offence-related assets.
 - Issued FIU directive n° 001/FIU/2015 of 02/12/2015 relating to identification of customers, suspicious transactions reporting and record keeping requirements for reporting entities.

- Issued Directive No 01/2017 of 02/10/2017 of the Financial Intelligence Unit on Cross Border Cash Declaration and published it in the official gazette, n° 40 of 02/10/2017.
 - Issued Directive No. 01/FIU/2018 of 21/02/2018 of the Financial Investigation Unit relating to Anti-Money Laundering and Combating the Financing of Terrorism. It aims to address some of the identified gaps in Directive n° 001/FIU/2015 of 30/12/2015.
 - The primary AML/CFT Law in Rwanda, law n°47/2008 of 09/09/2008 on Prevention and Penalizing the Crime of Money Laundering and Financing Terrorism is currently under review to address deficiencies identified in the MER. The draft Law has gone through the relevant committees in parliament and is currently waiting for final approval by plenary.
 - The Presidential Order No.27/1 of 30/05/2011 determining the FIU organization is being replaced by a new Law Establishing the Financial Intelligence Authority (FIA) which is being finalized. This is aimed at giving the FIA (formerly, FIU) more autonomy and powers to execute its duties and functions.
 - Established the AML/CFT committee, which is also the FIU advisory Board. The Advisory Board is composed of high authorities from National Bank of Rwanda, National Prosecution, Office of Ombudsman, Ministry of Finance, Rwanda National Police, National Intelligence and Security Services and the FIU.
 - Created specific units in Rwanda National Police (RNP) and National Public Prosecutor Authority (NPPA) to investigate and prosecute economic and financial crimes including money laundering and financing of terrorism.
 - Rwanda Central Bank (BNR) put in place a Fraud Forum where Financial Institutions, LEAs and Supervisors share information on Financial Crimes and predicate offences.
 - The National Risk Assessment (NRA) is currently in the final stages of completion.
 - Sensitization on ML/FT was undertaken at National level. Consultative meeting with Parliament Members on financial and economic crimes was held.
 - Promulgated Law number; n°12/2017 of 07/04/2017 which establishes Rwanda Investigation Bureau which investigates crimes including money laundering and financing of terrorism.
7. Rwanda Investigation Bureau has investigated the following predicate offences in the period under review:

Predicate offences investigated from April 2018 to June 2018

Offence	Apr 18	May 18	Jun 18	Total
Embezzlement	15	15	16	46
corruption	40	17	25	82
Tax evasion	00	00	00	00
Illegal award of public tender	00	00	00	00
Environmental crimes	23	36	31	90
Human trafficking	05	02	04	11

Counterfeiting of currencies	16	21	25	62
Drug trafficking (mainly Cannabis)	316	263	261	840
Grand total	415	354	362	1,131

8. Four suspicious transactions were reported to FIU and four reports were disseminated to CID for investigation.

IV. ANALYSIS OF PROGRESS

9. The detailed analysis of Rwanda's progress is shown in *Annex 1*. below. However, Rwanda authorities could not attend the Review Group meeting.

V. CONCLUSION

10. The preliminary reviews done show that Rwanda has sufficiently addressed R.20 (Other Non-Financial Businesses and Professions) and SR. VI (MVTs).

VI. RECOMMENDATIONS

11. The following is recommended:
- Based on the slow progress that Rwanda is making in addressing the deficiencies identified in its MER, the ESAAMLG President should write a letter to the relevant minister in Rwanda expressing concern on the lack of sufficient progress by the authorities to address the deficiencies.
 - That Rwanda continues to report progress bi-annually at each plenary meeting.

ANNEX 1: REVIEW OF MEASURES TAKEN BY RWANDA IN RELATION TO THE 49 RECOMMENDATIONS

BUILDING BLOCK I – LEGAL FRAMEWORK		
Recommended Actions (As listed in the MER)	Actions Taken by Rwanda (up to September 2018)	Reviewers Comments (September 2018)
2.1 Criminalization of Money Laundering Offence (R.2) – PC		
2.2. Ensure that, in practice, intention can effectively be inferred from objective factual circumstances.	The draft law on AML/CFT is still under review. The draft Law is here attached for reference. The existing Law on Money laundering (Law n°47/2008 of 09/09/2008 on prevention and penalizing the crime of money laundering and financing terrorism) is also here attached for reference.	No progress. The law referred to by the authorities is in draft form and is still going through the legislative approval process. Whereas, para 3 of article 3 provides a definition of money laundering, it is not clear how it permits the intentional element of the offence of ML to be inferred from objective factual circumstances.
2.2 Criminalisation of Terrorism Financing (SR.II) - NC		
II.1. Criminalize the provision and collection of funds to individual terrorists and to terrorist organizations. The direct and indirect collection and provision of funds should be covered under the TF offence.	The draft law on AML/CFT is still under review	No progress. The AML/CFT Law is in the process of being amended to address the deficiencies.
I.1. Ratify and implement i. Convention for	Pending	No progress.

<p>the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988) ii. Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf (1988)</p>	<p>Pending</p>	
<p>4. Review the approach taken in applying the TF provisions to ensure that the legal framework in place is used more effectively.</p>	<p>Pending</p>	<p>No progress</p>
<p>2.4 Freezing/ confiscation of terrorist assets (SRIII) – NC</p>		
<p>III.1 Put in place effective laws and procedures to freeze terrorist funds or other assets or persons designated by the United Nations Al-Qaida and Taliban Sanctions Committee in accordance with UNSCR 1267 of 1999 and successor resolutions. Such freezing should take place without delay and without prior notice to the designated persons</p>	<p>Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT</p>	<p>No progress. Rwandan authorities are in the process of amending the AML/CFT and Counter Terrorism Laws and have advised that they are currently developing Regulations implementing UNSCRs 1267 and 1373.</p>

involved		
<p>III.2 Put in place effective laws and procedures to freeze terrorist funds or other assets of persons designated in the context on UNSCR 1373 of 2001. Such freezing should take place without delay and without prior notice to the designated persons involved</p>	<p>Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT</p>	<p>No progress. Rwandan authorities are in the process of amending the AML/CFT and Counter Terrorism Laws and have advised that they are currently developing Regulations implementing UNSCRs 1267 and 1373.</p>
<p>III.4 Extend the freezing measures to all “funds and other property,” which would make it possible, pursuant to the aforementioned resolutions, to cover all financial assets and property of any kind, whether corporeal or incorporeal, movable or immovable, as well as legal documents or instruments of any kind evidencing title to or interest in such property</p>	<p>Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT</p>	<p>No progress. Rwandan authorities are in the process of amending the AML/CFT and Counter Terrorism Laws and have advised that they are currently developing Regulations implementing UNSCRs 1267 and 1373.</p>
<p>III.5 Provide a clear and rapid mechanism for distributing the UNSCRs lists</p>	<p>Pending: To be addressed after the completion of the revised Counter</p>	<p>No progress. There is currently no mechanism in place.</p>

nationally to the financial institutions and other persons or entities that may be holding targeted funds or other assets	Terrorism Law and the revised Law on AML/CFT	
III.6 Provide clear guidance to FIs and other persons or entities that may be holding targeted funds or assets concerning their obligations in taking action under freezing mechanisms	Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT	No progress.
III.7 Introduce effective and publicly known procedures for timely review of requests to delist designated persons and to unfreeze the funds or other property of persons or entities removed from the lists	Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT	No progress.
III.8 Introduce effective and publicly known procedures for unfreezing as promptly as possible the funds or other property of persons or entities inadvertently affected by a freezing mechanism, upon verification that the person or entity is not a designated person	Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT	No progress. The procedures are not in place.
III.9 Introduce appropriate procedures for authorizing access to funds or other	Pending: To be addressed after the completion of the revised Counter	No progress. The procedures are not in place.

<p>property frozen pursuant to Resolution S/RES/1267(1999) and that have been determined to be necessary for basic expenses, the payment of certain types of fees, expenses, and service charges as well as extraordinary expenses</p>	<p>Terrorism Law and the revised Law on AML/CFT</p>	
<p>III.10 Introduce appropriate procedures allowing a person or entity whose funds or other property were frozen to challenge the measures, including with ultimate recourse to a court</p>	<p>Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT</p>	<p>No progress. The procedures are not in place.</p>
<p>III.12 Introduce a provision that would ensure protection for the rights of third parties acting in good faith</p>	<p>Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT</p>	<p>No progress.</p>
<p>III.13 Develop appropriate measures to monitor effectively the compliance with relevant legislation, rules or regulations governing the obligations under SRIII and to impose civil, administrative, and criminal sanctions to failure to comply with such legislation, rules, or regulations.</p>	<p>Pending: To be addressed after the completion of the revised Counter Terrorism Law and the revised Law on AML/CFT</p>	<p>No progress</p>

BUILDING BLOCK II – FINANCIAL INTELLIGENCE UNIT

2.5 Financial Intelligence Unit (R.26) - PC

<p>3. Ensure that the FIU strengthen the quality of its analysis of STRs and other information, in particular by undertaking more in-depth analysis that could lead to improving the quality and quantity of disseminated reports. This could be achieved inter-alia by:</p> <ul style="list-style-type: none"> (i) conducting analysis of information instead of investigation (ii) strengthening the technical tools available to the analysts; (iii) Increasing the number of analysts with financial background and raise their awareness. 	<p>Pending: Training of analyst is scheduled in Namibia from the 23rd to 27th July 2018.</p>	<p>No progress – In the previous review, Rwanda had indicated that this was pending the finalization of the FIA law.</p>
<p>26.6 Ensure the independence of the FIU by among other things:</p> <ul style="list-style-type: none"> • Putting in place proper safeguards for the sharing of information with the Advisory Board. 	<p>The Presidential Order No.27/1 of 30/05/2011 determining the FIU organization and functioning is being revised. This is aimed at giving the present FIU more autonomy and powers to execute its duties and functions.</p>	<p>No progress. Rwanda is currently revising the Presidential Order No.27/1 of 30/05/2011 determining the FIU organization and functioning. This is aimed at giving the present FIU more autonomy and powers to execute its duties and functions.</p>

<ul style="list-style-type: none"> • securing adequate financial, human, and technical resources to conduct its core functions; and • Securing the information held at its premises. 		
<p>26.7 Ensure that the information held by the FIU is securely protected;</p>	<p>The Presidential Order No.27/1 of 30/05/2011 determining the FIU organization and functioning is being revised. This is aimed at giving the present FIU more autonomy and powers to execute its duties and functions; and address other identified deficiencies</p>	<p>No progress – Pending reforms in the FIU law.</p>
<p>26.8 Publish periodic annual reports with comprehensive statistics, typologies and trends of money laundering and terrorist financing as well as information regarding its activities.</p>	<p>The Presidential Order No.27/1 of 30/05/2011 determining the FIU organization and functioning is being revised. This is aimed at giving the present FIU more autonomy and powers to execute its duties and functions; including more staffing to address identified gaps.</p>	<p>No progress. Authorities had indicated in the previous review that the annual report would be produced by July 2018.</p>
<p>26.9 Consider applying to Egmont membership.</p>	<p>The Presidential Order No.27/1 of 30/05/2011 determining the FIU</p>	<p>No progress.</p>

	organization and functioning is being revised. This is aimed at giving the present FIU more autonomy and powers to execute its duties and functions.	
8. Ensure that the FIU provides additional specialized and practical in-depth training to its employees. This training should cover, for example, predicate offenses to money laundering, analysis techniques and familiarization with money laundering and terrorist financing typologies, and risks and vulnerabilities.	<p>Training program for FIU staff is under initiation</p> <p>FIU staff were trained on the following:</p> <ul style="list-style-type: none"> - Training on virtual currency and money laundering, - Forensic accountancy training - Money laundering and financing terrorism - Training on ML risks and NRA process by the World Bank 	Not sufficiently addressed. The FIU has not provided trainings on analysis techniques which is key for FIU staff. Training on techniques, typologies, risks and vulnerabilities should also be considered as recommended by the Assessors.
2.6 Law enforcement, prosecution and other competent authorities (R.27 and 28) – PC/PC		
27.1 Appoint and adequately resource dedicated financial investigators at the NPPA and RNP (other than the FIU) to deal with money laundering cases.	e Newly formed Rwanda Investigation Bureau has dedicated unit (18 staff) of financial crimes including Money Laundering and associated predicate offences. National Public Prosecution has dedicated Unit for Financial Crimes including money Laundering and Financing of Terrorism.	Not sufficiently addressed. Authorities have not provided detailed information on the structure of the two units. An organogram in this respect will assist Reviewers to decide on whether this deficiency has been adequately addressed.

<p>28.1 Provide LEAs with adequate powers to compel the production of documents and information from lawyers.</p>	<p>Addressed in Article 20, last paragraph of new draft on AML/CT</p>	<p>Not sufficiently addressed – Although Article 20 of the draft AML/CFT law requires identification data and transaction records to be immediately given to the competent authorities that request them by reporting entities (lawyers included), the law is yet to be enacted and gazetted. This provision only becomes effective when the law is passed.</p>
<p>3. Investigate money laundering and or terrorist financing offenses irrespective of whether the source of information emanates from the FIU or any other source.</p>	<p>Currently, we have two cases on ML in court.</p>	<p>Authorities to provide the cases to the Reviewers for them to appreciate.</p>
<p>5. Provide AML/CFT training to all LEAs and in particular for all dedicated financial crime investigators and prosecutors.</p>	<p>Reference our previous report: On the 12th and 13th December 2017; FIU together with the other law enforcement, public and private institutions held Workshop at Lemigo Hotel on Anti-Money Laundering and terrorism financing. It was organized by the Ministry of Justice in collaboration with Conference of Western Attorneys General (CWAG) and Africa Alliance Partnership (AAP). The workshop aim was to support the Government of Rwanda to develop additional capacity and expertise</p>	<p>Not sufficiently addressed. During face-to-face meeting in April 2018, authorities provided the training material for a workshop organized by the Ministry of Justice and Office of the Attorney General in collaboration with Conference of Western Attorneys General (CWAG) and Africa Alliance Partnership (AAP) held in Dec 2017. However, the authorities could not provide a copy of the attendance register hence it is not clear whether LEAs, financial investigators and prosecutors were in attendance. Authorities are still urged to provide such the register for Reviewers to determine whether the LEAs were indeed trained.</p>

	<p>for law enforcement agencies and prosecutors involved in detecting, investigating and prosecuting crimes associated with money laundering and financing of terrorism. (list to be provided)</p> <p>In addition, the specialized course on investigation of the financial crimes, ML/TF included is being delivered to Prosecutors, Investigators and Judges at the Institute of Legal Practices and Development- Course curriculum to be submitted.</p>	
<p>6. Making a more frequent use of special investigative techniques such as the monitoring of accounts and special investigative techniques to detect and investigate money laundering and its predicate crimes.</p>	<p>The Rwanda Investigation Bureau applies special investigative techniques during their investigations. See attached Law N°122017 of 07042017 establishing the Rwanda Investigation Bureau and determining its mission, powers, organization and functioning; in article 10; para 5 “ to carry out telecommunication surveillance” and para 9 “ to take measurements, photographs, sound or video recordings or any other type of</p>	<p>Not sufficiently addressed. The requirement is to use a wide range of techniques e.g. undercover operations, controlled delivery, monitoring of accounts, accessing computer systems, among others.</p>

	information that an investigation shows are necessary".	
2.7 Cross-Border Declaration and Disclosure (SR IX) – NC		
1. Ensure that the proposed declaration system has the characteristics described under SR.IX.	<p>Directive on Cross Border Cash declaration has been published; reference official gazette, no 40 of 02/10/2017</p> <p>To be considered in the review of the FIU directive</p>	<p>Not sufficiently addressed. Directive no 01/2017 of 02/10/2017 of the financial intelligence unit on cross border cash declaration was issued. The Directive aims at setting an amount of money in cash or negotiable instruments whose holders are not permitted to cross the borders leaving or entering the territory of the Republic of Rwanda without prior declaration to the immigration/emigration or customs officials and establishing a system of declaration of money in cash thereon.</p> <p>The Directive is not fully compliant with the requirements of SR.IX in as far as false declarations are concerned. In case of failure to declare or false declaration by a traveller, the Directive only requires the competent staff to charge a pecuniary sanction of five percent (5%) of the concerned funds immediately without allowing for further action to be taken.</p>
2. Remove the exemption related to the funds certified by a withdrawal slip issued by an accredited bank in Rwanda.	The draft law on AML/CFT is still under review.	Not sufficiently addressed. The authorities have indicated that the deficiency will be addressed in the draft law on AML/CFT which is still under review.
6. Provide competent authorities with the authority to stop or restrain cash or bearer	To be considered during the Review of the Cross border cash declaration.	Not sufficiently addressed. To be considered during the Review of the Cross border cash declaration Directive.

negotiable instruments for a reasonable time in order to ascertain whether evidence of ML or TF may be found, where there is a suspicion of ML or TF; or where there is a false declaration.		
7. Once this system is established, competent authorities should be provided with training on the best practices paper for SR.IX.	Training Planned in November 2018	No Progress.
3.7 Suspicious Transactions Reporting (R.13) - NC		
13.1. Amend the reporting obligation to apply to all the predicate offenses designated by the FATF.	To be considered in the ongoing review of AML/CFT law and FIU directives	No progress. To be considered in the ongoing review of AML/CFT law and FIU directives.
13.1 Include insurance companies and insurance brokers/agents in the definition of reporting entity to ensure that the reporting obligation covers them as well.	Addressed in the draft law on AML/CFT ; in article 3, para 4 (L)	Not sufficiently addressed. Pending the passing of the law on AML/CFT which is currently in draft form.
4. Ensure that competent authorities, and particularly the FIU, provide guidance to assist reporting entities on AML/CFT issues covered under the FATF recommendations, including, at a minimum, a description of ML and	Guidance is in process of being developed	No progress. Guidance is in process of being developed.

<p>FT techniques and methods; and any additional measures that these institutions could take to ensure that their AML/CFT procedures are effective.</p>		
<p>5. Establish communication mechanisms between the BNR, the FIU, and the CMA, as well as a mechanism for providing feedback to reporting entities including general and specific or case-by-case feedback.</p>	<p>There exists, a Financial Fraud Forum is a tripartite forum where Regulators, Reporting Entities' and Investigators meet to share preventive measures. In addition, MOU Between BNR and CMA is in place.</p>	<p>No progress. In the previous review, the Reviewers requested the authorities to provide the ToRs of the Fraud Forum in order for the Reviewers to determine whether they cover ML/TF issues. Authorities were also requested to advise if mechanism for providing feedback to reporting entities including general and specific or case-by-case feedback is in place. It is also not clear whether there are MOUs between BNR and the FIU or FIU and CMA.</p>
<p>6. Consider providing guidance to reporting entities using as a reference the FATF Best Practice Guidelines on Providing Feedback to Reporting Financial Institutions and Other Persons.</p>	<p>Guidance is being developed</p>	<p>No progress. Guidance is being developed.</p>
<p>7. Although not a technical deficiency, it may be useful to clarify that the protection for good faith reporting extends to the members of the board of directors or managers, the board committees, the compliance officer,</p>	<p>The draft law on AML/CFT is still under review (provided in article 22, para 2)</p>	<p>No progress. Article 22 of the draft AML/CFT Law provides exemption of liability for good faith action by executive officers and employees of reporting entities due to material or non-material damages resulting from the freezing of a transaction, but does not extend to members of the board of directors, board</p>

other officers of the reporting entities, and any agents or representatives of the reporting entities.		committee, agents or representatives of the reporting entities. Moreover, protection is only limited to freezing of a transaction.
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BUILDING BLOCK III – PREVENTIVE MEASURES

3.2 Customer Due Diligence (R.5) – NC		
5.1 Refrain from establishing or keeping anonymous accounts or accounts in fictitious names.	The draft law on AML/CFT is still under review (provided under article 25)	No progress. The AML Law is still in draft form and hence not enforceable.
5.5. Identify the beneficial owner, and take reasonable measures to verify the identity of the beneficial owner in line with the definition set forth under the standard which should refer not only to the natural person (s) who ultimately owns or controls a customer and/or the persons on whose behalf a transaction is being conducted but also the persons who exercise ultimate effective control over a legal person or arrangement, including those who comprise the mind and management of a company.	FIU directive, is being reviewed	No progress.
5.17. Apply CDD	To be considered in the	No progress. To be considered in

measures to existing customers that predate the AML/CFT Law on the basis of materiality and risk and conduct due diligence on such existing relationships at appropriate times.	review of FIU directive.	the review of FIU directive.
5.18. Perform CDD measures on existing customers who hold anonymous or accounts in fictitious names that predate the AML/CFT Law	To be considered in the review of FIU directive.	No progress. To be considered in the review of FIU directive.
3.3 Third parties and introduced business (R.9) - NC		
<ul style="list-style-type: none"> Regulate reliance on intermediaries or third parties to perform elements of the CDD process, and ensure that: 	Covered in article 21 of new FIU Directive on AML/CFT.	
9.1. CDD measures performed by the intermediary or third parties are those listed under Criteria 5.3 to 5.6 of the Methodology,	To be covered under the FIU directive, during the review process	No progress.
3.4 Financial institution secrecy or confidentiality (R.4) - PC		
2. Ensure that competent authorities share information on AML/CFT related issues both at a domestic and international level.	Addressed in the Law Governing the National Bank of Rwanda. Article 58; here attached for reference	Not sufficiently addressed. Authorities have not demonstrated that all competent authorities share information relating to AML/CFT issues both at domestic and international level. The information provided by the authorities only applies to one competent authority i.e. NRB.

3. Ensure that reporting entities are allowed to share information required under R. 7, R. 9 or SR. VII.	Covered in draft law on AML/CFT; article 8	No progress. Article 8 referred to by the authorities provides for CDD and moreover the said AML/CFT law is still a draft which is not yet enforceable.
3.5 Record keeping (R.10) – PC		
10.3. Ensure that there is no restriction to timely access to customer and transaction records by competent authorities.	The Law on AML/CFT is still under review; reference article 20	No sufficiently addressed. Draft Law on AML/CFT still under review.
Preventive Measures–Designated Nonfinancial Businesses and Professions		
4.1 Customer due diligence and record-keeping (R.12) - NC		
1. In addition to the shortcomings identified under with regard to the financial sector, authorities are recommended to address the deficiencies identified under Recommendations 5, 6 and 8 to 11 above with regards to DNFBPs.	To be considered in the review of the FIU Directive	No progress.
2. 12.1 (a). Incorporate Casinos as reporting entities under the AML/CFT Law.	The draft law on AML/CFT is still under review	No Progress. To be incorporated in the draft Law on AML/CFT.
4. Ensure that DNFBPs are subject to the preventive measures, and recordkeeping requirements in line with Recommendations 5, 6, 8, 9, 10, and 11.	DNFBPs are considered as reporting entities: Addressed in the New FIU Directive. Articles13, 15,16,17,18. Record keeping requirements are addressed in Chapter IV of the new FIU Directive Articles 34-37	Not sufficiently addressed – Articles 34-37 addresses only the record keeping requirements. Authorities still need to address outstanding deficiencies under R.5, R.9 – R.11. Deficiencies under R.6 and R.8 are adequately addressed. Authorities advised that the outstanding deficiencies are to be addressed in the FIU directive

		which is under review.
5. Ensure the effective implementation of the AML/CFT provisions by DNFBBs.	Awareness was undertaken during the National Risk Assessment on ML/CT process.	No progress. Authorities to show to the Reviewers the awareness programmes for and trainings conducted in the DNFBB sector including other efforts made to ensure effective implementation of AML/CFT provisions by the DNFBBs.
6. Develop outreach campaigns specifically to raise awareness of CDD obligations and, more generally to raise awareness of ML and TF risks in all of the DNFBB sectors.	Awareness was undertaken during the National Risk Assessment on ML/CT process. List of participants to be provided.	Not sufficiently addressed. Authorities to demonstrate to the Reviewers that awareness is being conducted through solid statistics and other relevant materials. Authorities also to further demonstrate how NRA is helping to raise awareness in the DNFBB sector.
7. Although trusts services are not provided at the time of the assessment, in view of the upcoming entry in force of a new law allowing for the creation of Rwandan trusts and of the related services that will be provided, it is recommended that the authorities include trust service providers amongst the reporting entities subject to the AML/CFT law.	To be addressed in the revised AML/CFT law.	No progress. Authorities advised that the deficiency will be addressed through the Law on AML/CFT which is currently under review.
4.2 DNFBBs: Other Measures (R.16) -NC		
16.1(a). Require casinos to report suspicious transactions to the FIU.	To be addressed in the revised AML/CFT law	No progress.
2. Ensure that the carve-out for legal and professional secrecy is	To be addressed in the revised AML/CFT law	No progress.

limited to information: (a) obtained in the course of ascertaining the legal position of a client, or (b) In performing their tasks of defending or representing that client in, or concerning judicial, administrative, arbitration, or mediation proceedings.		
16.3. Ensure that all DNFBPs are subject to and effectively implement the requirements under Rec. 13, 14, 15 and 21.	To be implemented effectively as it is provided in art 21 of the AML/CFT Law	No progress. Legal deficiencies identified under the specific recommendations also apply to DNFBPs under this criterion.
3.6 Monitoring of transactions and relationships (R.11) - NC		
11.3. Require reporting entities to keep the findings of their analysis and examination of unusual transactions available for competent authorities and auditors.	To be addressed in the revised AML/CFT law	No Progress.
3.6 Higher Risk Countries (R.21) - NC		
21.1.1 Ensure that reporting entities are advised of concerns about weaknesses in the AML/CFT systems of other countries	Are addressed during bankers association forums and fraud forums	Not Sufficiently addressed – The authorities to advise how often the forums meet and whether the forums are attended by all reporting entities and also to demonstrate effectiveness of this mechanism.
BUILDING BLOCK IV – REGULATION AND SUPERVISION		

3.10. Regulation and Supervision of Financial Institutions (R.23) - NC		
3. Ensure that, in the course of	The Central Bank started supervision with regard to AML/CFT in their prudential	No Progress. The requirement is

<p>prudential supervision of financial institutions subject to the core principles, supervisors apply for AML/CFT purposes the prudential regulatory and supervisory measures that are also relevant to money laundering.</p>	<p>supervision</p>	<p>for supervisors to apply for AML/CFT purposes the prudential regulatory and supervisory measures that are also relevant to money laundering during prudential supervision and moreover other supervisors for institutions subject to the core principles are not covered.</p>
<p>3.10 Sanctions (R. 17) - NC</p>		
<p>17.1. Ensure that there is an adequate range of sanctions (administrative, civil and financial) for non-compliance with the AML/CFT requirements to ensure that these are effective, proportionate, and dissuasive, and that they may be applied without undue limitation.</p>	<p>Covered in article 33 of new FIU Directive on AML/CFT</p>	<p>Not sufficiently addressed. Article 33 of Directive 01/FIU/2018 obligates supervisors to impose administrative sanctions on legal persons they supervise including directors and senior management in cases of failure to comply with AML/CFT requirements. The criterion,</p>

		however, requires that there be a range of sanctions (administrative, civil and criminal) and that these be effective, proportionate, and dissuasive.
3.10 Guidance and Feedback (R.25) - NC		
25.2. Consider providing guidance to reporting entities on their AML/CFT obligations using as a reference the FATF Best Practice Guidelines on Providing Feedback to Reporting Financial Institutions and Other Persons, in particular with respect to suspicious transactions.	The National Bank (Central Bank) has issued guideline to banks on AML/CFT; here attached.	No progress. The BNR Guidelines have not been provided. Further, the guidance should be to all reporting entities and not only to banks.
3.10 Powers of Supervisors (R.29) - NC		
29.1. Ensure that competent authorities like the BNR and the CMA have adequate powers to monitor and ensure compliance by financial institutions with	Provided for in the new National Bank (Central Bank) law in article 6, par 11. The Law is here attached. Also provided for in the Capital Market Authority law, especially in article 5; para 7, 8 and 21. Law here attached.	Not sufficiently addressed. Whereas Article 6 (11) of the National Bank (Central Bank) law provides one of the responsibilities of the BNR as to

<p>the requirement to combat money laundering and terrorist financing, including powers to:</p> <ul style="list-style-type: none"> • Conduct inspections to ensure compliance 		<p><i>follow up and promote the soundness of financial institutions and their compliance with governing laws including Law on preventing and penalising the crime of money laundering and financing terrorism, the CMA law does not provide a similar responsibility for AML/CFT.</i></p>
<ul style="list-style-type: none"> • Compel production of or to obtain access to all records, documents or information relevant to monitoring compliance 	<p>Provided for in the new National Bank (Central Bank) law in article 6, par 11. The Law is here attached. Also provided for in the Capital Market Authority law, especially in article 5; para 7, 8 and 21.</p>	<p>No progress. The Articles provided by the authorities do not address the requirement to compel production of or obtain access to all records, documents or information relevant to monitor compliance.</p>
<p>3.11 Money value transfer services (SR.VI) - NC</p>		
<p>VI.2. Address the shortcomings identified in recommendations 4–11, 13–15, and</p>	<p>All Payment Service Providers (PSP) are licensed by BNR. The list is available on the following link: https://www.bnr.rw/index.php?id=296 -; Regulation N° 05/2018 Of 27/03/2018</p>	<p>Sufficiently addressed. Regulation N° 05/2018 Of 27/03/2018</p>

<p>21–23, and Special Recommendation VII, as applicable to this recommendation.</p>	<p>Governing Payment Services Providers; in its articles, 24 (3), 36 and 37 requires all PSP to comply with AML/CFT requirements.</p>	<p>governs Payment Services Providers and provides for their licensing by BNR. Articles 24 (3), 36 and 37 require PSPs to comply with AML/CFT obligations and to seek prior approval before offering a new payment service. PSPs are obligated to identify and assess ML/TF risks before launching a new product.</p>
<p>VI.3. Ensure that informal PSPs systems currently operating in Rwanda are registered or licensed, subject to the applicable FATF Recommendations and to adequate monitoring.</p>	<p>All Payment Service Providers (PSP) are licensed by BNR. The list is available on the following link: https://www.bnr.rw/index.php?id=296 - Regulation N° 05/2018 Of 27/03/2018 Governing Payment Services Providers; in its articles, 24 (3), 36 and 37 requires all PSP to comply with AML/CFT requirements The BNR/Central bank has a dedicated department that oversees the activities of the PSPs, this department conducts on and offsite supervision. See the structure of the department on the BNR structure at: https://www.bnr.rw/index.php?id=57</p>	<p>Sufficiently addressed. Regulation N° 05/2018 Of 27/03/2018 sets the rules governing the licensing of Payment Services Providers by the Central Bank. Persons or entities are not allowed to act as Payment Services Providers without holding a license granted by the Central</p>

		Bank. All PSPs are now subjected to monitoring by BNR for both prudential and AML/CFT.
4.3 Regulation and supervision of DNFBPs (R.24) – NC		
24.1. Ensure that the FIU has adequate capacity (in terms of resources and expertise) to conduct its supervisory functions, or reconsider the current framework for supervision of DNFBPs.	DNFBPs are among the reporting persons according the article 8 of new draft law on AML/CFT and supervised by their respective supervisory authorities according to article 21 of new draft law on AML/CFT. FIU is building its capacity to monitor DNFBPs	Sufficiently addressed. In the previous review, it was reported that Article 33 of Directive 01/FIU/2018 designates prudential supervisory authorities to also supervise reporting entities under their purview for AML/CFT and that reporting entities which do not have supervisory authority would be supervised by the FIU.
24.1.1. Introduce a sanctioning regime for non-compliance with the AML/CFT obligations applicable to DNFBPs.	This is to be considered in the review of the FIU directive.	Sufficiently addressed. Article 33 empowers supervisory authorities to impose administrative sanctions for the legal entities or persons they

		<p>supervise who fail to comply with AML/CFT requirements. Such sanctions shall apply not only to the legal persons, but also to their directors and senior management. The authorities advised that they will consider more sanctions in the FIU directive under review.</p>
<p>24.2. Ensure that the designated competent authorities or SROs responsible for monitoring have adequate powers and resources to perform their functions.</p>	<p>Rwanda Governance Board (regulating the NPOs), Ministry of trade regulating Casinos, Rwanda Mines, Gas and Petroleum Board (regulating mining), Rwanda Bar Association (regulating lawyers), Rwanda Institute of Public Accountants (regulating accounting professionals; are responsible and have powers to monitor their respective DNFBPs</p>	<p>Not sufficiently addressed (Pending update on adequacy of resources). The powers for the supervisory authorities to monitor and supervise for AML/CFT are granted by Article 33 of Directive 01/FIU/2018. Authorities to advise during review meetings on the adequacy of resources/capacity of the responsible supervisory authorities to</p>

		monitor for AML/CFT.
Increase awareness among all DNFBP categories.	Awareness campaigns were undertaken during the National Risk Assessment workshops on the Money Laundering and Financing of Terrorism. Meeting. The list of participants is available	Not sufficiently addressed (pending stats/evidence from the authorities). Authorities may need to provide detailed statistics of the DNFBPs that were engaged and AML/CFT areas discussed.
Provide guidance to assist DNFBPs implement and comply with their respective AML/CFT requirements	Guidance is in the process of being developed	No progress.
Provide feedback to DNFBPs on current techniques, methods and trends or sanitized examples of actual ML and TF cases.	Paper is in the process of being developed	No progress.
4.4 Other non-financial businesses and professions (R.20) -NC		
20.1. Conduct a risk assessment of non-financial businesses and professions (other than DNFBPs) that could be used for or exposed to potential ML and TF activities in	The process of National Risk Assessment, which Rwanda is undertaking is assessing DNFBPs. The preliminary findings do not identify other Non-Financial Business and Professions (other than the DNFBPs)	Progress Noted. Rwanda is in the process of conducting its NRA which would assess the ML/TF risk in all relevant sectors.

Rwanda.		
On the basis of the results of the risk assessment, introduce measures to reduce reliance on cash.	The Central Bank, (BNR) has started a policy of cashless economy; and has carried out extensive campaigns and awareness on the issue to DNFBPs, other stakeholders and then public at large. Evidence to be provided.	Progress Noted (pending evidence from authorities): Authorities to provide evidence of efforts made to this effect.
20.1. Apply Recommendations 5, 6, 8-11, 13-15, 17 and 21 to non-financial businesses and professions (other than DNFBPs) that are at risk of being misused for ML and FT, in line with the results of the risk assessment.	The preliminary findings of the ongoing NRA indicate no risk regarding other Non-financial Business and Professionals	Progress Noted.
20.2. Encourage the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to ML.	The Central Bank, (BNR) has started a policy of cashless economy; and has carried out extensive campaigns and awareness on the issue to reporting entities, other stakeholders and then public at large. Different media reported on the campaign such as http://www.newtimes.co.rw/section/read/223773/ . The Modern Techniques include the following: - use of cards instead of cash - Use of internet banking - Use of POS - Use of Mobile money	Progress Noted.
5.1 Legal Persons (R.33) – PC		
33.1. Take additional steps to prevent the misuse of legal	Covered under article 6 of the new FIU directive All Legal Persons are registered by the registrar of companies, Rwanda Governance board	No progress. Article 6 of the FIU Directive provides for

<p>persons established in Rwanda by ensuring that there is adequate transparency concerning their beneficial ownership and control.</p>	<p>registers NPOs, and Rwanda Cooperative Agency registers cooperatives. The Ultimate Beneficial Owners are monitored by the respective agencies mentioned here.</p>	<p>identification of legal entities and legal arrangements but does not provide for their beneficial ownership and control.</p>
<p>5.3 Non-Profit Organizations (SR.VIII) - PC</p>		
<p>VIII.1. Use all sources of available information to undertake a domestic review on the NPOs activities, size, and other relevant features of the NPO sector for the purpose of identifying the features and types of NPOs that are at risk of being misused for terrorist financing by virtue of their activities or characteristics;</p>	<p>The process of National Risk Assessment, will cover the NPOs, and will guide the Rwanda Governance Board in the process of screening the NPOs. NRA still in progress.</p>	<p>Not sufficiently addressed. Rwanda is currently in the process of conducting a NRA which will also incorporate NPOs. Rwanda is encouraged to apply a risk based approach to identify NPOs which by virtue of their activities or characteristics, are likely to be at risk of TF abuse.</p>
<p>VIII.2. Conduct outreach programs focused on raising awareness on the risks of terrorist abuse and the measures available to protect against</p>	<p>Police has conducted awareness program on the subject in its community outreach programs.</p>	<p>Not sufficiently addressed. Authorities to provide statistics on the outreach programs and awareness done and specific NPO sectors targeted/covered,</p>

<p>such abuses should be directed to the entire NPO sector.</p>		<p>their numbers and TF areas discussed.</p>
<p>VIII.3. Effectively monitor those NPOs which account for a significant portion of the financial resources under control of the sector, and a substantial share of the sector's international activities;</p>	<p>Rwanda Governance board is monitoring NPOs and the source of their finances.</p>	<p>No progress. Authorities to provide evidence of monitoring for AML/CFT. Rwanda is also encouraged to consider application of the targeted risk-based supervision or monitoring of NPOs.</p>
<p>VIII.3.1. Require NPOs to maintain information related to the identity of persons(s) who own, control or direct their activities, including senior officers and board members or to make it available through appropriate authorities and make such information as well as information on the NPOs purpose and stated activities and objectives publicly</p>	<p>Rwanda Governance board is keeping information regarding Beneficial owners of the NPOs</p>	<p>No progress. Authorities to provide evidence.</p>

available;		
VIII.3.4. Review the NPOs legislation to require NPOs to maintain, for a period of at least five years, and make available to appropriate authorities, records of domestic and international transactions that are sufficiently detailed to verify that funds have been spent in a manner consistent with the purpose and objectives of the organization.	The Law on NPOs is under review	No progress. Authorities are encouraged to consider developing their NPO laws in line with the new FATF Methodology on NPOs.
VIII.4. Put in place effective mechanisms to share relevant information, target, and promptly investigate terrorist abuse of NPOs among all levels of appropriate authorities that hold relevant information on NPOs.	The mechanism are in place between relevant authorities, such as the National Police and the Ministry of Local Government, MOU exist between the National Police and the Ministry of Local Government.	No progress. The authorities have not provided effective mechanisms to share information among authorities or organizations that hold relevant information on NPOs in order to allow for prompt preventive or investigative action.

BUILDING BLOCK V – INTERNATIONAL COOPERATION

6.1 National cooperation and coordination (R.31) – NC

<p>1. Put in place effective mechanisms between policy makers, the FIU, LEAs and supervisors which will enable them to cooperate and, where appropriate, coordinate domestically with each other concerning the development and implementation of policies and activities to combat ML and TF.</p>	<p>FIU is being reformed to give it more powers; this will allow it to enter into MOUs with other implementing agencies</p>	<p>No progress. The requirement is to put mechanisms in place for all policy makers and not only limited to FIU, e.g. such mechanisms as having a AML/CFT National Coordinating Committee that will ensure proper domestic coordination of AML/CFT issues.</p>
<p>2. Ensure that the FIU, LEAs, and supervisory authorities effectively exchange information on AML/CFT issues.</p>	<p>FIU is being reformed to give it more powers; this will allow it to enter into MOUs with other implementing agencies</p>	<p>No. progress.</p>
<p>3. Develop comprehensive statistics in the relevant areas of the fight against ML and TF (including statistics on domestic investigations, prosecutions, property frozen, seized and confiscated, convictions, and international cooperation, etc.).</p>	<p>Statistic are available of various agencies e.g. National Prosecution, FIU, Rwanda Investigation Bureau, Ministry of Justice.</p>	<p>No progress. Authorities to demonstrate to the Reviewers that such comprehensive stats are maintained, including but not limited to stats on domestic investigations, prosecutions, property frozen, seized and confiscated, convictions, and international cooperation.</p>
<p>4. Review the effectiveness of the AML/CFT system on a regular basis.</p>	<p>National Risk Assessment on ML/FT which is ongoing, after its completion, will</p>	<p>Progress noted but the AML/CFT system is not only limited to NRA.</p>

	indicate effectiveness of the AML/CFT system and this can be reviewed thereafter on a regular basis	
6.2 International Conventions SR.I - PC		
1. Implement fully the relevant UNSCRs.	Under way	No progress.
6.3 Mutual Legal Assistance (R.36 and SRV) – PC/PC		
36.5. Ensure that information obtained by lawyers may be obtained upon request from another State in the circumstances envisaged in the standard.	The AML/CFT law review process will address the issue.	No progress
6.3 Freezing and Confiscation (R.38) - PC		
Establish a framework to freezing, seizing and confiscating and sharing the proceeds of predicate offenses in response to a request from a foreign country.	Article 18,19, 20 and 23 of the Law no 42/2014 of 27/01/2015 on recovery of Offence Related Assets set out the procedures for freezing, seizing and confiscating and sharing the proceeds of predicate offenses in response to a request from a foreign country	Not Sufficiently addressed. Articles 18 and 19 of Law No. 42/2014 of 27/01/2015 on Recovery of Offence Related Assets provides for cooperation by Rwanda with foreign States in recovering its assets in foreign countries and returning assets of foreign States on its territory. Article 19 further provides that “...as long as the assets may be seized or confiscated on the territory of the Republic of Rwanda, the court may order that the Government of Rwanda provisionally hold them or return them...” The provisions, however, do not extend to freezing and sharing of confiscated assets as required by the Standards (R.38.5).
6.3 Extradition (R. 37, 39 and SR.V) – LC/PC/PC		
2. If necessary to ensure the efficiency of this process, establish a framework for	A separate International Cooperation/Mutual Legal Assistance law is under review	No progress.

cooperation with the foreign State that had originally requested the extradition of the Rwandan national;		
3. Ensure that extradition is available for persons charged for money laundering or terrorist financing and pending trial.	A separate International Cooperation/Mutual Legal Assistance law is under review	No progress.
4. Ensure that extradition requests may be handled without undue delay.	A separate International Cooperation/Mutual Legal Assistance law is under review	No Progress.
6.5 International cooperation and exchange of information (R.40 and SRV) – NC		
2. Provide LEAs with the power to conduct investigations on behalf of foreign counterparts.	A separate International Cooperation/Mutual Legal Assistance law is under review	No progress.
3. Allow for the sharing of information and document detained by lawyers when conducting transactions for their client concerning the activities set under Recommendation 12.	A separate International Cooperation/Mutual Legal Assistance law is under review	No progress.
4. Maintain statistics on the number of requests for assistance made or received by law enforcement authorities, the FIU and supervisors, including whether the request was granted or refused and the response time.	FIU is still working with other Authorities to see how statistics can be improved	No progress.
5. Ensure that all	BNR (central Bank) has	No progress. Authorities to

AML/CFT supervisors have arrangements in place to share and exchange information with respect to both ML and the underlying predicate offenses.	MOUs will various supervisory agencies, eg. East African Countries Central Banks.	provide evidence of the MoUs or stats on the MoUs that BNR has with other foreign agents. Other supervisors, apart from BNR, are also expected to have mechanisms in place to share information with foreign agencies. These have also not be provided, if they are in place.
6. Grant powers to all AML/CFT supervisors to allow for the conduct of inquiries on behalf of foreign counterparts.	To review relevant laws to grant powers to AML/CFT supervisors	No progress.
7. Establish controls and safeguards for the AML/CFT supervisor for banks and other entities licensed by the BNR, FIU and LEAs to ensure that the information received by competent authorities is used only in an authorized manner.	The competent authorities (BNR and LEAs) have mechanisms to safeguard the information received by various authorities.	No progress. Authorities to provide more information on the controls and safeguards in place.
8. Ensure that requests for cooperation are not refused on the grounds of professional privilege or legal professional secrecy.	AML/CFT law is being reviewed to address the issue.	No progress.
7.1 Resources (R.30) - NC		
30.1. Ensure that all competent authorities are adequately structured, funded, staffed and provided with sufficient technical and other resources to fully and	- FIU is being restructured; - Rwanda Investigation Bureau; and national Prosecution has	No progress. Authorities to demonstrate that the requirements of R.30.1 are adequately met for all competent authorities.

effectively perform their functions, keeping in mind that adequate structuring includes the need for sufficient operational independence and autonomy to ensure freedom from undue influence or interference.	sufficient staff with regard to investigations and prosecution of ML/FT.	
30.3. Staff of competent authorities are provided with adequate training on AML/CFT.	The ILPD is providing to Judges, Lawyers and prosecutors a specific course on AML/CFT	Not sufficiently addressed. Authorities to demonstrate to the Reviewers the scope of the trainings done, dates, numbers trained, units and other relevant information for all competent authorities not only limited to Judges, Lawyers and Prosecutors.
7.1 Statistics (R. 32) - NC		
32.1. Review the effectiveness of the AML/CFT system on a regular basis.	National Risk Assessment on ML/FT which is ongoing, after its completion will indicate effectiveness of the AML/CFT system and this can be reviewed thereafter on a regular basis.	No progress
32.2. Ensure that all competent authorities maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of the AML/CFT framework in line with the FATF standard.	FIU is still working with other Authorities to see how statistics can be improved.	No progress.