

**MAKERERE UNIVERSITY BUSINESS SCHOOL**  
**FACULTY OF COMMERCE, DEPARTMENT OF BUSINESS LAW**  
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**CLASS NOTES**

**COURSE NAME: FINANCIAL CRIME & MONEY LAUNDERING**

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**WHAT IS MONEY LAUNDERING?**

The AMLA, 2013 as amended defines the offence of money laundering as a process by which illegally obtained funds are given appearance of having been legitimately obtained. Money laundering begins with the commission of a criminal activity which results in benefits/gains (illegal funds) to the perpetrator.

The perpetrator will then try to disguise the fact that the funds were generated from criminal activity through various processes and transactions which may also involve other individuals, businesses and companies.

There is no one single method of money laundering. Methods can range from the purchase and resale of a luxury items (e.g., cars or Jewelry) to passing money through legitimate businesses and “shell” companies or drug trafficking or other serious crimes. The proceeds usually take the form of cash which needs to enter the financial system by some means.

**WHO IS AN ACCOUNTABLE PERSON?**

An accountable person is any business activity or profession listed in the Second Schedule to the Anti-Money Laundering Act, 2013 as amended. Entities such as lawyers, accountants, banks and MDIs, money lenders, forex bureaus and remittance companies, casinos, consumer credit, trusts and many others listed in the 2<sup>nd</sup> Schedule to the Anti-Money Laundering Act (AMLA).

All citizens of Uganda are subject to the AMLA and the Anti-Terrorism Act (“ATA”), 2002 as amended. However, further obligations are imposed on those business activities which face a greater risk of coming across proceeds of crime and terrorist property. Business activities which have been identified as more vulnerable are what the law terms as the Accountable Persons. It is the duty of all Accountable Persons to comply with the legal obligations under the AML/CFT laws of Uganda.

## **THE MONEY LAUNDERING PROCESS/ METHODS**

There are three (3) acknowledged methods in the process of money laundering.

### **Placement**

Placement refers to the process by which funds derived from criminal activity are reintroduced into the financial system. In the case of drug trafficking, and some other serious crimes, such as robbery, the proceeds usually take the form of cash which needs to enter the financial system. Examples of placement are; depositing cash into bank accounts, saving with SACCOs, fixing deposits with Banks and SACCOs, conducting money lending business or using cash to purchase assets. Techniques used include “structuring” or ‘smurfing’- where instead of making a large deposit transaction and in order to avoid suspicion or detection the illegal receipts are broken up into smaller sums and deposited into single or multiple accounts sometime using other persons to deposit the cash.

### **Layering**

Layering place after the funds have entered into the financial system. It involves the movement of the money. Funds may be shuttled through a complex web of multiple accounts, companies, and countries in order to disguise their origin. The intention is to conceal, and obscure the money trail in order to deceive Law Enforcement Agencies (LEAs), to make the paper trail very difficult to follow and to hide the criminal source of the funds.

### **Integration**

The money comes back to criminals “cleaned”, as apparently legitimate funds. The laundered funds are used to fund further criminal activity or spent to enhance the criminal’s lifestyle such as investment into real estate and the purchase of luxury assets. Successful Money Laundering allows criminals to use and enjoy the income from the criminal activity

without suspicion which is why the AML/CTF legislative and compliance regimes are important crime fighting tools.

## **FINANCING OF TERRORISM?**

The Anti- Terrorism Act as amended provides that financing of terrorism is the process by which funds are provided to an individual or group to fund terrorist activities. Unlike money laundering, funds can come from both legitimate sources as well as from criminal activity.

Funds may involve low dollar/shilling value transactions and give the appearance of innocence and may come from a variety of sources. Funds may come from personal donations, profits from businesses and charitable organizations. For example, charitable organization may organize fundraising activities where the contributors to the fundraising activities believe that the funds will go to relief efforts abroad but all the funds are actually transferred to a terrorist group.

Funds may also originate from criminal sources, such as the drug trade, the smuggling of weapons and other goods, fraud, kidnapping and extortion. Recent studies have concluded that the nature of accountable persons coupled with the characteristics of the markets in their trade, make them inherently vulnerable to misuse or exploitation by criminals for the purpose of money laundering and the financing of terrorism.

Unlike money laundering, which always involves proceeds derived from criminal activity, the financing of terrorism involves both legitimate funds as well as funds derived from criminal activity being used in support of executed and planned terrorist activity. Similar to money launderers, terrorist financiers also move funds to disguise their source, destination and purpose for which the funds are to be used. This is to prevent leaving a trail of incriminating evidence, to distance the funds from the crime or the source, and to obscure the intended destination and purpose thereby avoiding suspicion or detection.

## **SUMMARY OF AML/CFT OBLIGATIONS FOR ACCOUNTABLE PERSONS**

Accountable Persons are required by the AMLA and the AML Regulations to fulfil the following obligations:

1. Register with the Financial Intelligence Authority (FIA)

2. Reporting suspicious transactions (STR) and certain cash transactions
3. Ascertain client identity (KYC/CDD/EDD) measures
4. Ascertain whether the customer is acting for a Third Party
5. Record keeping
6. Develop and implement internal control measures, policies and procedures to mitigate ML/TF risks. These policies and procedures should be reviewed periodically.
7. Appoint a Money Laundering Control Officer and Alternate Officer (MLCO)
8. No Tipping Off
9. Submit Reports to the FIA

## **We now elaborate the obligations of the Accountable Persons**

### **Registration with FIA**

In accordance with AMLA and the regulation Accountable Persons are required to register with the FIA for the purpose of identifying them as entities which are supervised by the Uganda Microfinance Regulatory Authority. They must also notify the FIA of a change of address of their registered office or principal place of business.

The registration process is simple and free of charge. Registration forms are available on the FIA's website; [www.fia.go.ug](http://www.fia.go.ug) which, can be downloaded, completed and uploaded/ submitted online.

### **Reporting suspicious transactions and certain cash transactions**

By virtue of section 9 of the AMLA as amended, Accountable Persons are required to report to the FIA if they suspect or have reasonable grounds to suspect that:

- A transaction or attempted transaction involves proceeds of crime or
- A transaction or attempted transaction involves funds related or linked to or to be used for money laundering or According to Regulation 12(7) and (8) of the Anti-Terrorism Regulations 2016, you **must submit an STR to the FIA immediately** if a designated entity attempts to enter into a transaction or continue a business relationship. A transaction or attempted transaction involves funds related or linked to or to be used for terrorism financing, regardless of the value of the transaction. According to section 9(2) of the AMLA, the STR must be submitted within two (2) working days of the date the transaction was deemed to be suspicious.

You must not enter into or continue a business transaction or business relationship with a designated entity. A designated entity means any individual or entity and their associates designated as terrorist entities by the United Nations Security Council (UNSC), **known as** “the UN list”) which can be accessed on the UN website.

## **Defining Knowledge and Suspicion**

The first criterion provides that before you become obliged to report, you must know or have reasonable grounds for suspecting, that some other person is engaged in money laundering or terrorism financing. If you actually ‘know’ that your customer is engaged in money laundering, then your situation is quite straightforward – the first criterion is met.

However, knowledge can be inferred from the surrounding circumstances, so, e.g., a failure to ask obvious questions may be relied upon to imply knowledge.

You are also required to report if you have ‘*reasonable grounds*’ to suspect that the customer or some other related person is engaged in money laundering or financing of terrorism. By virtue of this second, ‘objective’ test, the requirement to report will apply to you if based on the facts of the particular case, a person of your qualifications and experience would be expected to draw the conclusion that those facts should have led to a suspicion of money laundering.

The main purpose of the objective test is to ensure that Accountable Persons are not able to argue that they failed to report because they had no conscious awareness of the money laundering activity, for example by having turned a blind eye to incriminating information which was available to them, or by claiming that they simply did not realize that the activity concerned amounted to money laundering.

## **Attempted Transactions**

You also have to pay attention to **suspicious attempted transactions**. If a customer attempts to conduct a transaction, but for whatever reason that transaction is not completed, and you think that the attempted transaction is suspicious, you must report it to the FIA. Note that it is only when you know or reasonably suspect that the funds are criminal proceeds or related to money laundering or financing of

terrorism that you have to report: you do not have to know what the underlying criminal activity is or whether illegal activities occurred.

### **How to Identify a Suspicious Transaction/Activity**

You are the one to determine whether a transaction or activity is suspicious based on your knowledge of the customer and of the industry. You are better positioned to have a sense of particular transactions which appear to lack justification or cannot be rationalized as falling within the usual parameters of legitimate business. You will need to consider factors such as; is the transaction normal for that particular customer or is it a transaction which is a typical i.e. unusual; and the payment methods.

Industry-specific indicators would also help you and your employees to better identify suspicious transactions whether completed or attempted.

### **Reporting Terrorist Funds**

In accordance with regulation 12(7) and (8) of the Anti-Terrorism Regulations 2016, Accountable Persons **must report immediately** to the FIA the existence of funds within your business where you know or have reasonable grounds to suspect that the funds belong to an individual or legal entity who commits terrorist acts or participates in or facilitates the commission of terrorist acts or the financing of terrorism or is a designated entity.

Note that you **must report immediately** to the FIA where you know or have reasonable grounds to believe that a person or entity named on the United Nations Security Council (UNSC) sanctions' list or the list circulated by the FIA, has funds in Uganda. These UNSC Sanctions' list (**"the UN list"**) can be accessed on the United Nations website.

### **Reporting Cash Transactions**

By virtue of section 8 of the AMLA, Accountable Persons are required to report all cash and monetary transactions equivalent to or exceeding one thousand currency points. One currency point is equivalent to Ugx 20,000/=.

### **Undertake Customer Due Diligence (CDD) Measures**

In accordance with section 6 of the AMLA, Accountable Persons are required to conduct CDD when the institution engages in any cash

transaction with a customer of high risk or in any foreign currency equivalent to or above United States Dollars 10,000. CDD in general will be conducted as a minimum requirement. However, when it comes to situations where a customer is identified as of high risk with respect to ML and TF, the reporting entity should apply Enhanced Due Diligence (EDD) measures.

Accountable Persons should ensure that they have in place a process for screening existing and prospective business relationships and customers against Sanctions Lists and for performing background checks on them to identify any potentially adverse information (including associations with **Politically Exposed Persons** - PEPs, or financial or other crimes) about them. In this regard, Accountable Persons should become familiar with the various tools available for these purposes, including but not limited to: publicly accessible government and intergovernmental Sanctions Lists; commercially available or subscription-based customer intelligence databases and due-diligence investigation services; and the use of internet search techniques.

Accountable Persons should be particularly attentive to establishing and verifying the identity of the true beneficial owner and, considering the risk involved, corroborating the legitimacy of their source of funds through reliable independent sources, wherever ongoing business relationships are concerned, or when high risk situations are identified involving occasional or one-off customer transactions.

Accountable Persons should be alert to situations in which existing or prospective business partners or customers appear unable or unwilling to divulge relevant ownership information or to grant any required permissions to third parties to divulge such information about them for corroboration or verification purposes.

Accountable Persons should be alert to customer due-diligence factors such as:

- Compatibility of the customer's profile (including their economic or financial resources, and their personal or professional circumstances) with the specifics (including nature, size, frequency) of the transaction or activities involved
- Utilization of complex or opaque legal structures or arrangements (such as trusts, foundations, personal investment companies,

investment funds, or offshore companies), which may tend to conceal the identity of the true beneficial owner or source of funds

- Possible association with PEPs, especially in regard to foreign customers.
- Customer due diligence (CDD)

## **CUSTOMER DUE DILIGENCE (CDD)**

Customer due diligence (CDD) measures as defined in section 6(3) of the Anti- Money Laundering Act as amended include but are not limited to:

- Verifying the identity of the client using reliable, independent source documents, data or information, identify and taking reasonable measures to verify the identity of a beneficial owner;
- Understanding and, as appropriate, obtaining information on the purpose and intended nature of the business relationship to permit the accountable person to fulfil their obligations under the Act;
- if another person is acting on behalf of the customer, identifying and verifying the identity of that other person, and verify that person's authority to act on behalf of the customer; verifying the identity of a customer using reliable, independent source documents, data or information, such as passports, birth certificates, driver's licences, identity cards, national identification card, utility bills, bank statements, partnership contracts and incorporation papers or other identification documents;
- Verifying the identity of the beneficial owner of the account, in the case of legal persons and other arrangements;

Conducting ongoing due diligence on all business relationships and scrutinize transactions undertaken throughout the course of the business relationship to ensure that the transactions are consistent with the accountable person's knowledge of the customer and the risk and business profile of the customer, and where necessary, the source of funds.

## **HIGH RISK CUSTOMERS/ TRANSACTIONS**

There are customers and types of transactions, services and products which may pose higher risk to your business and you are required to apply additional measures in those cases. The AML/CFT laws have identified certain high risk customers and require you to conduct Enhanced Due Diligence ("EDD") on these customers. You may also



determine that certain customers', transactions and products pose a higher risk to your business and apply EDD.

You must apply EDD measures to high risk customers, which include, but are not limited to the following: obtaining further information that may assist in establishing the identity of the person or entity; applying extra measures to verify any documents supplied; obtaining senior management approval for the new business relationship or transaction sought by the person or customer; establishing the source of funds of the person or entity; and carrying out on-going monitoring of the business relationship.

The enhanced due diligence measures shall be applied at each stage of the customer due diligence process and shall continue to be applied on an on-going basis.

## **Record Keeping**

As per section 7 of the AMLA, Accountable Persons are required to keep a record of each and every transaction for a specified period. Record keeping is important to anti-money laundering investigation which allows for swift reconstruction of individual transactions and provides evidence for prosecution of money laundering and other criminal activities.

Accountable Persons must keep records in electronic or written form for a period of ten (10) years or such longer period as the FIA may direct. The records must also be kept for ten (10) years after the end of the business relationship or completion of a one-off transaction. The records to be kept include the following:

- All domestic and international transaction records;
- Source of funds declarations;
- Customer's identification records;
- Customer's information records;
- Copies of official corporate records;
- Copies of Suspicious Transaction Reports submitted by your staff to your Anti-Money Laundering Control Officer (MLCO);
- A register of copies of suspicious transaction reports submitted to the FIA

- A register of all enquiries made by the FIA (date, nature of enquiry, name of officer, agency and powers being exercised) or other competent authority;
- The names, addresses, position titles and other official information pertaining to your staff;
- All wire transfer records; (originator and recipient identification data); and
- Other relevant records.

### **Ascertain whether the customer is acting for a Third Party**

In accordance with section 6(20) of the AMLA and regulation 16 of the AML Regulations, Accountable Persons must take reasonable measures to determine whether the customer is acting on behalf of a third party especially where you have to conduct enhanced due diligence.

Such cases will include where the customer is an agent of the third party who is the beneficiary and who is providing the funds for the transaction. In cases where a third party is involved, you must obtain information on the identity of the third party and their relationship with the customer.

In deciding who the beneficial owner is in relation to a customer who is not a private individual (e.g., a company), you should identify those who have ultimate control over the business and the company's assets such as the 18 shareholders. Particular care should be taken to ensure that any person purporting to act on behalf of the company is fully authorized to do so.

### **Internal Control Measures**

In accordance with regulation 11 of the AML Regulations, Accountable Persons should develop, adopt and implement internal control measures, policies and procedures for the prevention of money laundering and financing of terrorism.

Accountable Persons must take appropriate measures to ensure that all officers, employees, and agents engaged in dealing with clients or processing business transactions understand and comply with all applicable AML/CFT procedures.

## **Money Laundering Control Officer (MLCO)**

Accountable Persons must appoint a **Money Laundering Control Officer** (MLCO) with overall responsibility for AML/CFT compliance.

The MLCO must be in a senior managerial position and possesses sufficient professional experience and competence in the legal profession. The MLCO acts as the liaison point with the FIA and relevant supervisory authorities in Uganda, and commands the necessary independence and authority to train and supervise all other officers, employees, and agents within the organisation/Accountable Person.

The MLCO should at all times be resident in Uganda. In addition, it is highly recommended that an alternate to the MLCO is appointed to assume the prescribed responsibilities and duties in the MLCO's absence.

The MLCO's specific responsibilities include:

- establishing and maintaining a manual of compliance procedures;
- establishing an audit function to test AML/CFT procedures and systems;
- taking overall responsibility for all STRs; and
- Ensuring that all officers, employees, and agents are screened by the MLCO and other appropriate officers before recruitment; are trained to recognize suspicious transactions and trends and particular risks associated with money laundering and financing of terrorism; and comply with all relevant obligations under AML/CFT laws and with the internal compliance manual.

MLCOs and reporting entities should review their arrangements on a regular basis, both to verify compliance with internal procedures and to ensure that those procedures are updated in light of any amendments to the AML/CFT legislation. These guidelines do not specify the nature, timing, or content of the training that must be provided. This is a matter that must be addressed by the MLCO.

## **The MLCO's Supervisor Activity**

Read about the duties and obligations of the MLCO's Supervisor

## **No Tipping Off**

When you have made a suspicious transaction report to the FIA, you or your agent, employee must not disclose that you have made such a report or the content of such report to any person including the customer. According to section 117 of the AMLA, it is an offence to deliberately tell any person, including the customer, that you have or your business has filed a suspicious transaction report about the customer's activities/transactions. You must also not disclose to anyone any matter which may prejudice money laundering or financing of terrorism investigation or proposed investigation.

The prohibition applies to any person acting, or purporting to act, on behalf of the Accountable Persons including any agent, employee, partner, director or other officer, or any person engaged under a contract for services.

## **Activity**

Differentiate a contract of service and a contract for services

## **ML/TF INDICATORS (RED FLAGS)**

According to the definition section of the AMLA, a person means any natural or legal person or any entity (including any charitable organisation), natural or juridical, including but not limited to a corporation, partnership, trust or estate, joint stock company, association, syndicate, joint venture, or other unincorporated organisation or group, capable of acquiring rights or entering into obligations.

The money laundering and terrorism financing indicators/red flags are somehow different for each category of persons. The different categories are natural persons and legal persons.

## **NATURAL PERSONS**

1. Individuals who unexpectedly repay problematic loans or mortgages or who repeatedly pay off large loans or mortgages early, particularly if they do so in cash.
2. Transactions involving persons residing in tax havens or risk territories, when the characteristics of the transactions match any of those included in the list of indicators.

3. Transactions carried out on behalf of minors, incapacitated persons or other persons who, although not included in these categories, appear to lack the economic capacity to make such transactions.
4. Transactions involving persons who are being tried or have been sentenced for crimes or who are publicly known to be linked to criminal activities involving illegal enrichment, or there are suspicions of involvement in such activities and that these activities may be considered to underlie money laundering
5. Transactions involving persons who are in some way associated with the foregoing (for example, through family or business ties, common origins, where they share an address or have the same representatives or attorneys, etc.).
6. Transactions involving an individual whose address is unknown or is merely a correspondence address (for example, a P.O. Box, shared office or shared business address, etc.), or where the details are believed or likely to be false.
7. Several transactions involving the same party or those undertaken by groups of persons who may have links to one another (for example, family ties, business ties, persons of the same nationality, persons sharing an address or having the same representatives or attorneys, etc.).

## **LEGAL PERSONS**

Who is a legal person? This is a body or entity which is created by law. It is sometimes referred to as a juridical person. Examples include companies incorporated under the Companies Act cap 106 and statutory companies/parastatals. Statutory companies are those that are established by Acts of Parliament/statutes and that is why they are referred to as statutory companies. Below are the red flags in respect of the legal persons.

1. Transactions involving legal persons or legal arrangements domiciled in tax havens or risk territories, when the characteristics of the transaction match any of those included in the list of indicators.
2. Transactions involving recently created legal persons, when the amount is large compared to their assets.

3. Transactions involving legal entities, when there does not seem to be any relationship between the transaction and the activity carried out by the company, or when the company has no business activity.
4. Transactions involving foundations, cultural or leisure associations, or non-profit-making entities in general, when the characteristics of the, transaction do not match the goals of the entity.
5. Transactions involving legal persons which, although incorporated in the country, are mainly owned by foreign nationals, who may or may not be resident for tax purposes.
6. Transactions involving legal persons whose addresses are unknown or are merely correspondence addresses (for example, a P.O. Box number, shared office or shared business address, etc.), or where the details are believed false or likely to be false.
7. Various transactions involving the same party. Similarly, transactions carried out by groups of legal persons that may be related (for example, through family ties between owners or representatives, business links, sharing the same nationality as the legal person or its owners or representatives, sharing an address, in the case of legal persons or their owners or representatives, having a common owner, representative or attorney, entities with similar names, etc.)
8. Transactions in which unusual or unnecessarily complex legal structures are used without any economic logic.

## **NATURAL AND LEGAL PERSONS**

1. Transactions in which there are signs, or it is certain, that the parties are not acting on their own behalf and are trying to hide the identity of the real customer.
2. Transactions which are begun in one individual's name and finally completed in another's without a logical explanation for the name change.
3. Transactions in which the parties are foreign or non-resident for tax purposes.
4. Transactions in which any of the payments are made by a third party, other than the parties involved. Cases where the payment is made by a credit institution registered in the country at the time due to the granting of a mortgage loan or loan buy off, may be excluded.

5. Transactions performed through intermediaries, when they act on behalf of groups of potentially associated individuals (for example, through family or business ties, shared nationality, persons living at the same address, etc.).
6. Transactions carried out through intermediaries acting on behalf of groups of potentially affiliated legal persons (for example, through family ties between their owners or representatives, business links, the fact that the legal entity or its owners or representatives are of the same nationality, that the legal entities or their owners or representatives use the same address, that the entities have a common owner, representative or attorney, or in the case of entities with similar names, etc.).
7. Transactions taking place through intermediaries who are foreign nationals or individuals who are non-resident for tax purposes.

## **TRANSACTIONS INVOLVING MEANS OF PAYMENT**

The following are the red flags in respect of means/modes of payment.

1. Transactions involving payments in cash or in negotiable instruments which do not state the true payer, where the accumulated amount is considered to be significant in relation to the total amount of the transaction.
2. Transactions in which the party asks for the payment to be divided into smaller parts with a short interval between them.
3. Transactions where there are doubts as to the validity of the documents submitted with loan applications.
4. Transactions in which a loan granted, or an attempt was made to obtain a loan, using cash collateral or where this collateral is deposited abroad.
5. Transactions in which payment is made in cash, bank notes, bearer cheques or other anonymous instruments, or where payment is made by endorsing a third-party's cheque.
6. Transactions with funds from countries considered to be tax havens or risk territories, according to anti-money laundering legislation, regardless of whether the customer is resident in the country or territory concerned or not.
7. Transactions in which the buyer takes on debt which is considered significant in relation to the value of the collateral.
8. Transactions involving the subrogation of mortgages granted through institutions registered in the country may be excluded.

9. Transactions relating to the same property or rights that follow in rapid succession (for example, different loans secured by the same property) and which entail a significant increase or decrease in the amounts borrowed.
10. Transactions entered into at a value significantly different (much higher or much lower) from the real value of the collateral or differing markedly from market values.

## **OFFENCES AND PENALTIES FOR NON-COMPLIANCE**

Failure to comply with the obligations under the AMLA and the AML regulations may result in criminal and/or administrative sanctions. Penalties may include fines and terms of imprisonment. Sanctions include possible revocation of licenses, issuance of directives and court orders.

### **The offences under the AMLA include:**

1. Money Laundering
2. Tipping Off
3. Falsification, Concealment of documents
4. Failure to identify persons
5. Failure to keep records
6. Facilitating money laundering
7. Destroying or tampering with records
8. Refusal, omission, neglect or failure to give assistance to aid compliance
9. Failure to report cash transactions
10. Failure to report suspicious or unusual transactions
11. Failure to report conveyance of cash into or out of Uganda
12. Failure to send a report to the Authority
13. Failure to comply with orders made under the Act
14. Contravening a restraining order
15. Misuse of information
16. Obstructing an official in performance of functions
17. Influencing testimony



18. General non-compliance with requirements of this Act and conducting transactions to avoid reporting duties
19. Unauthorized access to computer system or application or data
20. Unauthorized modification of contents of computer system

## **Penalties**

According to the AMLA, a person who commits money laundering is liable on conviction to the following penalties:

- in the case of a natural person, imprisonment for a period not exceeding fifteen years or a fine not exceeding one hundred thousand currency points or both. Calculate the actual sum in Uganda Shillings
- in the case of a legal person, a fine not exceeding two hundred thousand currency points. How much is this in Uganda Shillings?
- According to the AMLA, a person who commits any other offence under the Act is punishable-
  - if committed by a natural person, by imprisonment for a period not exceeding five years or a fine not exceeding thirty three thousand currency points, or both;
  - if committed by a legal person such as a corporation, a fine not exceeding seventy thousand currency points;
  - In case of a continuing offence, a fine not exceeding five thousand currency points for each day on which the offence continues; or
  - if no specific penalty is provided, a fine not exceeding nine thousand currency points and in case of a continuing offence, an additional fine not exceeding five thousand currency points for each day on which the offence continues.

## **Relevant Legislation**

1. Anti-Money Laundering Act, now Cap 118
2. Anti-Money Laundering Regulations, 2015
3. Anti-Money Laundering (Amendment) Regulations, 2023
4. Anti-Money Laundering (Amendment of 2<sup>nd</sup> Schedule) Instrument, 2020
5. Financial Institutions Act, Cap 57

6. Financial Institutions (Anti-Money Laundering) Regulations, 2010
7. Micro-finance Deposit-taking Institutions Act, Cap 58
8. The Foreign Exchange Act, Cap 167
9. Foreign Exchange (Forex Bureaus and Money Remittance) Regulations, 2006
10. Lotteries & Gaming Act, Cap 334
11. Tier 4 Microfinance and Money Lenders Act, Cap 61
12. National Payment Systems Act, Cap 59
13. National Payments Systems Regulations, 2021
14. Capital Markets Authority Act, Cap 64
15. UMRA Guidance notes on AML/CFT, 2023

### **Further Reading**

- Rose Chapman (2018) Anti-Money Laundering: A Practical Guide to Reducing Organizational Risk
- Yong Li (2016) Implementation of Anti-Money Laundering Information Systems Book
- Kevin Sullivan (2015) Anti-Money Laundering in a Nutshell: Awareness and Compliance for Financial Personnel and Business Managers book
- John A. Cassara (2015) Trade-Based Money Laundering: The Next Frontier in International Money Laundering Enforcement Book
- Gallant, M. M. (2005). Money laundering and the proceeds of crime: Economic crime and civil remedies. Cheltenham, UK: E. Elgar.
- Anti-Money Laundering Acts and Laws in EAC and International Guidelines? Best Practices
- Tim Parkman (2013) Mastering Anti-Money Laundering and Counter-Terrorist Financing: A compliance guide for practitioners
- John Madinger (1999) Money Laundering: A Guide for Criminal Investigators, Third Edition
- Combating Money Laundering and the Financing of Terrorism: A Comprehensive Training Guide 2009 Google Book