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THE ANTI-MONEY LAUNDERING ACT

(CAP. 423)

REGULATIONS

Made under section 29

THE ANTI-MONEY LAUNDERING REGULATIONS, 2007

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Anti-Money Laundering

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PART I PRELIMINARY PROVISIONS

- Citation 1. These Regulations may be cited as the Anti-Money Laundering Regulations, 2007.
- Interpre-
tation
Cap.423 2. In these Regulations unless the context otherwise requires-
“Act” means the Anti-Money Laundering Act;
“business relationship” means an arrangement between a person and a reporting person, where the purpose or effect of the arrangement is to facilitate the carrying out of transactions between the person and the reporting person on one-off, frequent, habitual or regular basis;
- Cap.245 “BRELA” means the Business Registrations and Licensing Agency, a Government Executive Agency established under the Executive Agency Act;
“designated person” means a person appointed by the reporting person by section 18 of the Act;
“FIU” means the Financial Intelligence Unit established by section 4 of the Act;
“Guidelines” means guidelines issued by the FIU under section 6(f) of the Act;
“Reporting person” has the meaning ascribed to it by section 3 of the Act.

PART II INFORMATION AND VERIFICATION OF INFORMATION REGARDING CUSTOMERS

(a) Citizens and Residents

Information
concerning
citizens
and
residents

3.-(1) Where a reporting person is dealing with an individual who is a citizen of, or resident in the United Republic he shall be required to obtain from such person the following information -

- (a) full names and residential address;
- (b) date and place of birth;
- (c) voter registration card;

- (d) introductory letter from relevant authority such as employer or government official;
- (e) Tax Identification Number, if such a number has been issued to that person;
- (f) any or all of, telephone number, fax number, postal and email address;
- (g) location of the client including important landmarks close to the prospective client's residence;
- (h) where the client is a student-
 - (i) an introductory letter from the client's institution signed by the head of the institution or a representative of the head of institution;
 - (ii) the student's identity card;
- (i) nature of business relationship;
- (j) signature and thumb print; and
- (k) utility bills, where applicable.

(2) Where the reporting person is aware or ought reasonably to be aware that the person referred to in subregulation (1) does not have the legal capacity to establish a business relationship or conclude a single transaction without the assistance of another person the reporting person shall, in addition to obtaining the particulars referred to in subregulation (1), obtain from, or in respect of that other person's-

- (a) full names and residential address;
- (b) date and place of birth;
- (c) Tax Identification Number, if such a number has been issued to that person;

- (d) any or all of, telephone number, fax number, postal and email address;
- (e) location including important landmarks close to his residence;
- (f) nature of business relationship with that person; and
- (g) signature and thumb print.

Verification
of
information
concerning
citizens
and
residents

4.-(1) A reporting person shall verify the full names, date and place of birth and Tax Identification Number of an individual referred to in regulation 3(1)(a), (b) or (c), or 3(2)(a), (b) or (c) by comparing these particulars with -

- (a) an identification document of that person; or
- (b) in the case where that person is, for a reason that is acceptable to the reporting person, unable to produce an identification document, another document issued to that person, which, taking into account any guidelines concerning the verification of identities which may apply to that reporting person, is acceptable to the reporting person and bears -
 - (i) a photograph of that person;
 - (ii) that person's full names or initials and surname;
 - (iii) that person's date and place of birth, and
- (c) any of these particulars with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

(2) A reporting person shall verify the Tax Identification Number referred to in regulation 3(1)(c) by comparing this number with a document issued by the Tanzania Revenue Authority bearing such a number and the name of the respective person.

(3) A reporting person shall verify the residential address referred to in regulation 3(1)(a) or 3(2)(a) by comparing these particulars with information which can reasonably be expected to achieve such

verification and is obtained by practical means, taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

(b) Foreign Nationals

5.-(1) A reporting person shall obtain from, or in respect of, an individual who is a citizen of another country and is not resident in the United Republic, that person's -

Information
concerning
foreign
nationals

- (a) full names and residential address;
- (b) date and place of birth;
- (c) nationality;
- (d) passport number;
- (e) Tax Identification Number, if such a number has been issued to that person; and
- (f) any or all of, telephone number, fax number, postal and email address;
- (g) signature and thumb print.

(2) In the case where the reporting person is aware or ought reasonably to be aware that the person referred to in subregulation (1) does not have the legal capacity to establish a business relationship or conclude a single transaction without the assistance of another person the reporting person shall, in addition to obtaining the particulars referred to in subregulation (1), obtain from, or in respect of that other person's-

- (a) full names and residential address;
- (b) date and place of birth;
- (c) nationality;
- (d) passport number;

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- (e) any or all of, telephone number, fax number, postal and email address;
- (f) nature of business relationship with that person; and
- (g) signature and thumb print.

(3) Where the designated person of a reporting person doubts the authenticity of a non-resident's or foreigner's passport or identity document and the person is a prospective client, the designated officer shall seek advice from -

- (a) the embassy; or
- (b) a consular officer,
in the country of origin of the prospective client.

Verification
of
information
concerning
foreign
nationals

6.—(1) A reporting person shall verify the particulars obtained in terms of regulation 5(1)(a), (b), (c) and (d) or 5(2)(a), (b), (c) and (d) from or in respect of an individual who is not a citizen or a resident in the United Republic by comparing those particulars with an identification document of that person.

(2) A reporting person shall verify the Tax Identification Number obtained in terms of regulation 5(1)(c) from or in respect of an individual who is not a citizen or a resident in the United Republic, by comparing those particulars with a document issued by the Tanzania Revenue Authority bearing such a number.

(3) Notwithstanding sub regulations (1) and (2) a reporting person may verify any of the particulars referred to in subregulation (1) or (2) with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

(c) Entities

Information
concerning
local
entity

7. A reporting person shall obtain from an individual acting or purporting to act on behalf of an entity with which it is establishing a business relationship or concluding a single transaction-

- (a) the registered name of the entity;
- (b) the registration number under which the entity is incorporated;
- (c) the registered address of the entity;
- (d) the trade name under which the entity conducts business;
- (e) a copy of the latest auditor's report and accounts of the entity;
- (f) the address from which the entity operates, or if it operates from multiple addresses -
 - (i) the address of the office seeking to establish a business relationship or to enter into a single transaction with the reporting person; and
 - (ii) the address of its head office;
- (g) the full names, date and place of birth and Tax Identification Number, referred to in regulation 3(1)(a), (b) and (c) or full names, date and place of birth and name of the country referred to in regulation 5(1)(a), (b), (c), as may be applicable, concerning -
 - (i) the manager of the entity;
 - (ii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with the reporting person on behalf of the entity; and
 - (iii) the full names, date and place of birth, Tax Identification Number, referred to in regulation (3)(1)(a), (b) and (c), full names, date and place of birth and nationality, referred to in regulation 5(1)(a), (b) and (c), registered name, registration number, registered address, trade name and business address referred to in paragraphs 7(a), (b), (c), (d) and (e), names, numbers and addresses referred to in regulation 9(a), (b), and (c) and name referred to in regulation 13(a) or name and number referred to in regulation 15(a), as may be applicable, concerning the individual, partnership or trust holding 5% or more of the voting rights at a general meeting of the entity concerned;

- (h) the residential address and contact particulars of -
 - (i) the Directors;
 - (ii) each individual or entity holding 5% or more of the voting rights at a general meeting of the entity concerned; and
 - (iii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with reporting person on behalf of the entity.

Verification
of
information
concerning
entity

8. A reporting person shall verify the particulars obtained in respect of an entity in terms of regulation 7 by comparing -

- (a) the registered name, registration number and registered address referred to in regulation 7(a), (b) and (c) with the most recent Memorandum and Articles of Association and versions of the Certificate of Incorporation bearing the stamp of the BRELA;
- (b) the trade name and business address referred to in regulation 7(d) and (f) with information which can reasonably be expected to achieve such verification and is obtained by practical means, taking into account any guidelines concerning the verification of identities which may apply to that reporting person;
- (c) the particulars referred to in regulation 7(g) and (h) with information obtained in accordance with regulation 4(1), 6(1), 6(3), (a), (b) and (c) of this regulation, as may be applicable;
- (d) the Tax Identification Number referred to in subregulation 7(g) with documents issued by the Tanzania Revenue Authority bearing such number; and
- (e) any of these particulars with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

9. A reporting person shall obtain from an individual acting or purporting to act on behalf of the foreign entity with which it is establishing a business relationship or concluding a single transaction-

Information
concerning
foreign
entity

- (a) the name under which it is incorporated;
- (b) the number under which it is incorporated;
- (c) the address where it is situated for purposes of its incorporation;
- (d) the name under which it conducts business in the country where it is incorporated;
- (e) the name under which it conducts business in the United Republic;
- (f) the address from which it operates in the country where it is incorporated, or if it operates from multiple addresses the address of its head office;
- (g) the address from which it operates in the United Republic, or if it operates from multiple addresses the address of the office seeking to establish a business relationship or to enter into a single transaction with the reporting person;
- (h) the Tax Identification Number of the entity, if such number was issued to that entity;
- (i) the full names, date and place of birth and Tax Identification Number referred to in regulation 3(1)(a), (b) and (c) or full names, date and place of birth and name of the country, referred to in regulation 5(1)(a), (b) and (c), as may be applicable, concerning -
 - (i) the manager in respect of its affairs in the United Republic; and
 - (ii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with the reporting person on behalf of the foreign entity;
- (j) the full names, date and place of birth and Tax Identification Number referred to in regulation 3(1)(a), (b) and (c), full

names, date and place of birth and name of the country, referred to in regulation 5(1)(a), (b) and (c), registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c) and (d), name referred to in regulation 13(a) or name and number referred to in regulation 15(a), as may be applicable, concerning each individual entity, partnership or trust holding 5% or more of the voting rights in the foreign entity;

(k) any or all of telephone number, fax number, residential, postal and email address, of -

(i) the manager in respect of its affairs in the United Republic;

(ii) each individual or entity holding 5% or more of the voting rights in the entity; and

(iii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with the reporting person on behalf of the entity.

Additional
information
concerning
foreign
entities

10. Reporting person which establishes a business relationship with a foreign entity shall in addition to the information obtained in accordance with Regulation 9 -

(a) gather information about the foreign entity to understand the nature of the foreign entities business to determine:

(i) the reputation of the foreign entity;

(ii) the quality of supervision of the foreign entity;

(iii) whether the foreign entity has been subject to money laundering or terrorist financing investigation or regulatory action; and

(b) assess the foreign entity's anti-money laundering and counter terrorist financing controls to determine whether they are effective.

(2) Officer of a reporting person shall obtain approval from senior management before establishing a business relationship with a foreign entity.

11. A reporting person shall verify the particulars obtained in respect of a foreign entity by comparing the particulars with an official document issued by an authority for recording the incorporation of entities in the country of incorporation of the foreign entity, as evidence of incorporation.

Verification of information related to foreign entities

(d) Partnerships

12. A reporting person shall obtain from an individual acting or purporting to act on behalf of a partnership with which it is establishing a business relationship or concluding a single transaction-

Information concerning partnerships

- (a) the name of the partnership;
- (b) the full names, date and place of birth, Tax Identification Number, referred to in regulation 3(1)(a), (b) and (c) full names, date and place of birth and name of the country, referred to in regulation 5(1)(a), (b) and (c), registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c) and (d), names, numbers and addresses referred to in regulation 13(a) or name and number referred to in regulation 15(a), as may be applicable, concerning -
 - (i) every partner;
 - (ii) the person who exercises executive control over the partnership; and
 - (iii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with the reporting person on behalf of the partnership.

13. A reporting person shall verify the particulars obtained in respect of a partnership in terms of regulation 12 by comparing -

Verification of information concerning partnerships

- (a) the name of the partnership referred to in regulation 12(a) with the partnership agreement in terms of which the partnership was formed;
- (b) the particulars referred to in regulation 12(b) with information obtained in accordance with this regulation or regulation 4(1), 6(1) and (3), 8(a), (b) and (c) or 15(a) and (d) as may be applicable; and

- (c) any of these particulars with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

(e) Trusts

Information
concerning
trusts

14. A reporting person shall obtain from an individual acting or purporting to act on behalf of a trust which it is establishing a business relationship or concluding a single transaction -

- (a) the identifying name and number of the trust;
- (b) the address of the Authority where the trust is registered, if applicable;
- (c) the Tax Identification Number of the trust, if such a number was issued to that trust;
- (d) the full names, date and place of birth, referred to in regulation 3(1)(a) and (b), full names, date and place of birth and name of the country, referred to in regulation 5(1)(a), (b) and (c), registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c), (d) and (e), name referred to in regulation 12(a) as may be applicable, concerning -
 - (i) each trustee of the trust; and
 - (ii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with the reporting person on behalf of the trust;
- (e) the full names, date and place of birth, referred to in regulation 3(1)(a) and (b), full names, date and place of birth and name of the country, referred to in regulation 5(1)(a), (b) and (c), registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c), (d) and (e); names, numbers and addresses referred to in regulation 9(a), (b) and (c) name referred to in regulation

- 12(a) as may be applicable, concerning each beneficiary of the trust referred to by name in the trust deed or other founding instrument in terms of which the trust is created;
- (f) particulars of the beneficiaries of the trust and how they are determined;
- (g) the full names, date and place of birth, referred to in regulation 3(1)(a) and (b), full names, date and place of birth and name of the country, referred to in regulation 5(1)(a), (b) and (c), registered name, registration number, registered address, trade name and business address referred to in regulation 7(a), (b), (c) (d) and (e), names, numbers and addresses referred to in regulation 9(a), (b) and (c) and name referred to in regulation 12(a) as may be applicable, concerning the founder of the trust;
- (h) the telephone number, fax number, residential postal and email address of -
 - (i) each trustee of the trust;
 - (ii) each individual who purports to be authorised to establish a business relationship or to enter into a transaction with the reporting person on behalf of the trust;
 - (iii) each beneficiary of the trust referred to by name in the trust deed or other founding instrument in terms of which the trust is created; and
 - (iv) the founder of the trust.

15-(1) A reporting person shall verify the particulars obtained in respect of a trust in terms of regulation 14 by comparing -

- (a) the name and other particulars referred to in regulation 14(a) and (f) with the trust deed or other founding instrument in terms of which the trust is created and -
 - (i) in the case of a trust created in the United Republic, the authorisation given by the Registration, Insolvency and Trustees Agency in terms of the Trustees Incorporation Act to each trustee of the trust to act in that capacity; or

Verification
of
information
concerning
trusts

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- (ii) in the case of a trust created outside the United Republic, an official document which reflects these particulars, issued by an authority in the country where the trust is created which administers or oversees laws relating to trusts in that country;
- (b) the address referred to in regulation 14(b) with the authorisation given by the Authority to each trustee of the trust to act in that capacity;
- (c) the Tax Identification Number of the trust referred to in regulation 14(c) with a document issued by the Tanzania Revenue Authority bearing such a number;
- (d) the particulars referred to in regulation 14(d), (e) or (f) with information obtained in accordance with this regulation or regulation 4(1), 6(1) and (3), 8(a), (b) and (c) and 13(c) as may be applicable and -
 - (i) in the case of a trust created in the United Republic, the authorisation given by the Registration, Insolvency and Trustees Agency in terms of Trustees Incorporation Act to each trustee of the trust to act in that capacity; or
 - (ii) in the case of a trust created outside the United Republic, an official document which reflects these particulars, issued by an authority in the country where the trust is created which administers or oversees laws relating to trusts in that country; and
- (e) any of these particulars with information which is obtained from any other independent source, if it is believed to be reasonably necessary taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

(2) Where an individual, entity, partnership or trust referred to in this Part dies or no longer exists, a reporting person shall verify the particulars referred to in this Part by comparing those particulars with information which can reasonably be expected to achieve such verification and is

obtained by practical means, taking into account any guidelines concerning the verification of identities which may apply to that reporting person.

PART III

GENERAL RULES ON IDENTIFICATION

16. Each reporting person shall maintain identification procedures that -

General
rules on
identifi-
cation

- (a) require the satisfactory production of evidence of the identity of a person before a reporting person establishes a business relationship with that person;
- (b) take into account the suspicion of money laundering where prospective client of the reporting person is not physically present during the identification procedure;
- (c) the business relationship or single transaction should not be continued where the reporting person is unable to obtain satisfactory evidence of the prospective client's identity;
- (d) provide that the identity of a person is established where a third person acts on behalf of that person;
- (e) allow a reporting person to obtain information on the purpose and intended nature of a business relationship;
- (f) require a reporting person to conduct ongoing due diligence by scrutinizing transactions undertaken throughout the course of the business relationship to ensure that -
 - (i) the transactions being conducted are consistent with the reporting person's knowledge of the client;
 - (ii) the business and risk profile of the client; and
 - (iii) the client's source of funds are investigated; and
- (g) ensure that information collected under the client due diligence process is kept up to date by reviewing existing records.

17. A reporting person shall take reasonable steps, taking into account any guidelines concerning the verification of identities which may apply to that reporting person in respect of an existing business relationship, to

Reporting
person
to
maintain
correctness
of
particulars

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maintain the correctness of particulars which are susceptible to change and are provided under these Regulations.

PART IV

REPORTING OF SUSPICIOUS AND UNUSUAL TRANSACTIONS

Manner
of
reporting

18. A report made under section 17 of the Act shall be made in accordance with the format and in such manner as may be prescribed by the FIU in the guidelines.

Establi-
shment of
proce-
dures for
recogni-
sing and
reporting
suspicious
transa-
ctions

19.-(1) A reporting person shall establish written internal reporting procedures which, in relation to its relevant business, will -

- (a) enable all its directors or, as the case may be, partners, all other persons involved in its management, and all key staff to know to whom they should report any knowledge of suspicion of money laundering and terrorism financing activities;
- (b) ensure that there is a clear reporting chain under which suspicions of money laundering and terrorism financing activities will be passed to the designated person;
- (c) identify a designated person to whom a report shall be made of any information or other matter which comes to the attention of the person handling that business and which in that person's opinion give rise to knowledge or suspicion that another person is engaged in money laundering and terrorism financing;
- (d) require the designated person to consider any report in the light of all other relevant information available to him for the purpose of determining whether or not it gives rise to knowledge or suspicion of money laundering and terrorism financing;
- (e) ensure that the designated person has reasonable access to any other information which may be of assistance to him and which is available to the reporting person; and

- (f) require that the information or other matter contained in a report is disclosed promptly to the reporting person where the designated person knows or suspects that another person is engaged in money laundering and terrorism financing.

(2) A reporting person shall maintain a register of all reports made to the designated person in pursuance of subregulation (1)(f).

(3) The register maintained under subregulation (2) shall contain details of the date on which the report was made, the person who makes the report and information sufficient to identify the relevant documents.

20.-(1) A reporting person shall pay special attention to all complex, unusual or large business transactions, whether completed or not, and to all unusual patterns of transactions and to insignificant but periodic transactions, which have no apparent economic or lawful purpose.

Reporting
of
suspicious
business
transactions
by
reporting
persons

(2) Upon reasonable suspicion that the transaction described in subregulation (1) could constitute or be related to money laundering or terrorism financing a reporting person shall promptly report the suspicious transaction to the FIU.

21. In respect of transactions concerning which a report under section 17 of the Act is made, the report shall contain as much of the following information as is readily available -

Information
to be
reported
in respect
of
transactions

- (a) the date and time of the transaction, or, in the case of a series of transactions the period over which the transactions were conducted;
- (b) the type of funds or property involved;
- (c) the amount or the value of the property involved;
- (d) the currency in which the transaction was conducted;
- (e) the method in which the transaction was conducted;
- (f) the method in which the funds or property were disposed of;
- (g) the amount disposed;

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- (h) the currency in which the funds were disposed of;
- (i) the purpose of the transaction;
- (j) the name of any other institution or person involved in the transaction;
- (k) the number of any account at another institution involved in the transaction;
- (l) the name and identifying number of the branch or office where the transaction was conducted; and
- (m) any remarks, comments or explanations which the person conducting the transaction may have made or given.

Information
to be
reported
concerning
property
associated
with
terrorism
financing
and
related
activities

22.-(1) When a reporting person makes a report concerning property associated with terrorism financing and related activities under section 17 of the Act, the report shall contain full particulars in respect of the reporting person making the report of -

- (a) full names of the reporting person;
- (b) the identifying particulars of the reporting person for example an identity number, registration number or practise number;
- (c) the address of the reporting person;
- (d) the type of business or economic sector of the reporting person;
- (e) full names of a designated person; and
- (f) the contact particulars of a designated person.

(2) In respect of the property concerning which a report under section 17 of the Act is made, the report shall contain as much information as is readily available of -

- (a) a description of the type of property;
- (b) any identifying particulars concerning the property for example registration particulars, unique numbers or other particulars;
- (c) the estimated value of the property; and

(d) the physical address where the property is located.

23. In respect of any account which may have been involved in the transaction concerning which a report under section 17 of the Act is made, the report shall contain as much of the particulars as are readily available of -

Information
to be
reported
in respect
of
account

- (a) the account number;
- (b) the name and identifying number of the branch or office where the account is held;
- (c) the type of account;
- (d) the full names of each account holder;
- (e) the date on which the account was opened;
- (f) the date on which the account was closed and the name of the person who gave the instructions to close it;
- (g) the status of the account;
- (h) any previous activity in the preceding six months which had been considered for reporting in connection with the account, whether the activity was reported or not; and
- (i) the report number of any previous reports made in connection with the account.

24. In respect of an individual conducting the transaction or other entity on whose behalf the transaction is conducted, concerning which a report under section 17 is made, the report shall contain as much of the following information as is readily available -

Information
to be
reported
in respect
of
persons

(a) in the case of an individual, full particulars of -

- (i) the person's full names;
- (ii) the person's identifying number, if any;
- (iii) the type of identifying document from which the particulars referred to in sub-paragraphs (i) to (ii) were obtained;

- (iv) the person's country of residence;
 - (v) any or all of the person's residential address, telephone number, fax number, postal and email address; and
 - (vi) occupation;
- (b) in the case of other entity, full particulars of -
- (i) the entity's name and address;
 - (ii) the entity's identifying number, if it has such a number;
 - (iii) the type of business conducted by the entity;
 - (iv) the entity's country of origin;
 - (v) the names of individuals with authority to conduct the transaction on behalf of the entity.

(2) In respect of an individual conducting the transaction concerning which a report under section 17 of the Act is made, on behalf of another individual or other entity, the report shall contain as much of the particulars as is readily available, of -

- (a) the person's full names and address;
- (b) the person's identifying number, if any;
- (c) the type of identifying document from which the particulars referred to in paragraphs (a) or (b) were obtained;
- (d) the person's country of residence;
- (e) any or all of the person's residential address, telephone number, fax number, postal and email address;
- (f) the person's occupation.

Contents
of the
report

25. A report under section 17 of the Act shall -

- (a) contain a full description of the suspicious or unusual transaction, including the reasons why it is deemed to be suspicious or unusual as contemplated in that section;

- (b) indicate what action the reporting person has taken in connection with the suspicious or unusual transaction concerning which the report is made; and
- (c) indicate what documentary proof is available in respect of the suspicious or unusual transaction concerning which the report is made and the reasons referred to in paragraph (a).

26. A report under section 17 of the Act shall be sent to the FIU as soon as possible but not later than twenty four hours after a reporting person has become aware of a fact concerning a transaction on the basis of which knowledge or a suspicion concerning the transaction shall be reported.

Period for reporting

PART V INTERNAL RULES

27. The internal rules of a reporting person concerning the establishment and verification of identities shall -

Internal rules concerning establishment and verification of identities

- (a) provide for the necessary processes and working methods which will cause the required particulars concerning the identities of the parties to a business relationship or single transaction to be obtained on each occasion when a business relationship is established or a single transaction is concluded with the reporting persons;
- (b) provide for steps to be taken by the relevant staff members aimed at the verification of the required particulars concerning the identities of the parties to a business relationship or single transaction;
- (c) provide for the responsibility of the management of the reporting persons in respect of compliance with the Act, these Regulations and the internal rules;
- (d) allocate responsibilities and accountability to ensure that staff duties concerning the establishment and verification of identities are complied with;

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- (e) provide for disciplinary steps against the relevant staff members for non-compliance with the Act, these Regulations and the internal rules;
- (f) take into account any guidelines concerning the verification of identities which may apply to that reporting person;
- (g) provide for the necessary processes and working methods to ensure that the relevant staff members of the reporting person obtain the information of which record must be kept on each occasion when a business relationship is established or a transaction is concluded with the reporting person;
- (h) provide for the necessary processes and working methods to ensure that the accuracy and integrity of those records are maintained for the entire period for which they shall be kept;
- (i) provide for the necessary processes and working methods to ensure that access as may be required or authorised under the Act by the relevant staff members to those records can be obtained without undue hindrance;
- (j) provide for the necessary processes and working methods which will cause suspicious and unusual transactions to be reported without undue delay;
- (k) provide for the necessary processes and working methods to enable staff to recognise potentially suspicious and unusual transactions or series of transactions; and
- (l) allocate responsibilities and accountability to ensure that staff duties concerning the reporting of suspicious and unusual transactions are complied with.

PART VI

MISCELLANEOUS PROVISIONS

Initial and
periodical
disclosure
of
financial
position
of FIU
employees

28. Any employee of the FIU who holds a leadership position in term of the Public Leadership Code of Ethics, shall submit to the Ethics Commissioner a written declaration of all property or assets owned by, or liabilities owned to him, his spouse or unmarried minor in a manner prescribed in that Act.

29.-(1) A reporting person shall maintain the records required by section 16 of the Act for at least five years from the date -

Limitation
period for
retention
of records
Cap.398

- (a) when all activities relating to a transaction or a series of linked transactions were completed;
- (b) when the business relationship was formally ended; or
- (c) where the business relationship was not formally ended but when the last transaction was carried out.

(2) Where a report has been made to the FIU in pursuance of section 17 of the Act or the reporting person knows or believes that a matter is under investigation, that person shall without prejudice to sub-regulation (1), retain all relevant records for as long as may be required by the FIU.

(3) For the purpose of this regulation, the question as to what records may be relevant in the analysis process may be determined in accordance with the guidelines.

30.-(1) A reporting person shall ensure that any records required to be maintained under these Regulations are capable of retrieval in legible form without undue delay.

Format
and
retrieval
of records

(2) A reporting person may rely on the records of a third party in respect of the details of payments and transactions by customers, provided that it is satisfied that the third party is willing and able to retain and, if asked, to produce in legible form, copies of the records required.

FIU to
provide
feedback

31. The FIU shall provide the reporting persons with feedback which includes :

- (a) acknowledgement of the receipt of suspicious and unusual transactions reports and results of investigation.;
- (b) whether a matter is closed because of prosecution;
- (c) whether a report was found to relate to a legitimate transaction;
- (d) information on the decision or result;
- (e) information on current techniques, methods and trends of money laundering and terrorism financing; and
- (f) examples of actual money laundering and terrorism financing cases, if any.

Guidelines

32.-(1) The FIU shall issue guidelines related to - .

- (a) the verification of identities;
- (b) reporting of suspicious and unusual transactions; and
- (c) any other obligations imposed on reporting under the Act.

(2) Guidelines issued under subregulation (1), shall take into account the -

- (a) categories of reporting persons;
- (b) persons involved; and
- (c) categories of transactions.

33.-(1) The FIU and reporting persons shall maintain comprehensive statistics on matters relevant for effectiveness and efficiency of systems for combating money laundering and terrorism financing in the country.

FIU to
maintain
statistics

(2) The statistics under subregulation (1) shall include -

- (a) suspicious transaction reports received and disseminated;
- (b) the reporting person or persons who made the report;
- (c) breakdown of suspicious transactions on anti money laundering and terrorism financing analysed and disseminated by the FIU;
- (d) report filed on domestic or foreign currency transactions above the limit prescribed by the Bank;
- (e) report on international transportation of currency;
- (f) report in international electronic transfer of currency;
- (g) money laundering and terrorism financing analysis;
- (h) the number of cases and the amounts of property frozen, seized or confiscated in relation to money laundering and terrorism financing;
- (i) mutual legal assistance and extradition requests made or received in relation to money laundering and terrorism financing including -
 - (i) the nature of the request;
 - (ii) time response was received; and
 - (iii) whether the assistance or request was granted or refused;
- (j) other formal requests for assistance made by the FIU and whether they were granted or refused;
- (k) referrals made by the FIU to foreign authorities; and
- (l) formal requests for assistance made or received by reporting persons related to money laundering and terrorism financing including whether the request was granted or refused.

Dar es Salaam,
10th September, 2007

ZAKIA H. MEGHJI,
Minister for Finance