



FIRST ROUND MUTUAL EVALUATIONS - POST EVALUATION PROGRESS REPORT OF RWANDA

Covering the period August 2016 – July 2017

ESAAMLG (2017), First Round Mutual Evaluation - Post Evaluation Progress Report of Rwanda on Anti-Money Laundering and Counter-Terrorist Financing Measures.

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A. INTRODUCTION

1. The 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 meeting in September 2014.
2. 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).
3. The tables below summarize the ratings obtained by Rwanda.

Table 1: Ratings of Compliance with Core and Key Recommendations

Core Recommendation			1	5	10	13	SR. II	SR. IV		
Rating			LC	NC	PC	NC	NC	NC		
Key Rec	3	4	23	26	35	36	40	SR. I	SR.III	SR.V
Rating	LC	PC	NC	PC	LC	PC	NC	PC	NC	PC

Table 2: Ratings of compliance with Non-Core and Non-Key Recommendations

Non- core & Non-key recommendations	2	6	7	8	9	11	12	14	15	16	17	18	19	20	21
Rating	PC	NC	NC	NC	NC	NC	NC	C	PC	NC	NC	LC	C	NC	NC

22	24	25	27	28	29	30	31	32	33	34	37	38	39	VI	VII	VIII	IX
NA	NC	NC	PC	PC	NC	NC	NC	NC	PC	NA	LC	PC	PC	NC	NC	PC	NC

B. OVERVIEW OF PROGRESS MADE BY RWANDA

Overview of main changes since the adoption of the MER

4. Since the adoption of the MER in 2014, Rwanda has taken the following steps:
 - 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.
 - Enacted Law n° 42/2014 of 27/01/2015 governing recovery of offence-related assets.
 - Established the AML/CFT Committee, which is also the FIU Advisory Board. The Advisory Board is composed of senior officials from National Bank of Rwanda, National Prosecution, Office of Ombudsman, Ministry of Finance, Rwanda National Police, National Intelligence and Security Services and the FIU. The senior officials are supported by technical teams from their institutions, which also serves as a National Coordination Mechanism for AML/CFT.
 - Created specific units in Rwanda National Police (RNP) and National Public Prosecution Authority (NPPA) to investigate and prosecute economic and financial crimes including money laundering and financing of terrorism.
 - FIU structure is being revised to ensure that it has autonomy, financial and human capability to achieve its mission. The Presidential Order No.27/1 of 30/05/2011 establishing the FIU is being reviewed and the review is almost being finalised. The FIU will be administrative and under the regulatory authority (National Bank of Rwanda).
 - Money Laundering Reporting Officers were appointed in Banks and Insurance Companies and reporting templates for reporting suspicious and cash transactions were designed.
 - Trained staff from FIU, Banks, Securities, Advocates and Investigators on prevention and combating 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) has been commenced and the following arrangements have been put in place: The NRA coordinator has been appointed, the Working Group has been established and members are from around 26 public and private institutions. The World Bank is assisting the NRA exercise. Two preparatory meetings have been held.
 - Rwanda Central Bank developed AML/CFT supervisory tools under the IMF assistance.
 - World Bank provided training to staff from public and private institutions on the Revised FATF Standards and AML/CFT Risk Based Supervision.

- The main 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.
- Sensitization on ML/FT was undertaken at National level. A consultative meeting with Members of Parliament on financial and economic crimes has been held.
- About 1200 police officers have been trained on AML/CFT regime in two sessions.
- The Law No.42/2014 27/01/2015 governing recovery of offence-related assets and is being implemented
- Cases of ML and TF or predicate offences have been investigated and prosecuted and submitted to competent courts as shown below:

Offences	Cases	Number of suspects	Number of Convicted persons	Acquittals	Funds involved in cases (RwF)	Funds confirmed by courts (RwF)
Embezzlement of public funds	299	580	399	181	3 587 128 541	2 662 736 846
Embezzlement of bank funds	100	193	152	41	4 646 005 915	4 831 413 104
Embezzlement of cooperatives funds	86	164	119	45	6 191 441 316	5 855 029 750
Tax evasion	13	20	9	11	1 737 701 071	1 597 773 633
Tax exemption	1	2	1	1	2 525 833	2 525 833
Corruption and related offences	456	549	465	84	72 822 310	53 818 510
Illegal award of public tenders	29	94	45	49	3 770 117 235	1 193 847 170
Misuse of property of public interest	2	2	2	0	8 568 172	8 568 172
Total	986	1 604	1 192	412	20 016 310 393	16 205 713 018

- FIU collects, analyzes and disseminates STRs and CTRs. Below are available statistics:

year	cash transactions(CTR)	Suspicious Transactions (STR)	Transmitted to CID	Transmitted to NPPA	Dismissed
<u>2015</u>		7	5	2	
<u>2016</u>	8120	51	5	0	45
<u>2017 as at June</u>	2641	4	0	0	4
TOTAL	10,761	63	10	2	49

- Four accounts from different banks were frozen by FIU but were later released after thorough investigation.

C. ANALYSIS OF PROGRESS

5. The Rwandan authorities submitted their Plan and Progress Reports in July 2017 for discussion at the September 2017 meeting. This was the second progress report submitted by Rwanda since its MER was adopted by the Council of Ministers in September 2014. In the previous meeting, the Reviewers noted that Rwanda had not made any progress in addressing the deficiencies identified in its MER and that the action plan was not consistent with the progress made in certain areas. It was recommended that Rwanda seek guidance from the Secretariat on how to complete its PEIP. The Reviewers also advised Rwanda to consider bringing the relevant stakeholder representatives to the Review Group meetings so that issues needing more information and clarifications could easily be addressed.
6. Following the decision of the Task Force in April 2017, Rwanda sought the guidance of the Secretariat and has submitted a revised PEIP together with its Progress Report. The PEIP will be recommended for adoption by the Task Force Plenary before its approval by the Council of Ministers.
7. In the previous meeting, Reviewers also discussed the Progress Report submitted by Rwanda and noted that since its MER approval in September 2014, Rwanda had not addressed all deficiencies identified in the MER. The Progress Report for the September 2017 meetings has been submitted and is annexed below (*see Annex 1*).

D. CONCLUSION

8. The preliminary reviews done show that Rwanda has not made progress since September 2014 when its report was adopted by the Council of Ministers.

E. RECOMMENDATIONS

9. The Task Force Plenary made the following decisions and recommendations:
 - i. The Plenary adopted the revised PEIP and recommended it for approval by the Council of Ministers.
 - ii. That Rwanda continues reporting its progress bi-annually.

III. 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	Reviewers Comments
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.	<p>Case of illicit enrichment proves that intention can effectively be inferred objective factual circumstances</p> <p>The NPPA has registered 7 cases, since the last 3 years, involving illicit enrichment. The conviction was secured for 4 cases.</p>	<p>No progress. C.2.2 requires that the law should permit the intentional element of the offence of ML to be inferred from objective factual circumstances.</p>
2.4. Ensure that criminal sanctions do not preclude the possibility of parallel civil or administrative proceedings if such proceedings are available.	<p>Article 12 of the Law No.30/2013 of 24/05/2013 relating to the code of criminal procedure states the following: When a civil action is instituted before a criminal court, the court shall hear such action in accordance with laws governing civil procedure.</p> <p>Also the title 3, chapter III of the same law details the procedures related to the civil action</p>	<p>No progress. Whereas Article 12 of Law No.30/2013 provides for the hearing of civil actions brought before a criminal court, it does not provide for the possibility of parallel civil or administrative proceedings where a person is subjected to criminal liability for ML.</p>

2.2 Criminalisation of Terrorism Financing (SR.II) - NC

<p>II.1. Criminalize the provision and collection of funds to individual terrorists and to terrorist organizations.</p> <p>The direct and indirect collection and provision of funds should be covered under the TF offence.</p>	<p>The AML/CFT Law is under amendment process and will address this issue</p>	<p>No progress. Rwandan authorities advised that they are in the process of amending the AML/CFT law to address the deficiencies.</p>
<p>I.1. Ratify and implement</p> <p>i. Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (1988)</p> <p>ii. Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf (1988)</p>	<p>Convention ratified in 2002 through presidential order 46/01 of 14/04/2002, OG no 14 Of 2002;</p> <p>Ratification of the protocol to be verified(Not applicable as Rwanda is landlocked country)</p>	<p>No progress. Authorities to provide the proof of deposit of instrument of ratification. The presidential order also to be made available to the Reviewers.</p> <p>Despite Rwanda being a landlocked country, para 2. of Article 1 of the Protocol states that <i>“in cases where this Protocol does not apply pursuant to para 1, it nevertheless applies when the offender or the alleged offender is found in the territory of a State Party other than the state in whose internal waters or territorial sea the fixed platform is located”</i>. Rwanda may be therefore not excluded from ratifying the protocol.</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>Reporting personnel are reporting to FIU suspicious transactions related to TF. ML/TF Reporting Officers are now reporting suspicious and transaction reports</p>	<p>Not sufficiently addressed. This is not adequate as the requirement is to apply the TF provisions to ensure that the existing legal framework is used more effectively. Authorities</p>

	<ul style="list-style-type: none"> - BNR swift system is monitoring transactions that may be used by the terrorists and financing terrorism(UN List , USA and EU list are being used to track terrorists) - Case Law available(Prosecution vs INGABIRE in the case NUMBER RPA 0255/2012/CS) - The recent ongoing case of terrorist(Islamic states) 	<p>may need to provide Reviewers with the case laws referred to in their response. This will determine whether the TF provisions were adequately applied.</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 involved</p>	<p>The AML/CFT or Counter Terrorism Laws are under review</p> <p>Develop regulations or Directives implementing the UNSCRs</p>	<p>No progress. Rwandan authorities are in the process of amending the AML/CFT and Counter Terrorism Laws. Thereafter they would develop Regulations implementing UNSCRs 1267 and 1373.</p>
<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>Rwanda is in the process of review the AML/CFT and Counter Terrorism Laws</p> <p>Develop regulations or Directives implementing the UNSCRs</p>	<p>No progress. Rwandan authorities are in the process of amending the AML/CFT and Counter Terrorism Laws. Thereafter they would develop 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>Article 2, par 9 of the current AML/CFT Law defines the term “ Property” as follows: an asset of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, as well as legal documents or instruments evidencing the existence of a right to, or interest in an asset, In addition, the LAW N° 42/2014 OF 27/01/2015 GOVERNING RECOVERY OF OFFENCE-RELATED ASSETS defines the term “ Asset as any property, whether movable or immovable, and any documents evidencing the ownership of or right to the property irrespective of whether it is located in Rwanda or abroad;</p>	<p>No progress. The provisions of Article 2, para 9 of the AML/CFT Law and Law No. 42/ 2014 are noted. However, they do not address the requirement to extend the freezing measure to all” funds and other property owned or controlled directly or indirectly by terrorists or those who finance terrorism or terrorist organization. The issue here is on freezing not definitions of property or asset.</p>
<p>III.5 Provide a clear and rapid mechanism for distributing the UNSCRs lists nationally to the financial institutions and other persons or entities that may be holding targeted funds or other assets</p>	<p>Develop Directives implementing the UNSCRs under initiation</p>	<p>No progress. There is currently no mechanism in place.</p>
<p>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</p>	<p>Directives implementing the UNSCRs under initiation</p>	<p>No progress.</p>
<p>III.7 Introduce effective and publicly known procedures for timely review of requests to delist designated persons and to unfreeze the funds or</p>	<p>Directives implementing the UNSCRs under initiation</p>	<p>No progress.</p>

other property of persons or entities removed from the lists		
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	Directives implementing the UNSCRs under initiation	No progress. The procedures are not in place.
III.9 Introduce appropriate procedures for authorizing access to funds or other 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	Directives implementing the UNSCRs under initiation	No progress. The procedures are not in place.
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	Directives implementing the UNSCR under initiation	No progress. The procedures are not in place.
III.12 Introduce a provision that would ensure protection for the rights of third parties acting in good faith	Directives implementing the UNSCRs under initiation	No progress.
III.13 Develop appropriate measures to monitor effectively the compliance with relevant legislation,	Appropriate measures under initiation	No progress

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.		
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2.5 Financial Intelligence Unit (R.26) - PC

<p>26.2 Provide reporting entities with guidance on the manner of reporting including comprehensive reporting forms for all reporting entities other than banks (which have already received a reporting form).</p>	<p>The format was issued under FIU Directive (STR/ CTR)</p>	<p>Sufficiently addressed. Chapter III of Directive No. 001/FIU/2015 of 30/12/2015 requires reporting entities (listed under article 3 of Law 47/2008) to report suspicious transactions and provides guidance on how reporting should be done including the reporting form and examples of indicators under Appendix 3 & 4 respectively.</p>
<p>26.4 Ensure that the FIU asks reporting entities for additional information when the information is correlated to received information.</p>	<p>FIU exercises its power to collect information as provided in Art. 8 of Presidential order no. 27/01 (The Unit can request any reporting entity to transmit, without charge, the information, documents and registries necessary to exercise their functions as set forth in this Order. The entity receiving the request is obliged to respond accordingly).</p>	<p>Sufficiently addressed. Article 8 of Presidential order no. 27/01 provides that “...the Unit can request any reporting entity to transmit, without charge, the information, documents and registries necessary to exercise their functions as set forth in this Order. The entity receiving the request is obliged to respond accordingly”</p>
<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>	<p>- Necessary reforms to strengthen FIU is under process (The Presidential Order determining the FIU organization is being reviewed. FIU will be administrative and under BNR structure)</p>	<p>No progress - Pending the necessary reforms in the FIU as advised by the authorities.</p>

<p>(i) conducting analysis of information instead of investigation</p> <p>(ii) strengthening the technical tools available to the analysts;</p> <p>(iii) Increasing the number of analysts with financial background and raise their awareness.</p>	<ul style="list-style-type: none"> - BNR is developing a tool" Data Warehouse" that will help FIU to monitor all transactions and receiving STRs and CTRs electronically) - FIU is monitoring the transactions on MNOs - New staff (4) with IT 	
<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. • securing adequate financial, human, and technical resources to conduct its core functions; and • Securing the information held at its premises. 	<p>The current restructuring of FIU will allow BNR to secure FIU with financial, Human and technical resources to conduct its core function.</p> <p>FIU premises are secured by the BNR security systems. The FIU Office has its own keys,</p>	<p>No progress. Authorities to advise on the safeguards in place for the sharing of information with the Advisory board given the composition of the board as raised in the MER. The MER observed that the board members are full time officials of other agencies and that they can use their investigative powers to share information on FIU with other agencies.</p> <p>The MER further noted that in as much as the Inspector General of the Police is responsible for appointing the Director, there are no clear rules for the designation and dismissal of the Director and the staff of the FIU. Staff of the FIU can be moved to other departments of the RNP at any time and it can jeopardize</p>

		<p>confidentiality of the information and ultimately independence of the FIU. The authorities have not addressed these issues.</p> <p>Even from the response given by the authorities it appears the FIU's operational independence is still limited.</p>
26.7 Ensure that the information held by the FIU is securely protected;	After FIU restructuring, FIU will have an IT solution for reporting and security purposes.	No progress – Pending reforms in the FIU.
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.	Reports on FIU activities is available. Period reports on STRs and CTRs are available	No progress. Authorities to advise on the availability of the reports. It is quite possible to have the reports available but not published as required by the Standards.
26.9 Consider applying to Egmont membership.	Contacts are ongoing	No progress. Authorities advised in their PEIP that this process will be fully addressed by December 2019.
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	<p>Develop a training program for FIU staff. Program under initiation</p> <p>FIU staff were trained on the following:</p>	Not sufficiently addressed. The schedule of trainings provided to the Reviewers does not cover analysis techniques which is key for FIU staff.

<p>techniques and familiarization with money laundering and terrorist financing typologies, and risks and vulnerabilities.</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 <p>Provide FIU staff will relevant trainings</p>	
<p>2.6 Law enforcement, prosecution and other competent authorities (R.27 and 28) – PC/PC</p>		
<p>27.1 Appoint and adequately resource dedicated financial investigators at the NPPA and RNP (other than the FIU) to deal with money laundering cases.</p>	<ul style="list-style-type: none"> - Special Units were created in RNP and NPPA to investigate and prosecute Economic and Financial crimes including Money Laundering and Financing Terrorism - RNP has also established the Counter Terrorism Unit 	<p>No progress. Authorities have not provided detailed information on the structure of the two units and have not advised on the adequacy of human resources. An organogram in this respect will assist Reviewers to decide on whether this deficiency has been adequately addressed.</p>
<p>28.1 Provide LEAs with adequate powers to compel the production of documents and information from lawyers.</p>	<p>AML/CFT Law under review</p>	<p>No Progress – Pending amendment of the AML/CFT Law.</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>Done. Case Law available where investigation and prosecution on ML/TF were done without referring to information from FIU</p>	<p>Authorities to provide the cases to the Reviewers.</p>

<p>4. Provide the judiciary with more independence by limiting the power of the Minister of Justice to intervene in the decisions of the Prosecutor General.</p>	<p>Independence is provided by the Constitution of the Republic of Rwanda of 2003 revised in 2015. Article 150 states that the Judiciary is independent and exercises financial and administrative autonomy.</p>	<p>Sufficiently addressed. Article 150 of the Constitution of Rwanda revised in 2015 provides for the independence of the Judiciary. It states that <i>“the Judiciary is independent and exercises financial and administrative autonomy”</i>.</p>
<p>5. Provide AML/CFT training to all LEAs and in particular for all dedicated financial crime investigators and prosecutors.</p>	<p>The following trainings were provided:</p> <ul style="list-style-type: none"> - Training were undertaken to Police officers in 2 rounds- around 1200 Police Officers were trained - Training to LEAs on financial crimes, frauds and ML investigation 	<p>Not sufficiently addressed. Authorities to provide more information on the trainings done, the dates of the training, content and numbers. It is not clear whether the 1200 police officers trained also included financial crime investigators and the scope of the training cannot be determined.</p> <p>The authorities have also not advised on whether prosecutors were also trained.</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 new system of data ware house will help frequent monitoring of bank accounts suspicious transactions.</p> <p>FIU staff have access to Mobile Money Accounts to monitor any suspicious transaction.</p>	<p>No progress. The requirement in the MER is for LEAs to use special investigative techniques and not the FIU. As a matter of fact, monitoring of accounts by the FIU is not part of its core functions of receiving, analysing and dissemination.</p>

2.7 Cross-Border Declaration and Disclosure (SR IX) – NC

1. Ensure that the proposed declaration system has the characteristics described under SR.IX.	Draft directive on cross border cash declaration was developed awaiting discussion between stakeholders before its approval and implementation.	Outstanding. Pending issuance of the directive.
2. Remove the exemption related to the funds certified by a withdrawal slip issued by an accredited bank in Rwanda.	AML/CFT Law is under review for amendments required.	No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiencies.
3. Amend the requirements to extend to the shipment of currency and bearer negotiable instruments through cargo containers and the mail.	AML/CFT Law is under review for amendments required.	No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiencies.
4. Define the term “bearer negotiable instruments” to include monetary instruments in bearer form such as: travellers cheques; negotiable instruments (including cheques, promissory notes, and money orders) that are either in bearer form, endorsed without restriction made out to a fictitious payee, or otherwise in such a form that title can pass upon delivery; and incomplete instruments (including cheques, promissory notes and money orders) signed, but with the payee’s name omitted.	Necessary changes were proposed in the Law to review the definition of the instruments in the AML/CFT Law which is under review.	No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiencies.
5. Ensure that competent authorities have the powers to request and obtain further information from the carrier with regard to the origin of the	Directive on cross border cash declaration was drafted awaiting approval before its implementation	Outstanding. Pending issuance of the directive.

<p>currency or bearer negotiable instruments and their intended use in cases of suspicion of ML or TF, and the temporary restraint measures, and the adequate and uniform level of sanctions.</p>		
<p>6. Provide competent authorities with the authority to stop or restrain cash or bearer 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.</p>	<p>Directive on cross border cash declaration was drafted awaiting approval before its implementation</p>	<p>Outstanding. Pending issuance of the directive.</p>
<p>7. Once this system is established, competent authorities should be provided with training on the best practices paper for SR.IX.</p>		<p>Outstanding. Pending issuance of the directive.</p>
<p>3.7 Suspicious Transactions Reporting (R.13) - NC</p>		
<p>13.1. Amend the reporting obligation to apply to all the predicate offenses designated by the FATF.</p>	<p>The definition of Money Laundering covers all offences designated by FAFT and reporting entities are required to report and ST related to such an offence.</p> <p>The Article 652 of the Penal Code defines the Money Laundering as follows:</p> <p>For the purpose of this Organic Law, money laundering means one or several of the following acts committed deliberately:</p>	<p>No Progress. The money laundering offence covers most but not all of the designated categories of predicate offences (<i>see R.1</i>). The scope of the reporting obligations and its reference to “money laundering activities” is therefore limited. With respect to terrorism and TF the reporting obligations also fall short of the standard considering that it does not address suspicions that</p>

	<p>1° the conversion, transfer or handling of property whose perpetrator knows that they derive from a misdemeanor or a felony, or from an act of participation in such offences, for the purpose of concealing or disguising the illegal origin of the property or of assisting any person involved in the commission of such an offence to escape justice;</p> <p>2° the concealment, disguise of the true nature, origin, location, disposition, donation, the owner of the property or the person having rights on it, knowing that such a property is derived from a misdemeanor or a felony or from an act of participation in such offences;</p> <p>3° acquisition, possession or use of property, knowing, at the time of reception , that such a property is derived from a misdemeanor or a felony or from an act of participation in such offences;</p> <p>4° participation in, association to commit, attempts to commit, aiding, inciting, abetting, facilitating or counselling the commission of any of the acts mentioned in this Article.</p> <p>Money laundering is committed even if the original acts leading to the acquisition, disposition or transfer of the property to be</p>	<p>funds may be linked or related to individual terrorists, terrorist organizations and those who finance terrorism.</p>
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	laundered or the protection of the offender, are carried out on the territory of a third State.	
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.	To be considered during the AML/CFT Law amendments which is under review.	No Progress. Rwandan authorities advised that they are in the process of amending the AML/CFT law to address the deficiency.
13.3. Require all reporting entities (as defined in the FATF standard) to report all transactions, including attempted transactions, when they suspect or have reasonable grounds to suspect that the funds are the proceeds of a criminal activity, or are related or linked to, or to be used for terrorism, terrorist acts or terrorist organizations or those who finance terrorism.	FIU Directive under review to address the deficiency	No progress. Rwandan authorities advised that they are in the process of amending the AML/CFT law to address the deficiencies.
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 FT techniques and methods; and any additional measures that these institutions could take to ensure that their AML/CFT procedures are effective.	Guidelines under initiation	No progress. Rwandan authorities are still to develop the guidelines.
5. Establish communication mechanisms between the BNR, the FIU, and the CMA, as well as a	A mechanism of sharing information between BNR, FIU and CMA is functional.	Not sufficiently addressed. The scope of the ToRs of the Fraud

<p>mechanism for providing feedback to reporting entities including general and specific or case-by-case feedback.</p>	<p>Financial Fraud Forum is a tripartite forum where Regulators, Reporting Entities' and Investigators meet to share preventive measures</p> <p>In addition, MOU Between BNR and CMA is in place.</p>	<p>Forum is not provided to the Reviewers and as such may not determine if it covers ML/TF issues. Authorities to advise if mechanism for providing feedback to reporting entities including general and specific or case-by-case feedback is in place.</p> <p>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>Guidelines to banks were issued by the BNR</p>	<p>No progress. Authorities to provide the Guidelines to Reviewers to assess its adequacy on the provision of feedback. It is also not clear whether the guidelines issued by BNR were for all reporting entities.</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, other officers of the reporting entities, and any agents or representatives of the reporting entities.</p>	<p>AML/CFT Law under review to address the deficiency</p>	<p>Not sufficiently addressed. Article 27 of AML/CFT Law No. 47/2008 provides exemption of liability for good faith action by FIU staff, executives and employees of reporting entities for good faith reporting. However, it does not</p>

		extend to agents or representatives of the reporting entities.
3.7 Reporting of Suspicious transactions related to Terrorist Financing (SR. IV) – NC		
Create an obligation to report funds suspected of being linked or related to or to be used by individual terrorists, terrorist organizations or those who finance terrorism.	<p>The FIU Directive requires reporting entities to report all suspicious transactions in funds linked to financing terrorism.</p> <p>The Article 2(5) of the FIU Directive defines the Suspicious transaction or activity as transactions where there are a reasonable ground to suspect the transaction or activity is related ML or FT offences</p>	Not sufficiently addressed. Although the FIU Directive Article 18 as read with Article 2(5) places an obligation on reporting entities to report suspicious transactions linked to both ML and TF, the TF offences provisions are not broad enough to include the financing of terrorist organizations and individual terrorists or those who finance terrorism.

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.	In the revised AML/CFT Law financial institutions was defined and banks are inclusive.	No progress. Although provided for under article 9 of Law 47/2008, banks are not covered. In the Rwandan context, “financial

		institutions” do not include banks so in this case banks are not prohibited from opening or keeping anonymous accounts or accounts in fictitious names. Authorities advised that this will be addressed by the AML/CFT Law under review.
5.2. Undertake CDD measures: (c) When carrying out occasional transactions that are wire transfers in the circumstances covered by the Interpretative Note to SR.VII. (d) When there is a suspicion of terrorist financing (in addition to the suspicion of money laundering already included in the law), without exceptions and regardless of the amounts involved.	FIU issued a directive to reporting entities. See FIU directive of 2005 in article 14(2).	Sufficiently addressed. Article 14 of the FIU Directive 001/FIU/2015 requires reporting entities to undertake EDD measures when 2) carrying out occasional transactions by wire transfers and 3) there is a suspicion of money laundering or terrorist financing.
5.2(b). Establish the applicable threshold for undertaking CDD for occasional transactions.	FIU issued a directive to reporting entities. Article 9 of the Directive	Sufficiently addressed. Article 9 of Directive 001/FIU/2015 requires identification of occasional customers for transactions involving an amount exceeding 10 million Rwanda Francs or its equivalent in foreign currency including lesser amounts if they are part or linked to the whole

		transaction, which exceeds the threshold.
5.4. Identify their customers and verify that customer's identity using reliable, independent source documents, data or information (identification data)	FIU issued a directive to reporting entities Arts 5,6 and 7	Sufficiently addressed. Articles 13 of the FIU directive provides for identification and verification of the identity of customers using reliable and independent source documents.
5.4. Establish mechanisms for adequately verifying the power to bind the legal person or arrangement.	FIU issued a directive to reporting entities Arts 6 and 7	Not sufficiently addressed. Although articles 6 and 13 of the FIU Directive 001/FIU/2015 provide for identification and verification of legal persons or customer, this requirement does not extend to legal arrangements. The definition of "customer" under Article 2 of the Directive does not include legal arrangements.
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	FIU issued a directive to reporting entities . Law governing trusts and trustees have been adopted(Article 2(3) defines the trust instrument).	Not sufficiently addressed. Article 13(2) of Directive 001/FIU/2015 requires reporting entities to identify the UBO and take reasonable measures to verify the identity of the UBO such that the reporting entity is satisfied that it

<p>persons who exercise ultimate effective control over a legal person or arrangement, including those who comprise the mind and management of a company.</p>		<p>knows who the UBOs are. Article 2 of the Directive defines UBO as <i>any person owning more than 25% of the capital of a company and also refers to natural persons who ultimately owns or controls a customer and/or the person whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective controls over a legal person.</i></p> <p>Legal arrangements are however not included in the definition. The authorities also to provide the Reviewers with the law governing trusts and trustees referred to in their response.</p>
<p>5.6. Obtain information on the purpose and intended nature of the business relationship.</p>	<p>To ensure proper supervision</p>	<p>Sufficiently addressed. Article 13(4) of Directive 001/FIU/2015 requires reporting entities to determine the purpose and intended nature of the business relationship.</p>
<p>5.7. Conduct ongoing due diligence on the business relationship which should include the scrutiny of transactions undertaken throughout the course of</p>	<p>To ensure proper supervision</p>	<p>Sufficiently addressed. Article 13(5) of Directive 001/FIU/2015 requires reporting entities to keep</p>

<p>the business relationship and monitoring of the business relationship to ensure that documents, data or information collected under the CDD process are kept up-to-date.</p>		<p>CDD information up-to-date and monitor the business relationship and transactions undertaken throughout the course of the relationship to assure that they are consistent with the institution's knowledge of the customer and the UBO.</p>
<p>5.8. Perform enhanced due diligence for higher risk categories of customers, business relationships, or transactions.</p>	<p>Reporting entities are required to undertake the EDD for High Risk Category under the FIU Directive</p>	<p>Sufficiently addressed. Article 14 of Directive 001/FIU/2015 requires reporting entities to perform EDD on higher risk business relationships and transactions.</p>
<p>5.15. Refuse to open an account, establish a business relationship or conduct the transaction, and consider making a STR when they are unable to comply with the CDD requirements.</p>	<p>This is considered under the Revised AML/CFT Law Art 10</p>	<p>No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiency.</p>
<p>5.16/5.2 (e). Terminate the business relationship and consider filing a STR when they have doubts about the veracity or adequacy of previously obtained customer identification data.</p>	<p>This is considered under the Revised AML/CFT Law Art 10</p>	<p>No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiency.</p>
<p>5.17. Apply CDD measures to existing customers that predate the AML/CFT Law on the basis of</p>	<p>Provided under the Revised AML/CFT Law</p>	<p>No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiency.</p>

<p>materiality and risk and conduct due diligence on such existing relationships at appropriate times.</p>		
<p>5.18. Perform CDD measures on existing customers who hold anonymous or accounts in fictitious names that predate the AML/CFT Law</p>	<p>Provided under the AML/CFT Law art 10 (Reporting entities shall identify their customers in the following cases..., when they have doubts about the veracity or accuracy of the customer' previously obtained identification data.)</p>	<p>No progress. The criterion requires CDD measures to be on existing customers who hold anonymous or accounts in fictitious names that predate the national law on AML/CFT and not on where they have doubts on the accuracy of the previously obtained identification data.</p>
<p>3.2 Politically Exposed Persons (R.6) - NC</p>		
<p>6.1. Put in place appropriate risk management systems to determine whether a potential customer, a customer or the beneficial owner is a PEP</p>	<p>Provided for in FIU directive. The Article 16(1) of the FIU Directive states.</p>	<p>Not sufficiently addressed. Although the current law under Article 16(1) of the FIU Directive requires putting in place appropriate risk management systems to determine whether a customer is a PEP, it does not extend the requirement to "<u>potential customer</u> or <u>beneficial owner</u>" as required by the FATF Standards.</p> <p>The definition of "<u>customer</u>" under Article 2(4) of Law 47/2008 and the one in the FIU Directive (Article</p>

		2(5) fall short of including the potential customer or the beneficial owner.
6.2. Obtain senior management approval to continue the business relationship when the customer or the beneficial owner is subsequently found to be or subsequently becomes a PEP	Provided for in FIU directive. Under article 16(2).	Not sufficiently addressed. Article 16(2) of the FIU Directive requires reporting entities to obtain senior management approval for establishing business relationships with a PEP. The scope seems to be limited to establishing initial business relationship and not in instances where continuance of business relationship is required “when the customer or the beneficial owner is subsequently found to be or subsequently becomes a PEP.”
6.3. Establish the source of wealth and the source of funds of beneficial owners identified as PEPs	AML/CFT Law no 47/2008 Provided for in FIU directive (Conduct appropriate monitoring of the business relationship with such a client). The Article 16(4) of the FIU Directive states.	No progress. The requirements under article 16(3) of Law 47/2008 and article 16(3) of the FIU Directive do not extend to beneficial owner(s) identified as political leaders.

6.4. Conduct enhanced monitoring on that relationship	FIU Directive Art 14.	Sufficiently addressed. Addressed under Article 14 of the FIU Directive which requires EDD on PEPs throughout the course of the business relationship.
3.2 Cross border Correspondent Banking (R.7) - NC		
7.1. Gathering sufficient information about the respondent institution to understand fully the nature of the respondent's business and to determine its reputation and quality of supervision.	<p>Covered under the BNR guidelines on AML/CFT. The para 2,3 and 4 of item 12 of the Guidelines states that: Banks shall gather sufficient information to understand fully the nature of the business of its correspondent banks; such as information on the bank's management, major business activities, identity of any third party entities that will use the correspondent banking services, and regulatory/supervisory framework in the correspondent's country may be relevant.</p> <p>Banks shall also ascertain from publicly available information whether the correspondent bank has been subject to any money laundering or terrorist financing investigation or regulatory action. Banks shall refuse to enter into a correspondent relationship with a "shell bank".</p>	<p>No progress. Item 12 of BNR AML/CFT Guidelines, of June 2014, referred to by the authorities only makes reference to correspondent banks with no reference to respondent institutions as required by this criterion.</p> <p>Another gap noted is that the Guidelines fall short of the FATF requirement for them to be regarded as "<i>other enforceable means</i>" in that although they have been issued by a competent authority, they are not enforceable as they do not have sanctions for non-compliance.</p>

	<p>Banks shall also guard against establishing relationships with correspondent financial institutions that permit their accounts to be used by shell banks. Banks shall be extremely cautious while continuing relationships with correspondent banks located in countries with poor KYC standards and countries identified as 'non-cooperative' in the fight against money laundering and terrorist financing.</p>	
<p>7.2. Assessing the respondent institution's AML/CFT controls.</p>	<p>Covered under the BNR guidelines on AML/CFT. The para 2,3 and 4 of item 12 of the Guidelines states that: Banks shall gather sufficient information to understand fully the nature of the business of its correspondent banks; such as information on the bank's management, major business activities, identity of any third party entities that will use the correspondent banking services, and regulatory/supervisory framework in the correspondent's country may be relevant.</p> <p>Banks shall also ascertain from publicly available information whether the correspondent bank has been subject to any money laundering or terrorist financing investigation or regulatory action.</p>	<p>No progress. Item 12 of BNR AML/CFT Guidelines, of June 2014, referred to by the authorities only makes reference to correspondent banks with no reference to respondent institutions as required by this criterion.</p> <p>Another gap noted is that the Guidelines fall short of the FATF requirement for them to be regarded as "other enforceable means" in that although they have been issued by a competent authority, they are not enforceable as they do not have sanctions for non-compliance.</p>

	<p>Banks shall refuse to enter into a correspondent relationship with a "shell bank".</p> <p>Banks shall also guard against establishing relationships with correspondent financial institutions that permit their accounts to be used by shell banks. Banks shall be extremely cautious while continuing relationships with correspondent banks located in countries with poor KYC standards and countries identified as 'non-cooperative' in the fight against money laundering and terrorist financing.</p>	
7.3. Obtaining approval from senior management before establishing correspondent relationship.	<p>Review the FIU Directive to address the deficiency</p> <p>To ensure proper implementation and supervision</p>	No progress. Authorities advised that they would review the FIU Directive to incorporate the deficiency.
7.4. Documenting the respective obligations of each institution.	<p>Covered under the BNR guidelines on AML/CFT. The para 2 of item 12 of the Guidelines states that: Banks shall gather sufficient information to understand fully the nature of the business of its correspondent banks; such as information on the bank's management, major business activities, identity of any third party entities that will use the correspondent banking services, and</p>	No progress. Deficiencies noted under 7.1 above apply.

	regulatory/supervisory framework in the correspondent's country may be relevant.	
3.2 New Technologies (R.8) - NC		
8.2. Establish measures including policies and procedures designed to prevent and protect financial institutions (As defined by the FATF standard) from money laundering and terrorist financing threats that may arise from new or developing technologies or specific CDD measures that apply to non-face-to-face business relationships and transactions. Authorities are encouraged to consult the Risk Management Principles for Electronic Banking issued by the Basel Committee in July 2003.	To put in place policies and procedures that complies with the standards	No progress. Requirements for Financial Institutions to have such policies and procedures are not yet in place.
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: 		
9.1. CDD measures performed by the intermediary or third parties are those listed under Criteria 5.3 to 5.6 of the Methodology,	Issue Directive to regulate reliance on third parties. Directive under initiation	No progress. Authorities are yet to issue directive addressing the deficiency.

9.2. The information collected by the third party may be immediately available to reporting entities upon request without delay and;	Issue Directive to regulate reliance on third parties. Directive under initiation	No progress. Authorities are yet to issue directive addressing the deficiency.
9.3. The reporting entities are required to satisfy themselves that the third party is regulated and supervised for and have measures in place to comply with CDD requirements in line with Recommendation 5.	Issue Directive to regulate reliance on third parties. Directive under initiation	No progress. Authorities are yet to issue directive addressing the deficiency.
9.5. The ultimate responsibility for customer identification and verification remains with the reporting entities relying on the third party.	Issue Directive to regulate reliance on third parties. Directive under initiation	No progress. Authorities are yet to issue directive addressing the deficiency.
3.4 Financial institution secrecy or confidentiality (R.4) - PC		
1. Ensure that the BNR is granted the power to exchange AML/CFT information with other domestic competent authorities.	Provided for in the current draft Central Bank and Banking Law	No progress. Authorities are still drafting Central Bank and Banking law which would address the deficiency.
2. Ensure that competent authorities share information on AML/CFT related issues both at a domestic and international level.	Information sharing between competent authorities is done through normal administrative channels Information is shared through FIUs and Interpol on international level;	No progress. Authorities to advise how the information sharing mechanism is being done both domestically and internationally.

3. Ensure that reporting entities are allowed to share information required under R. 7, R. 9 or SR. VII.	Provided under the Draft AML/CFT	No progress. Authorities are still drafting AML/CFT Law which will incorporate this deficiency.
3.5 Record keeping (R.10) – PC		
10.2. Require financial institutions to maintain records on account files (i.e. account applications, related business activity, and other supporting information related to the identification data)	Provided in FIU directive	Sufficiently addressed. Addressed under Article 24(2) of the FIU Directive.
10.2. Ensure that all customer information required under Rec.5 is properly maintained.	To require reporting entities to comply with the requirements	Sufficiently addressed. Addressed under Article 24(2) of the FIU Directive.
10.3. Ensure that there is no restriction to timely access to customer and transaction records by competent authorities.	This is provided by Law no 47/2008 art 15 Special monitoring of certain transactions	No progress. Article 15 talks about special monitoring of certain transactions. Article 17(4) of the same Law puts a restriction to accessing records by competent authorities by requiring prior authorization by the FIU.
3.5 Wire transfers (SR.VII) - NC		
VII.1 Require financial institutions conducting wire transfers (both domestic and international) of EUR/USD1,000 or more to obtain and maintain full originator information (i.e., the originator's name, account number, and the address) and to verify the	BNR AML/CFT Guidelines in item 12 para 3 address the deficiency: In this regard, banks are required, when effecting funds transfers, to ensure that the	No progress. Item 12 of BNR AML/CFT Guidelines, of June 2014, referred to by the authorities require banks when effecting funds transfers, to ensure that the names,

<p>identity of the originator in accordance with Recommendation 5.</p>	<p>names, addresses and account numbers of both the ordering customer and the beneficiary are identified. The above information is considered necessary for purposes of maintaining a credible audit trail.</p>	<p>addresses and account numbers of both the ordering customer and the beneficiary are identified. However, the requirement does not apply to all financial institutions as required by the Standards.</p> <p>Another gap noted under 7.1 above is that the Guidelines fall short of the FATF requirement for them to be regarded as “<i>other enforceable means</i>” in that although they have been issued by a competent authority, they are not enforceable as they do not have sanctions for non-compliance.</p>
<p>VII.4. Require each intermediary and beneficiary financial institution in the payment chain to ensure that all originator information that accompanies the wire transfer is transmitted with the transfer.</p>	<p>Provided for in the AML/CFT Law.</p> <p>Article 6 states that: Banks and other financial institutions and money remitters shall include accurate originator information in money transfers, electronic or others, along with any other related message. This information shall go along with the transfer throughout the payment chain.</p>	<p>Sufficiently addressed. Article 6 requires originator information to go along with the transfer throughout the payment chain. Although it does not specifically mention intermediaries and beneficiary financial institutions, these are part of the payment chain hence are also covered by the requirement.</p>

	<p>BNR AML/CFT Guidelines in item 12 para 3 address the deficiency:</p> <p>In this regard, banks are required, when effecting funds transfers, to ensure that the names, addresses and account numbers of both the ordering customer and the beneficiary are identified. The above information is considered necessary for purposes of maintaining a credible audit trail.</p>	<p>However, BNR AML/CFT Guidelines referred to by the authorities suffer some of the deficiencies as stated under 7.1 above.</p>
<p>VII.5. Require beneficiary financial institution to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information and to consider the lack of complete originator information as a factor in assessing whether they are required to be reported to the FIU and consider restricting or terminating its business relationship with financial institutions that fail to meet SR.VII.</p>	<p>To review the FIU Directive to address the issue</p>	<p>No progress. Authorities are reviewing the FIU Directive to provide for this requirement.</p>
<p>VII.6. Monitor the compliance of financial institutions with the requirements set forth under SR.VII</p>	<p>BNR and FIU to monitor the compliance</p>	<p>No progress. Authorities to advise on the measures in place to effectively monitor compliance with SR.VII.</p>

VII.7. Ensure that there are effective, proportionate and dissuasive sanctions for failure to comply with the wire transfer requirements.	BNR to issues regulation on sanctions	No progress. Authorities are yet to issue sanctions for non-compliance with wire transfer requirements.
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.	FIU issued a directive and covers DNFBP	Not sufficiently addressed – Authorities are yet to address the outstanding deficiencies noted under recommendations 5, 6 and 8-11.
2. 12.1 (a). Incorporate Casinos as reporting entities under the AML/CFT Law.	These are considered in AML/CFT Law We thought that the owners, directors and managers of casinos are acting on behalf of Casinos. But to be considered in AML/CFT Law which is under review for amendment	Not sufficiently addressed. Article 3 of Law 47/2008 only talks of owners, directors and managers of casinos and gaming halls including national lotteries as reporting entities and not casinos as legal entities.
3. 12.1(a). Designate the threshold called for by the AML/CFT law for customer identification by casinos and dealers in precious metals and stones.	FIU issued a directive	Sufficiently addressed. Article 26 of the FIU Directive sets threshold for both casinos and precious metals and stones.

4. Ensure that DNFBPs are subject to the preventive measures, and recordkeeping requirements in line with Recommendations 5, 6, 8, 9, 10, and 11.	FIU issued a directive that addressed the deficiencies	Not sufficiently addressed until all outstanding issues under the mentioned recommendations are addressed.
5. Ensure the effective implementation of the AML/CFT provisions by DNFBPs.	Awareness to DNFBPs to be undertaken	No progress.
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 DNFBP sectors.	National Risk Assessment will help to raise awareness of ML/FT risks to DNFBPs	Not sufficiently addressed. Authorities advised that the NRA is in its initial stages.
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.	Trusts are considered under the reviewed AML/CFT Law	To be provided to the Reviewers once it is enacted.
4.2 DNFBPs: Other Measures (R.16) -NC		
16.1(a). Require casinos to report suspicious transactions to the FIU.	To be considered in AML/CFT Law which is under review for amendment	No progress. FIU Directive of 2015 requires all reporting entities set forth under Article 3 of Law 47/2008 to report suspicious transactions to the FIU. However, casinos are not

		covered as reporting entity under the law.
<p>2. Ensure that the carve-out for legal and professional secrecy is limited to information:</p> <p>(a) obtained in the course of ascertaining the legal position of a client, or</p> <p>(b) In performing their tasks of defending or representing that client in, or concerning judicial, administrative, arbitration, or mediation proceedings.</p>	It is provided in the AML/CFT Law art 8	No progress. The MER observed that the legal professional privilege or legal professional secrecy provided for under Article 8 seems to go beyond the information that lawyers, notaries and other independent legal professionals receive from or obtain through one of their clients.
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.	<p>This was addressed in the record keeping provisions in FIU Directive <u>Article 24: Keeping records of information obtained through customer due diligence</u></p> <p>Reporting entities shall keep all records obtained through CDD measures notably:</p>	Not Sufficiently addressed. Article 24(3) of the FIU Directive requires Reporting entities to keep results of any analysis undertaken for a complex, unusual and large transaction for purposes of being able to trace the customer. However, this requirement would be fully met when casinos are

	<ol style="list-style-type: none"> 1) copies or records of official identification documents such as passports, identity cards, driving licenses or similar documents, certificate of incorporation; 2) account files and business correspondence 3) results of any analysis undertaken for a complex, unusual and large transaction; 4) Any other information that may help to trace the customer. 	<p>designated as reporting entities. As it is, article 24 excludes casinos.</p>
3.6 Higher Risk Countries (R.21) - NC		
<p>Ensure that the reporting requirement extends to combating terrorist financing.</p> <p>21.1.1 Ensure that reporting entities are advised of concerns about weaknesses in the AML/CFT systems of other countries</p>	<p>Article 18: Declaration of suspicious transactions</p> <p>Banks, other financial institutions and legal persons subject to the provisions of Article 3 of the Law N° 47/2008 on prevention and penalizing the crime of Money Laundering and Financing Terrorism shall, whenever they have reasonable motives to suspect that the funds or movement of funds are/is linked, associated or destined to be used in money laundering activities or for financing terrorism, terrorism or acts of terrorism or of terrorist organizations,</p>	<p>Not Sufficiently addressed – Although Article 18 of the FIU Directive addresses the deficiency on TF, there is no requirement to ensure that reporting entities are advised of concerns about weaknesses in the AML/CFT of other countries.</p>

	<p>report immediately their suspicion to the Financial Investigation Unit.</p> <p>All reporting Entities to be advised on this concern</p>	
<p>21.2. Extend the obligation on reporting entities to examine as far as possible, the background and purpose of transactions that have no apparent economic or visible lawful purpose, and to keep their written findings of those transactions available to assist competent authorities and auditors for business relations and transactions with persons residing in countries which do not apply regulations for combating money laundering or apply insufficiently regulations equivalent to those provided for the Rwandan AML/CFT law.</p>	<p>This was addressed in the FIU Directive Art 10 and 17</p>	<p>Sufficiently addressed. Article 10 of the FIU Directive requires reporting entities to pay special attention to transactions which have no apparent economic and visible lawful purpose including the requirement to examine the background and purpose of such transactions and establishing the findings in writing.</p>
<p>21.3. Establish mechanisms for applying counter-measures where a country continues not to apply or insufficiently applies the FATF Recommendations.</p>	<p>Rwanda endeavours to apply all FATF recommendations</p>	<p>No progress. The current AML/CFT framework does not provide for possible counter-measures to protect Rwanda's financial sector from the risk arising from countries that insufficiently apply FATF standards.</p>
<p>3.8 Internal controls (R.15) – PC</p>		

<p>15.1. Require all reporting entities to establish, adopt, and maintain internal procedures, policies, and controls addressing CDD, record retention, detection of unusual and suspicious transactions and the reporting obligation.</p>	<p>This was addressed in the FIU Directive</p>	<p>Sufficiently addressed. Article 17 of the FIU Directive requires reporting entities to develop policies and procedures and put in place mechanisms for efficient implementation of the directive and the AML/CFT Law.</p>
<p>15.1.1. Require reporting entities to designate the AML/CFT compliance officer at managerial level.</p>	<p>Regulators and FIU requested reporting entities to designate AML/CFT reporting officers.</p> <p>Also BNR corporate governance regulations requires banks and insurance companies to have compliance officers at managerial level</p>	<p>No progress. Authorities to provide specific articles of the Corporate Governance Regulations and other legal documents providing for designation of AML/CFT compliance officers at managerial level.</p>
<p>15.1.2. Require reporting entities to ensure that the AML/CFT compliance officer and other appropriate staff have timely access to customer information, data and other CDD information, transaction records, and other relevant information.</p>	<p>Financial institutions have compliance charter that allows compliance officers to access information</p>	<p>No progress. Authorities to provide legally binding laws or other enforceable means which obligates reporting entities to comply with this requirement.</p>
<p>15.2. Require reporting entities to maintain an adequately resourced and independent audit function to test compliance with the procedures, policies and controls; and provide them with sufficient details to ensure that the scope of the internal audit function clearly includes AML/CFT</p>	<p>The regulation on no 11/2011 on minimum requirements for internal control and audit in banks address the deficiency. In the appendix item 8.1:</p>	<p>Not sufficiently addressed. The regulation referred to by the authorities seem not to address the requirements of the criterion in that the scope of the internal audit does not clearly include AML/CFT</p>

<p>audits and an overall assessment of the adequacy of the internal control systems and policies with respect to AML/CFT.</p>	<p>8.1. The core function of an internal audit department is to perform an independent appraisal of a bank’s activities as a service to management. The internal audit function plays an important role in helping management to establish and maintain the best possible internal control environment within the bank.</p> <p>8.2 A sound internal control environment would ensure:</p> <ul style="list-style-type: none"> a) Adequacy and effectiveness of the internal control system; b) Compliance with policies, procedures, rules, guidelines, directives, laws and regulations; c) Detection of frauds, errors , omissions and any other irregularities; d) Management audit e) Information system audit f) Participative and consultative role in the development of new products and systems 	<p>audits and assessment of the adequacy of internal control systems and policies with respect to AML/CFT. Further, issues of adequacy of resources and independence are not clearly spelt out.</p>
<p>15.3. Require reporting entities to develop and maintain on-going employee training on AML/CFT matters, in particular to include information on</p>	<p>Provided for in the AML/CFT Law</p>	<p>Not sufficiently addressed. The obligation in AML/CFT Law is drafted in very general terms and</p>

<p>current ML and TF techniques, methods and trends; all aspects of the AML/CFT law and obligations, and the requirements concerning CDD and suspicious transaction reporting.</p>		<p>does not specify the content and scope of the required training. In particular, it does not establish that it should include information on current ML and TF techniques, methods and trends; all aspects of the AML/CFT law and obligations and the requirements concerning CDD and STR reporting.</p>
<p>3.8 Foreign Branches and Subsidiaries (R.22) – N/A</p>		
<p>Although Recommendation 22 is not currently applicable to Rwanda, the authorities are also encouraged to set out provisions for reporting entities in the event that foreign branches and subsidiaries are established to ensure that these institutions observe AML/CFT measures consistent with home country requirements and the FATF Recommendations, to the extent that local (i.e., host country) laws and regulations permit; to pay particular attention that this principle is observed with respect to their branches and subsidiaries in countries which do not or insufficiently apply the FATF Recommendations; and where the minimum AML/CFT requirements of the home and host countries differ, to apply the higher standard, to the</p>	<p>This will be addressed when applicable</p>	<p>N/A</p>

extent that local (i.e., host country) laws and regulations permit.		
BUILDING BLOCK IV – REGULATION AND SUPERVISION		

3.10. Regulation and Supervision of Financial Institutions (R.23) - NC		
23.2. Designate a competent authority or authorities responsible for AML/CFT supervision of the reporting entities.	This is to be proposed for in the AML/CFT Law which is still under review	No progress. Rwanda is in the process of amending its AML/CFT law to address the deficiency.
2. Develop, adopt and implement a formal AML/CFT supervisory framework, including setting out the necessary activities for off-site surveillance and examination procedures for onsite visits.	BNR has developed AML/CFT supervisory manuals	Not sufficiently addressed. Authorities to Reviewers may want to know adequacy of the manuals for both off-site and on-site inspections. Further, basing on the response of the authorities, it appears it's only BNR that have developed the AML/CFT supervisory manuals, other supervisory authorities still need to develop their own manuals.
3. Ensure that, in the course of prudential supervision of financial institutions subject to the core principles, supervisors apply for AML/CFT purposes the prudential regulatory and supervisory	BNR has developed AML/CFT supervisory manuals	Not sufficiently addressed. The authorities to provide the manuals so that Reviewers can assess adequacy of the manuals in relation to the requirements of this criterion. Further, progress on other

measures that are also relevant to money laundering.		supervisory authorities is not included in the response.
3.10 Sanctions (R. 17) - NC		
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>BNR issued a regulation to insurance on pecuniary and administrative sanctions .</p> <p>The appendix on pecuniary sanction in item 17 and 18 provides pecuniary sanction to insurers that do not comply with the AM/CFT regime.</p> <p>In addition the new Forex Bureau regulation in its appendix IV item 9 provide pecuniary sanction to FXB that do not comply with AML/CFT regulations and directive.</p> <p>Again the Banking Law in its article 73 provides that a Bank can be appoint a special administrator based on its involvement in Money Laundering and Financing Terrorism 31 of the Banking Law.</p> <p>Also the a person who was convicted of the Money Laundering cannot administrate or manage the Bank. See article 31 of the Banking Law.</p>	<p>Not sufficiently addressed.</p> <p>Appendices 17 and 18 of the Regulation of the BNR No. 03/2017 of 20/02/2017 on Administrative and Pecuniary sanctions applicable to insurers provide for sanctions of 1,000,000 Frw for failure to put in place effective policy to combat ML and TF and also for failure to comply with BNR and FIU regulatory requirements on AML/CFT. In addition, Regulations N° 01/2017 of 22/02/2017 Governing Foreign Exchange Bureaus also provide for sanctions of 100,000 Frw per AML/CFT violation.</p> <p>However, the following are gaps:</p> <ol style="list-style-type: none"> 1. Although the Regulations on Bureau de Changes were issued under the primary AML/CFT Act, it was not the case with the Insurance Regulations and as

		<p>such the sanctions are prudential.</p> <ol style="list-style-type: none"> 2. The sanctions do not apply to other reporting entities. 3. The banking Act is not clear on the sanctions to be applied for non-compliance with AML/CFT Laws 4. Authorities have to prove to the Reviewers whether the sanctions are effective, proportionate, and dissuasive, and that they may be applied without undue limitation.
17.3. Ensure that the range of sanctions not only apply to legal persons that are financial institutions or businesses but also to their directors and senior management.	The a person who was convicted of the Money Laundering cannot administrate or manage the the Bank. See article 31 of the Banking Law.	No progress. Article 31 of the Banking Law does not address the deficiency as it only applies in cases of bankruptcy. In addition the Banking Law has no sanctions for AML/CFT.
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	BNR has issued a Guidelines to Banks on AML/CFT framework.	No progress. As indicated under R.7.1 above the BNR Guidelines may not be enforceable. Further, the

Institutions and Other Persons, in particular with respect to suspicious transactions.		guidance should be to all reporting entities.
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 the requirement to combat money laundering and terrorist financing, including powers to: <ul style="list-style-type: none"> • Conduct inspections to ensure compliance 	This was proposed for in the draft AML/CFT Law which is still under review (<i>Art 21: the role of authorities supervising the reporting entities:</i> <i>1. Monitor the compliance with the law by the reporting persons,</i> <i>Establish administrative sanctions for any reporting person or any other person who does not fulfil his responsibilities as provided by the Law....)</i>	Outstanding. Authorities advised that they would incorporate the requirement in the draft AML/CFT law which is still under review.
<ul style="list-style-type: none"> • Compel production of or to obtain access to all records, documents or information relevant to monitoring compliance. 	Done. Supervisory authorities have this power. AML/CFT Law art 54	No progress. Article 54 provides that supervisory authorities may impose sanctions for failure to follow the law. It does not provide power for competent authorities to compel production of or to obtain access to all records, documents or information relevant to monitor compliance.
29.4. Enforce and sanction financial institutions and their directors or senior management for failure to	AML/CFT Law arts 53 and 54	No progress. Article 53(1) which extends sanctions to executive

<p>comply with or properly implement requirements to combat money laundering and terrorist financing.</p>		<p>officials or clerks was repealed by the new Penal Code. Article 54 enables the disciplinary and supervisory authority to sanction other failures to comply with the obligations of the law according to the conditions provided by the professional and administrative regulations. The sector specific laws do not extend to violations of AML/CFT requirements.</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 21–23, and Special Recommendation VII, as applicable to this recommendation.</p>	<p>Shortcomings covered under e-money issuers regulation and payment service providers regulation</p>	<p>No Progress. Pending addressing of deficiencies under the stated recommendations.</p>
<p>VI.3. Ensure that informal PSP systems currently operating in Rwanda are registered or licensed, subject to the applicable FATF Recommendations and to adequate monitoring.</p>	<p>License all PSP and ensure they are compliant with AML/CFT Covered under payment service providers regulation</p>	<p>Progress Noted. Regulation N°07/2015 of 13/11/2015 of the National Bank of Rwanda Governing Payment Services Providers sets out the rules governing the licensing by the Central Bank, of Payment Services Providers. It is not clear to what extent it has allowed registration and licensing of the</p>

		informal PSPs were operating in Rwanda at the time of the MER.
VI.4. Licensed or registered PSP to maintain a current list of its agents which must be made available to the designated competent authority.		No progress. Regulation N°07/2015 of 13/11/2015 of the National Bank of Rwanda Governing Payment Services Providers seem to be silent on the need for PSPs to maintain current list of their agents.
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.	To build capacity of FIU staff on supervision of DNFBPs	No progress. What the authorities provided is not progress but intention to make progress. This is not considered as progress under ESAAMLG follow-up procedures.
24.1.1. Introduce a sanctioning regime for non-compliance with the AML/CFT obligations applicable to DNFBPs.	AML/CFT Art 54	No progress. Article 54 enables the disciplinary and supervisory authority to sanction other failures to comply with the obligations of the law according to the conditions provided by the professional and administrative regulations. The sector specific laws do not extend to

		violations of AML/CFT requirements.
24.2. Ensure that the designated competent authorities or SROs responsible for monitoring have adequate powers and resources to perform their functions.	Considered under the AML/CFT Law	No progress. Authorities to advise the specific sections.
Increase awareness among all DNFBP categories.	Awareness campaign to DNFBP to be undertaken	No progress. What the authorities provided is not progress but intention to make progress. This is not considered as progress under ESAAMLG follow-up procedures.
Provide guidance to assist DNFBPs implement and comply with their respective AML/CFT requirements	Guidance to be provided to DNFBPs	No progress. What the authorities provided is not progress but intention to make progress. This is not considered as progress under ESAAMLG follow-up procedures.
Provide feedback to DNFBPs on current techniques, methods and trends or sanitized examples of actual ML and TF cases.	Feedback on current techniques, methods to be provided to DNFBPs	No progress. What the authorities provided is not progress but intention to make progress. This is not considered as progress under ESAAMLG follow-up procedures.
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)	Risk assessment to be conducted to DNFBPs	No progress. What the authorities provided is not progress but

that could be used for or exposed to potential ML and TF activities in Rwanda.		intention to make progress. This is not considered as progress under ESAAMLG follow-up procedures.
On the basis of the results of the risk assessment, introduce measures to reduce reliance on cash.	The policy to be initiated by BNR	No progress. What the authorities provided is not progress but intention to make progress. This is not considered as progress under ESAAMLG follow-up procedures.
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.	To require NFBPs to comply with these recommendations	No progress.
20.2. Encourage the development and use of modern and secure techniques for conducting financial transactions that are less vulnerable to ML.	Visa cards and bank transfers are encouraged by central bank	No progress. Authorities to advise the measures taken by the central bank to encourage NFBPs to use visa cards or other modern and secure techniques for conducting financial transactions that are less vulnerable to ML.
5.1 Legal Persons (R.33) – PC		
33.1. Take additional steps to prevent the misuse of legal persons established in Rwanda by ensuring	To ensure adequate transparency in establishing legal persons in Rwanda	No progress.

that there is adequate transparency concerning their beneficial ownership and control.		
5.2 Legal Arrangements (R.34) – N/A		
Despite the fact that this Recommendation is considered to be non-applicable to Rwanda at the time of this assessment, in light of the upcoming entry in force of a new law allowing for the creation of Rwanda trusts, it is recommended that the authorities take all necessary steps to prevent the misuse of the Rwandan trust for money laundering or terrorist financing purposes, and ensure that adequate, accurate and timely information on these trusts (including information on the settler, trustee and beneficiaries) can be obtained by competent authorities in a timely fashion, and to facilitate access to that information by reporting entities. The authorities are in particular recommended to consider the examples provided in the FATF methodology.	Trusts considered in the AML/CFT Law under review	The response by the authorities has been noted.
5.3 Non-Profit Organizations (SR.VIII) - PC		
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	Under the Law N°56/2016 of 16/12/2016 establishing the Rwanda Governance Board and determining its mission, organisation and functioning ,the Rwanda Governance Board has been established to monitor and register NPO. The List of NGOs is available	No progress. Authorities to provide the Law 56/2016 to allow Reviewers to determine whether it allows a review of NPOs to determine those at risk of being misused for TF. The list of NGOs provided by the authorities

<p>misused for terrorist financing by virtue of their activities or characteristics;</p>	<p>on http://www.rgb.rw/index.php?id=130 . The List of NGOs is available on http://www.rgb.rw/index.php?id=130</p>	<p>through the link provided does not show which NPO is vulnerable to TF risk.</p>
<p>VIII.2. Conduct outreach programs focused on raising awareness on the risks of terrorist abuse and the measures available to protect against such abuses should be directed to the entire NPO sector.</p>	<p>Awareness to NPOs on the risk of terrorism financing to be undertaken.</p>	<p>No progress</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>The system is in place. The Rwanda Governance Board is in charge of the monitoring. The monitoring is done on quarterly basis and reports are available.</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 available;</p>	<p>Information related to query VIII.3.1 is kept by NPOs for accountability purposes and is verified by RGB and can be check by any authorized official.</p>	<p>No progress. Authorities to demonstrate that the 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 are required to maintain the information required under Criterion VIII.3.1</p>
<p>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,</p>	<p>Instructions from the CEO of RGB to be issued to enforce this requirement.</p>	<p>No progress. The requirement of this criterion is not to issue instruction but to review the NPO legislation so</p>

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.		as to include the elements of this criterion.
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.	Mechanism of information sharing is being developed. E-GOVERNANCE platforms will allow to share relevant information.	No progress.

BUILDING BLOCK V – INTERNATIONAL COOPERATION

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

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.	The FIU Advisory Board which is coordinate domestically the development and implementation of policies and activities to combat ML and TF is a national mechanism in place. Members of the Advisory Board are from regulators and LEAs.	Not sufficiently addressed. The FIU Board brings together several competent authorities and thus could be used to ensure some level of domestic cooperation. However, its main task is to support the FIU rather than Rwanda's broader AML/CFT efforts. Moreover, its composition is limited as some
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		competent authorities are not members of the board.
2. Ensure that the FIU, LEAs, and supervisory authorities effectively exchange information on AML/CFT issues.	Exchange of Information is done through Advisory Board meetings and in the normal administrative channel.	Not sufficiently addressed. The FIU Board brings together several competent authorities and thus could be used to ensure some level of domestic cooperation. However, its main task is to support the FIU rather than Rwanda's broader AML/CFT efforts. Moreover, its composition is limited as some competent authorities are not members of the board.
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>Statistics are available:</p> <ul style="list-style-type: none"> - The NPPA has frozen immovable properties and 32 bank accounts. - Five international rogatory Commission were sent to the following countries: USA, Canada, Nigeria, Spain, Belgium and Uganda. - We have received only one request from Belgium. 	Not sufficiently addressed. Authorities to demonstrate to the Reviewers that comprehensive statistics are developed.

	- Data on the prosecution of predicate offences of Money Laundering are available. Annual reports of the NPPA including those data are published on the official website of the NPPA: www.nppa.gov.rw	
4. Review the effectiveness of the AML/CFT system on a regular basis.	Mechanism to be put in place	No Progress.
6.2 International Conventions SR.I - PC		
1. Implement fully the relevant UNSCRs.	Put in place directives implementing the UNSCRs. Directive under initiation	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.	To put in place mechanism for sharing of such information	No progress
36.7. Consider devising a mechanism for determining the best venue of jurisdiction of defendants in the interest of justice in cases that are subject to prosecution in more than one country.	Article 3 and 15 of the LAW no 69/2013 on extradition address the issue. Article 3 states that: Extradition between Rwanda and another country shall occur where there is an extradition treaty between Rwanda and that country.	Sufficiently addressed. LAW no 69/2013 on Extradition provides for an extradition treaty between Rwanda and another country and in cases where such a treaty is non-existent, extradition shall be by consensus. Where several States request extradition either for the same offence or for different offences, the Minister in charge of

	<p>However, if no extradition treaty exists, extradition shall take place by agreement between the two countries.</p> <p>Article 15 states that:</p> <p>When several States request extradition either for the same offence or for different offences, the Minister in charge of justice shall determine for which State the extradition to be granted.</p> <p>The following factors shall be considered when determining for which State the extradition to be granted:</p> <p>1^o existing treaties between Rwanda and the requesting States;</p> <p>2^o time and place of commission of the offence;</p> <p>3^o order in which requests are received;</p> <p>4^o nationality of the requested person and of the victim;</p> <p>5^o whether extradition is requested for the purpose of prosecution or serving of a sentence;</p>	<p>justice shall determine for which State the extradition to be granted after considering several factors listed under Article 15 the same law.</p>
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	6 ^o severity of the offence.	
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	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		
1. Ensure that Rwandan nationals that are found guilty of money laundering or terrorist financing by a foreign State and whose extradition to that State is refused by Rwanda on the grounds of nationality only are subject to prosecution in Rwanda;	This is provided in the AML/CFT Law art 39	Sufficiently addressed. Article 39 enables referring the matter to the competent court so that the person concerned can be prosecuted.

<p>2. If necessary to ensure the efficiency of this process, establish a framework for cooperation with the foreign State that had originally requested the extradition of the Rwandan national;</p>	<p>This is provided for under Article 39 of the AML/CFT no 47/2008 .</p>	<p>No progress. Article 39 does not provide for cooperation with foreign state.</p>
<p>3. Ensure that extradition is available for persons charged for money laundering or terrorist financing and pending trial.</p>	<p>Article 35 of the Law NO 47/2008 on AML/CFT Law states that” When the Republic of Rwanda refuses the extradition for a reason mentioned in Article 37, paragraphs 3° and 4° of Paragraph One and in Article 38 of this Law, it shall refer the matter to the competent Court so that the person concerned can be prosecuted</p>	<p>No progress. Current laws only allows extradition for persons who have been convicted on ML charges and not for persons charged for money laundering or terrorist financing and pending trial.</p>
<p>4. Ensure that extradition requests may be handled without undue delay.</p>	<p>Article 21 of the Extradition Law address the issue of delays).</p> <p>The article 21 states that:</p> <p>The time limit to surrender the requested person shall be fifteen (15) days from the date of issuance of the extradition Order.</p> <p>However, if the requesting State is unable to meet the fifteen (15) day time limit due to reasons beyond its control, it may, through</p>	<p>No Progress. The provisions of Article 21 are confusing. It is not clear who is bound by the 15 days time limit, whether it is the requesting state or Rwanda. In any case, if Rwanda is the one bound by the 15 day time limit, then it’s difficult to determine if issues of undue delay are sufficiently addressed because the time limit only starts when the Minister of Justice issues an Extradition Order</p>

	<p>the Minister in charge of foreign affairs, request for an additional fifteen (15) days.</p> <p>The Minister in charge of foreign affairs shall notify the Minister in charge of justice of the request for an extension of the time limit, and the Minister in charge of justice shall examine whether such a request is justified.</p> <p>When the additional fifteen (15) days expire, while the requesting State has failed to receive the person whose extradition is requested, the requested person shall be tried by Rwandan courts in accordance with Rwandan laws or international law.</p>	<p>and not upon receipt of extradition request from the requesting country.</p>
<p>6.5 International cooperation and exchange of information (R.40 and SRV) – NC</p>		
<p>1. Ensure that the FIU shares information with its foreign counterparts.</p>	<p>It is provided in the Presidential Order determining the organization, functioning and mission of the financial investigation Unit Arts 14 and 15.</p>	<p>Sufficiently addressed. Both articles 14 and 15 of Presidential Order 27/01 of 30/05/2011, on Determining the Organization, Functioning and Mission of the FIU, provides for information sharing by the FIU with its foreign counterparts.</p>
<p>2. Provide LEAs with the power to conduct investigations on behalf of foreign counterparts.</p>	<p>This is provided in the AML/CFT Arts 28 and 29</p>	<p>Not sufficiently addressed. Article 28 enables the Government of Rwanda to cooperate with other states in investigations, among</p>

		others. The legal framework is not clear whether the LEAs have power to investigate on behalf of their counterparts.
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.	<p>Provided under Article 18 of the AML/CFT Law.</p> <p>Here the Bar Association Law is general to AML/CFT Law and in this case the AML/CFT Law applies</p>	No progress. Article 18 of the AML/CFT Law provides for declaration of cash transactions.
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.	Statistics are available to relevant authorities.	No progress. Authorities to demonstrate to the Reviewers that comprehensive statistics are maintained.
5. Ensure that all AML/CFT supervisors have arrangements in place to share and exchange information with respect to both ML and the underlying predicate offenses.	<p>Various forums to be established. Fraud Forum was put in place to share information. Members of the Fraud Forum are LEAs, Supervisors, FIs representatives</p> <p>MOUs are also available.</p> <p>Members of FIU Advisory Board also share information with respect to both ML and related predicate offences.</p>	Not sufficiently addressed. Authorities to advise on the scope and ToRs of the Fraud Forum. Issues raised under R. 31 above pertaining to FIU Advisory Board also apply here.

6. Grant powers to all AML/CFT supervisors to allow for the conduct of inquiries on behalf of foreign counterparts.	Done through MoUs between supervisors. MoUs are in place(EAC Central Banks MoUs, MoUs between BNR and Nigeria and Morroco	Not sufficiently addressed unless the authorities can provide the MoUs and demonstrate that they provide for the exchange or inquiries in relation to ML/TF on behalf of foreign counterparts.
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.	Done. Confidentiality and tipping off are provided in AML/CFT Law (Article 24)	Not sufficiently addressed. Article 24 only refers to confidentiality requirements by FIU staff and not to all competent authorities.
8. Ensure that requests for cooperation are not refused on the grounds of professional privilege or legal professional secrecy.	This is addressed in the AML/CFT Law art 8 as (Every reporting entity, control organ or auditor, shall respect the conditions set forth by this Law, notwithstanding any obligation of professional secrecy or restriction of divulgation of information imposed by any other law.)	No progress. There are strict professional secrecy provisions under the Criminal Code issued by the Bar Association applicable to the legal profession (advocates). This represents an impediment for complying with the sharing or exchange of information.
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 effectively perform their functions, keeping in mind that adequate	FIU is beeng structured to ensure it is resourced and financed Specific Units in the LEAs have been established- Financial and Economic Crimes	Not sufficiently addressed. Authorities to demonstrate that the requirements of R.30.1 are

<p>structuring includes the need for sufficient operational independence and autonomy to ensure freedom from undue influence or interference.</p>	<p>in the National Prosecution, the Financial and Economic Unit in the Rwanda National Police and the Counter Terrorism Unit in the Rwanda National Police</p>	<p>adequately met for all competent authorities.</p>
<p>30.3. Staff of competent authorities are provided with adequate training on AML/CFT.</p>	<p>FIU staff and Supervising authorities were trained by World Bank staff on General Introduction on: Suspicious Transaction Reporting, New FATF recommendations-compliance strategies, The National Risk Assessment Process (planning, coordination, reporting, implementation), Risk Based supervision for FIs and DNFBPS, Data collection, assessment and dissemination process)</p> <p>In addition LEAs and FIU staff were trained on:</p> <ul style="list-style-type: none"> - Training staff from Banks, securities, advocates and Investigators - FIU staff were trained in Swift and data ware house system - Introduction on AML/CFT by the WB - Financial Crimes, Frauds and ML investigation training ILPD 	<p>Not sufficiently addressed unless authorities can demonstrate to the Reviewers the scope of the trainings done, dates, numbers trained, units and other relevant information.</p>

	- International Crimes and Cross Border Crimes by Centre for International Cooperation, Nuffic and NPPA	
7.1 Statistics (R. 32) - NC		
32.1. Review the effectiveness of the AML/CFT system on a regular basis.	To put in place the review mechanism-Monitoring and Evaluation system	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.	Statistics are available. See statistics in the introduction	Not sufficiently addressed. Statistics in the introduction of this report has been noted. However, authorities need to demonstrate to the Reviewers that comprehensive statistics are maintained by all competent authorities not just a few.