



ZIMBABWE

**THE NATIONAL ANTI-MONEY LAUNDERING AND COMBATING
FINANCING OF TERRORISM STRATEGIC PLAN: 2010 - 2012**

March 2010

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ACRONYMS

AU	African Union
AFU	Asset Forfeiture Unit
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
BUPSML	Bank Use Promotion and Suppression of Money Laundering
BUPSMLAC	Bank Use Promotion and Suppression of Money Laundering Advisory Committee
CID	Criminal Investigation Department
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FIIES	Financial Intelligence Inspectorate Evaluation and Security Unit
GOZ	Government of Zimbabwe
ML/TF	Money Laundering and Terrorist Financing
MOU	Memorandum of Understanding
NECI	National Economic Conduct Inspectorate
RBZ	Reserve Bank of Zimbabwe
SADC	Southern African Development Community
SARPCCO	Southern African Regional Police Chiefs Cooperation Organisation
SFIT	Suppression of Foreign and International Terrorism
UN	United Nations
UNODC	United Nations Office on Drugs and Crime
ZIMRA	Zimbabwe Revenue Authority
ZRP	Zimbabwe Republic Police

INTRODUCTION

1. The national anti-money laundering and combating the financing of terrorism (**AML/CFT**) strategies covers the period 2010 to 2012. The Framework provides the strategic direction that will be pursued by the Republic of Zimbabwe towards achieving or attaining five (5) strategic objectives which are in line with regional initiatives within the Eastern and Southern Africa Anti-Money Laundering Group (**ESAAMLG**) and international best practice standards regarding the implementation of the Financial Action Task Force (**FATF**) AML/CFT best practice standards.
2. The document contains a vision statement, a mission statement, strategic objectives and their expected outputs, strategies to achieve five national AML/CFT strategic objectives and a process of Monitoring and Reviewing Implementation of the national AML/CFT strategies during the period extending from 2010 to 2012, by the Government of Zimbabwe (**GOZ**).
3. The national strategies are in sync with the ESAAMLG Strategic Plan April 2009 – March 2012 that was adopted by the 8th Council Of Ministers at its meeting in Mombasa, Kenya in August, 2008.

VISION STATEMENT

To build and sustain a comprehensive national framework which enables investigation, identification, tracing, freezing, seizure, prosecution and eventual confiscation of the unlawful proceeds of crime.

MISSION STATEMENT

To consolidate and sustain regional and international efforts to confront and combat money laundering and terrorist financing through effective implementation of regional and international best practice standards on AML/CFT in the Republic of Zimbabwe.

THE NATIONAL AML/CFT STRATEGIC PLAN: 2010 - 2012

4. Zimbabwe is a member of the ESAAMLG since August 1999. She assumed presidency of the Group for the period August 2006 to August 2007 after mutual evaluation of its performance in combating money laundering and terrorist financing had been conducted. Zimbabwe is obligated under the ESAAMLG Memorandum of Understanding (**MOU**) to formulate a national policy and national strategies to counter money laundering and terrorist financing.

5. The national AML/CFT strategies 2010 –2012 have been developed within the context of the Government of Zimbabwe’s (**GOZ**) commitment to fully implement ESAAMLG’s regional initiatives and international best practice standards on AML/CFT with particular reference to the 40 FATF Recommendations and the 9 Special Recommendations on Terrorist Financing, the United Nations (UN) Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (**the VIENNA CONVENTION**), the UN Convention against Transnational Organised Crime, 2000 (**the PALERMO CONVENTION**) and the UN Convention against Corruption, 2003 (**the MERIDA CONVENTION**).

6. Zimbabwe has demonstrated its commitment to implement AML/CFT systems by enacting legislation, which seeks compliance with the FATF Recommendations. The national strategies have been developed in line with the ESAAMLG initiatives and are predicated on the understanding that the ESAAMLG Secretariat will render technical assistance wherever necessary.

7. Zimbabwe has enacted the following legislation to deal with AML/CFT issues:
 - The Serious Offences (**Confiscation of Profits**) Act, chapter 9:17
 - The Criminal Procedure and Evidence Act, chapter 9:07
 - The Prevention of Corruption Act, chapter 9:16
 - The Criminal Matters (**Mutual Assistance**) Act, chapter 9:06

- The Extradition Act, chapter 9:08
 - The Exchange Control Act, chapter 22:05
 - The Public Order and Security (**POSA**) Act, chapter 11:17
 - The Anti Corruption Commission Act, chapter 9:22
 - The Bank Use Promotion and Suppression of Money Laundering (**BUPSML**) Act, chapter 24:24
 - The Suppression of Foreign and International Terrorism (**SFIT**) Act, chapter 11:21
 - The Criminal Law (**Codification and Reform**) Act, chapter 9:23
8. Zimbabwe is in the process of enacting the Anti – Human Trafficking Act and also crafting an International Agreements Bill giving the Ministry of Foreign Affairs obligations to keep up to date Instruments of Ratification (**depository**).
 9. The Republic of Zimbabwe was the first country in the ESAAMLG to be subjected to a purely ESAAMLG Mutual Evaluation exercise in 2006. The Mutual Evaluation Report on Zimbabwe was adopted by the 7th Council of Ministers at its meeting in Gaborone, Botswana in August, 2007. The Zimbabwe Mutual Evaluation Report was subsequently published on the ESAAMLG website.
 10. Zimbabwe is currently addressing issues raised in the Mutual Evaluation Report informed by the Recommended Action Plan to improve the AML/CFT Systems.

11. The Financial Intelligence Evaluation and Security Unit (FIIES) was established within the Reserve Bank of Zimbabwe (RBZ) in September 2004 in terms of the BUPSML Act, chapter 24:24.
12. The Ministry of Finance, the Ministry of Justice and Legal Affairs and the Ministry of Home Affairs have got specific responsibilities that are related to AML/CFT issues.
13. The BUPSML Act, chapter 24:24 provides for the appointment of members representing the interests of consumers of financial services, designated institutions and the State including law enforcement agencies to the Bank Use Promotion and Suppression of Money Laundering Advisory Committee. The Committee has the following functions:
 - the formulation of a national policy to promote the use by the public of financial institutions for the purpose of mediating, facilitating and obviating cash transactions.
 - the formulation of a national policy to combat money laundering.
 - the steps to be taken to implement such policies, and
 - the issue of guidelines to designated institutions for the proper performance of their duties as imposed by legislation.
14. The National Task Force on Money Laundering is constituted by operational bodies such as FIIES, National Economic Conduct Inspectorate (**NECI**), ZIMRA, the Attorney General's Office, the CID Serious Fraud Squad of the ZRP, the Department of

Immigration, the Department of Anti-Corruption and Anti-Monopolies in the Office of the President and Cabinet. Members of the Task Force participate in ESAAMLG meetings, seminars and training workshops including in ESAAMLG run Mutual Evaluation exercises on member countries.

15. Zimbabwe has set up Special Economic Crime Courts to expedite the prosecution of economic crimes.
16. Zimbabwe has signed and ratified the SADC Protocol against Corruption. It has also signed the African Union (UN) and United Nations (UN) Conventions on the Prevention and Combating of Corruption. Zimbabwe is also a signatory to the **SARPCCO** Protocol and is a member of **INTERPOL**, which is currently expanding its regional sub-office in Harare. Zimbabwe is a signatory to the key international Conventions in this field.

STRATEGIC OBJECTIVES

1. Strengthening the AML/CFT legal and regulatory framework
2. Strengthening the institutional framework
3. Consolidating AML/CFT capacity building, training and awareness raising programmes

4. Enhancing national, regional and international cooperation
5. Monitoring and Reviewing Implementation of National AML/CFT Strategies

STRATEGIC OBJECTIVES, EXPECTED OUTPUTS AND STRATEGIES

1. Strengthening the AML/CFT Legal and Regulatory Framework

Expected Output: Effective implementation of regional and international best practice standards on AML/CFT matters.

Strategies

- Establish an Asset Forfeiture Unit (AFU) to effectively deal with freezing and confiscation of assets acquired through illegal means amongst which are money laundering and terrorist financing in line with the UNODC principles.
- Consider enacting legislation, which would enable Mutual Legal Assistance requests pertaining to identification, freezing, seizure or confiscation of proceeds of crime.
- Consider crafting civil forfeiture legislation.

- Ratify the UN Convention against Terrorist Financing of 1999.
- Amend all relevant existing AML/CFT legislation as recommended in the Mutual Evaluation Report on Zimbabwe.
- Allocate more budgetary resources for effective implementation of the proposed AML/CFT laws.
- Issue legally enforceable AML/CFT guidelines matching regional and international best practice standards to designated institutions on a regular basis.
- Ratify and fully implement International Conventions regarding AML/CFT matters including UN Special Resolutions that are relevant to the FATF Recommendations.
- Enact the Anti-Human Trafficking Act.
- Draft an International Agreements Bill giving the Ministry of Foreign Affairs obligations to keep up to date Instruments of Ratification (depository).

2. **Strengthening the Institutional Framework**

Expected Output: Effective supervision of designated institutions including effective law enforcement, prosecution, securing

confiscation and freezing of assets illegally acquired through money laundering and terrorist financing.

Strategies

- Sustain and expand existing Special Economic Crime Courts.
 - Create more Special Economic Crime Courts and develop their own stand-alone infrastructure and statutes similar to those of the Labour, Administrative and Water Courts.
 - Prioritise implementation of AML/CFT measures when allocating budgetary resources to law enforcement agencies, prosecutorial authorities, FIIES, RBZ and other competent authorities.
 - Develop the capacity of existing institutions dealing with AML/CFT matters in terms of additional financial, human, technical resources and sustaining ongoing training programmes.
 - Strengthen and improve national coordination and close cooperation among law enforcement agencies, prosecutors and other competent authorities.
3. **Consolidating AML/CFT Capacity Building, Training and Awareness Raising Programmes**

Expected Output: Sustainable and effective AML/CFT institutional and manpower development.

Strategies

- Zimbabwe will participate in AML/CFT capacity building and training priorities annually approved for the ESAAMLG by the Council of Ministers.
- Zimbabwe will engage the ESAAMLG Secretariat to organize and facilitate the provision of specialized technical assistance and meet other FIU capacity development and enhancement needs including other training needs of NECI, ZIMRA, the Department of Immigration, the Department of Anti-Corruption and Anti-Monopolies, the Attorney General's Office, the CID Serious Fraud Squad and other competent authorities.
- Zimbabwe will request the ESAAMLG Secretariat to facilitate the process of acquisition of the EGMONT GROUP membership by the FIIES for purposes of broadening the scope of cooperation on information sharing and exchange with other FIUs worldwide.
- Zimbabwe will request the ESAAMLG Secretariat to organize and facilitate expert training workshops in the Republic of Zimbabwe for AML/CFT supervisors, investigators, prosecutors and other law enforcement agencies.

- Zimbabwe will encourage rotational participation in the ESAAMLG Secretariat mutual evaluation training courses to enhance and maintain a pool of Zimbabwean evaluators capable of undertaking mutual evaluations within the ESAAMLG.
- Zimbabwe will undertake national AML/CFT skills audits in partnership with the private sector, for submission to the ESAAMLG Secretariat on a continuous basis.
- Zimbabwe will, in line with the drive to combat money laundering and terrorist financing carry out public AML/CFT awareness campaign programmes to both the banked and potentially banked public.
- Zimbabwe will build and develop the capacity of AML/CFT practitioners on a continuous basis.

4. Enhancing National, Regional and International Cooperation

Expected Output: Effective national, regional and international cooperation and exchange of information with a view to combating money laundering and terrorist financing effectively.

Strategies

- The GOZ will develop and promote mechanisms for effective cooperation and exchange of information on AML/CFT matters.
- The GOZ will enhance cooperation and exchange of information in the ESAAMLG and within the EGMONT GROUP through the local FIU known as the FIIES.
- The GOZ will proactively consider and agree on entering into MOUs for cooperation and exchange of information to effectively combat money laundering and terrorist financing regionally and globally.
- The GOZ will improve cooperation and coordination at the national operational level among all GOZ bodies dealing with the implementation of AML/CFT measures.
- The GOZ will promote cooperation and exchange of information on a bilateral or multilateral basis

5. **Monitoring and Reviewing Implementation Of National AML/CFT Strategies**

Expected Output: Effective domestic AML/CFT regime that is consistent with Zimbabwe's specific structural peculiarities and vulnerabilities bearing in mind to the extent possible, the FATF Guidance on Capacity Building for Mutual Evaluations and

Implementation of the FATF Standards within Low Capacity Countries.

Strategies

- The Bank Use Promotion and Suppression of Money Laundering Advisory Committee (**BUPSMLAC**) will update the national AML/CFT implementation plans on an annual basis as informed by the first Mutual Evaluation Report on Zimbabwe taking into account national risks and constraints.
- Zimbabwe will undertake a national ML/TF risk assessment in close liaison with the ESAAMLG Secretariat regarding technical assistance in the course of conducting the assessment and the provision of guidance on how to implement effective AML/CFT standards in the Republic of Zimbabwe.
- Zimbabwe will consult and engage with stakeholders in the private sector when reviewing the national implementation plan and also when conducting the national ML/TF risk assessments.
- Zimbabwe will identify its technical assistance needs and seek such assistance as may be required in order to ensure effective implementation of the national AML/CFT strategies.
- Zimbabwe will maintain monitoring systems on national AML/CFT strategies implementation and submit annual

progress reports identifying implementation challenges to the ESAAMLG Secretariat a month before the annual meetings of the Council of Ministers.

- The GOZ will allocate necessary budgetary resources to key stakeholders at national level to promote the integration of AML/CFT issues into national development programmes.
- The AML/CFT systems and the national AML/CFT strategies will be subjected to Mutual Evaluation through ESAAMLG once every three years.

CONCLUSION

Zimbabwe is fully committed to play a key and meaningful role in the regional and international fight against the menace of both money laundering and terrorist financing, by implementing the above Plan, which is consistent with the provisions of the ESAAMLG Memorandum of Understanding and the ESAAMLG Strategic Plan 2009-2012.

GOVERNMENT OF ZIMBABWE

March 2010