

UNITED REPUBLIC OF TANZANIA

MINISTRY OF FINANCE AND PLANNING



**NATIONAL COUNTER TERRORIST FINANCING
STRATEGY**

2023/24 – 2027/28

JUNE 2023

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ACRONYMS

AML	- Anti-Money Laundering
AMLA	- Anti-Money Laundering Act, Cap. 423
AML/CTF/CPF	- Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing
AMLPOCA	- Anti-Money Laundering and Proceeds of Crime Act, No. 10 of 2009
ATI	- Association of Tanzania Insurers
BoT	- Bank of Tanzania
BPRA	- Business and Property Registration Agency
BRELA	- Business Registration and Licensing Agency
CBDC	- Cross Border Declaration of Currency and Bearer Negotiable Instruments
CDD	- Customer Due Diligence
CFT	- Counter Financing of Terrorism (used interchangeably with CTF)
CMSA	- Capital Markets and Securities Authority
CPF	- Counter Proliferation Financing
CTF	- Counter Terrorist Financing (used interchangeably with CFT)
DCEA	- Drugs Control and Enforcement Authority
DNFBPs	- Designated Non-Financial Businesses and Professions
DPP	- Director of Public Prosecutions
EAC	- East African Community
EOCCA	- Economic and Organized Crime Control Act, Cap.200
ESAAMLG	- Eastern and Southern Africa Anti Money Laundering Group
EWURA	- Energy and Water Utilities Regulatory Authority
FATF	- Financial Action Task Force
FINTECH	- Financial Technology
FIU	- Financial Intelligence Unit

FP	- Financing of Proliferation (long form: Financing of Proliferation of Weapons of Mass Destruction. FP is used interchangeably with PF)
FSRB	- FATF Styled Regional Body
FT	- Financing of Terrorist (used interchangeably with TF)
GBT	- Gaming Board of Tanzania
GDP	- Gross Domestic Product
ICRG	- International Cooperation Reviews Group
JoT	- Judicial of Tanzania
KYC	- Know Your Customer
LEA	- Law Enforcement Agency
MACMA	- Mutual Assistance in Criminal Matters Act, Cap. 254
ML	- Money Laundering
ML/TF/PF	- Money Laundering, Terrorist Financing and Proliferation Financing
MoCLA	- Ministry of Constitutional and Legal Affairs
MOFAEAC	- Ministry of Foreign Affairs and East African Cooperation
MOFP	- Ministry of Finance and Planning
MOHA	- Ministry of Home Affairs
MVTS	- Money or Value Transfer Services
NAMDC	- National Multi-Disciplinary Committee on Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing
NIDA	- National Identification Authority
NPS	- National Prosecutions Service
NRA	- National Risk Assessment
PCCB	- Prevention and Combating of Corruption Bureau
PF	- Proliferation Financing (used interchangeably with FP)
PO PSM	- President's Office, Public Service Management
POCA	- Proceeds of Crime Act, Cap. 256
PO FP	- President Office, Finance and Planning Zanzibar

POTA	- Prevention of Terrorism Act, Cap. 19
RBA	- Risk Based Approach
RGoZ	- Revolutionary Government of Zanzibar
RITA	- Registration, Insolvency and Trusteeship Agency
SACCOS	- Serving and Credit Cooperative Society
SADC	- Southern African Development Community
STR	- Suspicious Transaction Report
TCDC	- Tanzania Cooperative Development Commission
TCRA	- Tanzania Communication Regulatory Authority
TF	- Terrorist Financing (used interchangeably with FT)
TIC	- Tanzania Investment Centre
TIRA	- Tanzania Insurance Regulatory Authority
TRA	- Tanzania Revenue Authority
UNSCR	- United Nations Security Council Resolution
URT	- United Republic of Tanzania
ZAECA	- Zanzibar Anti-Corruption and Economic Crimes Authority
ZDCEA	- Zanzibar Drugs Control and Enforcement Authority

DEFINITION OF TERMS

- AML/CTF/CPF stakeholders - These include Reporting persons; NAMDC, FIU; LEAs; Regulators; Prosecution Services; registries, judiciary;
- Competent Authority - Means a Regulator, customs authority, LEA, FIU, National Committee;
- Customer Due Diligence (CDD) - Means the process by which a reporting person identifies and verifies the identity of the customer;
- Egmont Group of FIUs - This is a group of Financial Intelligence Units (FIUs). Currently the group comprises 167 members. The Group provides a platform for the secure exchange of expertise and financial intelligence to combat ML/TF/PF;
- Financial Intelligence Unit (FIU) - A Government entity (an Extra-Ministerial Department) under the Ministry of Finance and Planning, established by AMLA under section 4, and AMLPOCA under section 6A primarily to receive suspicious transaction reports and other reports from reporting persons, to analyze those reports and to disseminate intelligence to LEAs for investigation and possible prosecution, if there are reasonable grounds to suspect ML, TF or any other crime;
- Financial Institution - An entity engaged in the business of banking, but limited as to size, location served, or permitted activities, as prescribed by the Bank of Tanzania or required by the terms and conditions of its license;

- Law Enforcement Agency (LEA) - A Government entity responsible for enforcing the law. In URT this includes the Tanzania Police Force (TPF); Prevention and Combating of Corruption Bureau (PCCB); Zanzibar Anti-corruption and Economic Crimes Authority (ZAECA); The Tanzania Immigration Service; Tanzania Revenue Authority (TRA); Zanzibar Revenue Authority (ZRA) and any other body dealing with criminal investigations;
- Money Laundering - In line with Section 12 of AMLA and Section 7 of AMLPOCA, money laundering is engagement of a person or persons, direct or indirectly in conversion, transfer, concealment, disguising, use or acquisition of money or property known to be of illicit origin or participates in, associates with, conspires to commit, attempts to commit, aids and abets or facilitates and counsels the commission of any of the acts and in which such engagement intends to avoid the legal consequence of such action;
- National Committee - Means the National Multi-Disciplinary Committee on Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing established under Section 8 of AMLA and Section 6B of AMLPOCA;
- Predicate offence - An offence or crime which generates illicit proceeds as defined in the Anti-Money Laundering Act, Cap. 423;
- Proliferation Financing/Financing - The illegitimate provision of financial services for the transfer and export of nuclear, chemical or biological

of proliferation /Financing of proliferation of weapons of mass destruction	- weapons, their means of delivery and related materials. It involves, in particular, the financing of trade in proliferation sensitive goods, but could also include other financial support to states, individuals or entities engaged in proliferation;
Prosecution Services	- National Prosecutions Service (Tanzania Mainland), Office of the Director of Public Prosecutions (Zanzibar)
Registry	- An entity that collects and keeps information that is pertinent to combating ML/TF/PF including KYC/CDD information, especially identification information of natural persons, legal persons or legal arrangements, property information, etc. In URT, registries include the Business Registration and Licensing Agency (BRELA), Business and Property Registration Agency (BPRA), Registration, Insolvency and Trusteeship Agency (RITA), National Identification Authority (NIDA), Zanzibar Civil Status Registration Agency (ZCSRA), Tanzania Revenue Authority (TRA) and Zanzibar Revenue Authority (ZRA);
Regulator	- An entity that supervises reporting persons for AML/CTF/CPF compliance. In URT, regulators include Architects and Quantity Surveyors Registration Board; Bank of Tanzania (BOT); Business Registration and Licensing Agency (BRELA); Capital Markets and Securities Authority (CMSA); Energy and Water Utilities Regulatory Authority (EWURA); Gaming Board of Tanzania (GBT); National Board of Accountants and Auditors;

Registrar General's Office; Registrar of Cooperatives (TCDC); Registrar of Non-Governmental Organizations; Registrar of Political Parties; Registrar of Societies, Tanganyika Law Society (TLS); Registrar of Titles; Registration, Insolvency and Trusteeship Agency (RITA); Tanzania Communications Regulatory Authority (TCRA); Tanzania Insurance Regulatory Authority (TIRA); Tanzania Investment Centre (TIC); Zanzibar Business and Property Registration Agency (ZBPRA); Zanzibar Investment Promotion Authority (ZIPA); Zanzibar Law Society (ZLS) and any other entities as may be identified by law.

- Reporting Persons
- Service providers (legal persons, but sometimes natural persons) who are required by law to monitor customer transactions and to report to the FIU, transactions that seem to be suspicious in terms of ML, TF or any predicate offence. Reporting persons in URT includes banks and financial institutions; an accountant; auditor; tax advisor; trust and company service provider; clearing and forwarding agent; motor vehicle dealer; real estate agent; dealer in precious stones, work of art or metals; regulator; customs officer; advocates, notaries and other independent legal professionals; a person who carries on a business of an insurer; an intermediary insurance broker; a securities dealer or broker; a person who carries on a business of dealing in gold bullion, of issuing, selling or redeeming travelers cheques, money orders or similar instruments, or of collecting, holding and delivering or transmitting money; an

operator of a gaming activity; a trustee or manager of a collective investment scheme; an operator of a bureau de change; auctioneers; pension fund managers; securities market intermediaries; financial leasing entities; microfinance service providers except for community microfinance groups classified as Tier 4 in the Microfinance Act and financing housing companies.

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|--|---|
| Specified offence | - Means serious offence as defined in AMLPOCA |
| Suspicious transaction | - Suspicious transaction includes; complex, unusual or large business or non-business transactions, currency transaction, cross border currency, electronic funds transfer, whether completed or not, proposed or attempted with unusual patterns of transactions; insignificant but periodic transactions, which have no apparent economic or lawful purpose; funds or property which are proceeds of crime or are related or linked to persons or are to be used for commission or continuation of a predicate/specified offence. |
| Terrorist financing/
Financing of terrorism | - The act of providing financial support from either legitimate or illegitimate sources to terrorist(s), terrorist groups or terrorist organizations; |

STATEMENT OF THE MINISTER



Terrorist financing (TF) is a criminal offence with serious consequences to socio-economic and global security. TF is precursor to terrorist activities which leads to loss of life and properties, undermine the rule of law and good governance, and financial and economic stability.

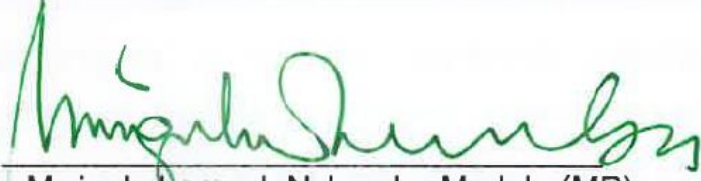
Terrorist financing crimes are global concerns and for this reason the United Nations through various conventions such as Convention for the Suppression of Financing of Terrorism (1999) required, among other things, member countries to criminalize terrorist financing. To combat the crimes, the international community has developed further measures such as creation of the Financial Action Task Force (FATF) in 1989 which sets standards to combat money laundering, terrorist financing and proliferation financing also well known as FATF Standards. These standards are observed and implemented by jurisdictions worldwide.

The United Republic of Tanzania is a signatory to the UN conventions and relevant international and regional agreements. In this regard, the United Republic of Tanzania (URT) has taken various initiatives to domesticate the UNSC Resolutions, and International and Regional agreements in combating TF in order to safeguard principles of socio-economic and good governance. The URT has in place appropriate legal and institutional framework for this purpose and the most relevant legal framework include: the Anti-Money Laundering Act (Cap.423); the Anti-Money Laundering and Proceeds of Crime Act, No. 10 of 2009 of Zanzibar; and the Prevention of Terrorism Act (Cap.19) and the regulations made under these laws. The enacted laws, among other things, criminalize terrorism financing, provide for preventive measures that facilitate detection of TF and provide for mandatory reporting of TF suspicion and implementation of Targeted Financial Sanctions (TFS). In terms of institutional framework, various relevant institutions are in place including the National Multi-Disciplinary Committee on Anti-Money Laundering (NAMDC), the Financial Intelligence Unit (FIU) and the Financial Crimes Centre while various

other institutions, both public and private sectors, have been designated as law enforcement agencies and as reporting persons. The Government of the United Republic is committed to ensuring that efforts will continue to effectively implement the UNSC Resolutions on TFS, international and regional agreements, including FATF Standards.

Despite the efforts made, a number of deficiencies were identified by the National Money Laundering and Terrorist Financing Risk Assessment (NRA) conducted from September 2015 to December 2016 (and updated in June, 2022), the Terrorist Financing Risk Assessment conducted in year 2023, and the second round Mutual Evaluation Report adopted by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Council of Minister in June 2021. The deficiencies include, the general lack of awareness among members of the public on TF and absence of formal CFT training and awareness raising programmes; absence of mechanism for monitoring the registration of most Designated Non-Financial Businesses and Professions (DNFBPs); non application of risk based approach by registrars to high risk sectors such as NPOs and other sectors; non-existence of mechanism to facilitate screening by operators in high risk areas such as NPOs against domestic and UNSC sanction lists; non-application of effective, proportionate, and dissuasive administrative and legal penalties for failure to comply particularly with regard to filing and submitting STRs; non- availability of comprehensive and updated basic beneficial ownership information on legal persons and legal arrangements; lack of capacity of law enforcement agencies to conduct parallel TF investigations and non-use financial intelligence effectively; and generally problems related to cash based economy and porous borders that facilitate ease of transfer of funds and people. These deficiencies, to a greater extent, can be resolved effectively by putting appropriate CFT strategies. This Strategy therefore, intends to create an enabling environment for coordination of efforts against terrorist financing, including efficient and effective risk-based approach to enhance safety and security, the rule of law, good governance and financial and economic integrity.

Last but not least, I reiterate the Government's commitment towards continued efforts to implement appropriate counter TF measures and international good practices and standards. The success of this Strategy will, to a greater extent, depend on cooperation among all stakeholders. I welcome the continued collaboration and participation of all stakeholders in implementing this Strategy, in order to realize the broader goals of our country of achieving minimal terrorist financing, if not eliminating the crime completely. I extend my sincere appreciation to all the stakeholders for their efforts and invaluable contributions.



Dr. Mwigulu Lameck Nchemba Madelu (MP)
Minister for Finance and Planning

MESSAGE FROM THE CHAIRPERSON OF THE NATIONAL COMMITTEE



Pursuant to the laws of the URT, the National Multi-Disciplinary Committee on Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing (NAMDC) is mandated to formulate, assess, regularly review and improve the effectiveness of policies and measures to combat money laundering and associated predicate offences, terrorist financing proliferation financing; advise the Government on legislative, regulatory and policy reforms in respect of money laundering, countering terrorist financing, countering proliferation financing, and combating crimes; coordinate activities to identify, assess and create understanding of money laundering, terrorist financing and proliferation financing risks at the national, sectoral, institutional and individual level, to recommend risk mitigation measures, to oversee implementation of the risk mitigation measures, to oversee implementation of the risk assessment action plans and to ensure that such risk assessments are kept up -to -date; coordinate engagements and engage with regional and international anti-money laundering, countering terrorist financing and countering proliferation financing bodies and advise the Government accordingly; coordinate country assessments or evaluations by regional and international anti-money laundering, countering terrorist financing and countering proliferation financing bodies and advise the Government on implementation of the resulting action plans; and establish and oversee operational mechanisms within the United Republic of Tanzania to coordinate and share information among competent authorities and other stakeholders in order to combat money laundering, terrorist financing and proliferation financing.

This Counter Terrorist Financing (CTF) Strategy 2023/24 – 2027/28 aims at fostering cooperation and coordination of efforts to effectively combat terrorist financing and proliferation financing in the United Republic of Tanzania (URT). The NAMDC will be the coordinating organ of the Strategy.

The strategy takes into consideration findings of the National Money Laundering and Terrorist Financing Risk Assessment of 2016 as revised in 2022, the Terrorist Financing Risk Assessment 2023, and the second round Mutual Evaluation of 2021. The Strategy is based on eight (8) objectives to enhance the CFT framework of the United Republic of Tanzania, to facilitate prevention, detection and deterrence of TF.

The Strategy spells out a roadmap for implementation by identifying strategies, targets, assigning responsible parties and setting timelines for implementation. The Strategy is aligned with other national policies, strategies and frameworks including:

- National AML/CFT/CFP Strategy 2022/2023 – 2026/2027;
- Tanzania Development Vision 2025;
- National Five-Year Development Plan 2021//22 – 2025/26
- Financial Sector Development Master Plan 2020/21 – 2029/30;
- Zanzibar Development Vision 2050;
- Zanzibar Development Plan (ZADEP) - 2021 - 2026;
- Zanzibar Good Governance Policy;
- National Anti-Corruption Policy and Strategy;
- Zanzibar Integrated Strategy for Anti-Corruption and Economic Crimes;
- National Human Settlement Development Policy;
- The Wildlife Policy of Tanzania;
- National Financial Inclusion Framework;
- National Coordination Strategy on Investigations and Prosecution of Financial Crimes;
- Mining Commission Strategic Plan;
- Tanzania Revenue Authority Corporate Plan;
- The then Zanzibar Revenue Board Forth Corporate Plan; and
- The Drug Control and Enforcement Authority Medium Term Strategic Plan.

This strategy represents a revitalised effort in United Republic of Tanzania to safeguard the society, economic and financial sectors from the harmful effects of terrorism financing. The strategy has been prepared with the aim of ensuring that

the United Republic of Tanzania's CFT regime is aligned to the regional and international agreements and standards.



Suda K. Msemo



Suda K. Msemo
Chairperson of the NAMDC and Deputy Governor Bank of Tanzania

CHAPTER ONE

Introduction

1.1 Background

The United Republic of Tanzania (URT), like many other countries worldwide, faces the problems of terrorist financing among serious crimes. Perpetrators of terrorist financing may get proceeds from both licit and illicit activities. Illicit activities that can facilitate TF include corruption, tax evasion, drug trafficking, theft, robbery, poaching and illegal mining and illegal dealing in precious metals and stones. The consequences of terrorist financing may undermine the rule of law, social justice, peace and security, and lead to financial instability and economic failure.

The crime of terrorist financing is transnational and global in nature. It is for this reason the United Nations through the United Nations Convention on Suppression of Terrorism Financing (1999), the Vienna Convention (1988) against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the Palermo Convention (2000) against Transnational Organized Crime and United Nations Resolutions number 1540(2004), 1718(2006) and 2231(2015) on proliferation financing required among other things, member countries to criminalize terrorist financing.

The international community has also developed measures to combat the crimes. Such measures include the creation of the Financial Action Task Force (FATF) which sets, among other standards to combat Terrorist Financing (TF) crimes. To facilitate compliance with the FATF's Standards, FATF Style Regional Bodies (FSRBs) such as Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) were created. URT is among the founding members of ESAAMLG which currently it has twenty (20) member countries.

To domesticate the UN conventions and agreements and the FATF's Standards, URT enacted various laws which, among others criminalize money laundering, terrorist financing and proliferation financing, and designated various institutions such as regulators, law enforcement agencies and reporting

persons to apply TF preventive measures and ensure legal action is taken against TF perpetrators. The enacted laws include: the Prevention of Terrorism Act, 2002 (POTA); the Anti-Money Laundering Act, 2006 (AMLA) and the Anti-Money Laundering and Proceeds of Crime Act, 2009 (AMLPOCA); the Proceeds of Crime Act, 1991 (POCA), Extradition Act, 2022 and the Mutual Assistance in Criminal Matters Act, 1991 (MACMA). These laws have continuously been amended in line with the changing nature of the TF crime internationally and domestically.

Despite the efforts made, there is a need to enhance and review available coordination and cooperation mechanism to effectively implement existing legislation and institutional framework. This Strategy will definitely provide that needed mechanism.

1.2 Rationale for the Strategy

Terrorist Financing is a relatively new crime in the history of mankind compared with other crimes such as theft, robbery, fraud, tax evasion and murder. The Government has put in place legal and regulatory framework for combating TF which was reviewed recently to accommodate TF preventive measures, risk assessment and address TF related deficiencies identified in the ESAAMLG's Mutual Evaluation Report of the URT published June 2021 (MER).

Despite having legal and regulatory framework in place URT still faces a number of challenges as TF crime mutates fast as criminals continue to device new techniques. With the help of technological advancements criminals are able to conduct complex transactions to cover their tracks without detection. In addition, there is deficiency in awareness, capacity to detect, investigate, prosecute, seize, confiscate, forfeit, and generally cooperation and coordination among CFT stakeholders.

In order for the Government to combat the vice effectively, efficiently and in a sustainable manner, there is a need to have an CTF national strategy to guide on efforts and appropriate implementation of preventive measures in cooperation with all stakeholders and in a coordinated manner. The 2009 and

2021 Mutual Evaluations of the AML/CFT/CPF regime of the URT as well as the Terrorist Financing Risk Assessment Report of 2023, identified a number of deficiencies and recommended for coordinated approach to addressing TF in URT. The National CFT Strategy 2023/24–2027/2028 therefore, is a deliberate commitment of the Government of the URT to continue to ensure that TF crime is prevented if not eliminated in the country.

1.3 Methodology

The process of formulating this Strategy involved perusal of various FATF recommendations and guidance on recommended CFT policies as well as consideration of practices and experiences in other jurisdictions. The process also involved a review of URT MERs and the TF risk assessment for the purposes of formulating the strategies to address the identified TF related deficiencies and risks.

Further, the process involved collection of comments from a wide spectrum of CTF stakeholders including Government Ministries, Independent Departments and agencies, the private sector, researchers, academicians, development partners, and civil society organizations.

1.4 Expected Results from the Implementation of CTF Strategy

The CFT Strategy 2023/24-2027/28 expected results includes adoption of risk-based approach by CTF stakeholders which will enable allocation of resources to the high-TF risk areas for effective mitigation. Ultimately, URT will achieve a broader objective of reducing TF to greater extent, if not eradicating. Coupled with the robust legal and institutional framework and effective application, the international standards will be complied with and achieve safety, financial and economic integrity.

1.5 Layout of the Strategy

This strategy contains six chapters; Chapter One deals with introductory matters of international and domestic CFT initiatives. Chapter Two deals with the CFT situational analysis of geo-economic, stakeholders' analysis of their responsibilities and expectations of the CFT regime and Chapter Three sets out the vision, mission and highlights the general and specific objectives of the strategy. Chapter Four sets out the actual objectives, strategies and targets for addressing the deficiencies in the CFT regime, Chapter Five highlights core issues and assignment of duties and responsibilities while the final Chapter Six sets out the desired Monitoring and Evaluation framework of the strategy.

CHAPTER TWO

Situational Analysis

2.1 Introduction

This chapter highlights the situation in terms of the prevailing CFT conditions in the United Republic of Tanzania, it identifies the key stakeholders and group them according to their levels of participation, interest, and influence in countering TF and shows how the stakeholders will be involved in the implementation stage of this strategy. This part also analyses the strengths, weaknesses, opportunities and threats in the CFT regime to increase awareness of the factors that are considered in the preparation of this strategy.

2.2 Prevailing CFT Conditions

With respect to the CFT environment prevailing at the time of preparation of this Strategy, the following is the summary performance of the implementation of CFT.

- (a) The CFT regime of URT dates back to early 2000, and over the years, a legal and institutional framework to comply with international CFT Standards has been in place and has to a great extent enhanced the effectiveness in prevention, detection, investigation and prosecution of TF offences. The legal framework has designated relevant financial and non-financial business and professions as reporting persons for purposes of assessing and understanding risks at their respective institutions and putting in place mitigation measures, undertaking CDD based on risk, records maintenance, and having internal CFT procedures. The legal framework has also designated various Government agencies as regulators to supervise respective reporting persons on CFT matters in the respective sectors. In addition, the legal framework requires the general public to identify funds, transactions and other assets connected to terrorists, terrorist organizations and terrorist groups and report to LEAs. The recent amendments to various CFT related laws including the amendment of the AMLA, AMLPOCA and the Prevention of Terrorism Act

attests the URT's continued efforts to improve the legal and institutional framework in compliance with international standards and good practices.

- (b) URT has a reasonably fair understanding of its TF risks as identified in the 2016 National AML/CFT Risk Assessment as revised in 2022. The understanding is also shown by consideration of the evolving TF risk environment and alignment made with the requirements of the international standards in the 2023 TFRA undertaken and shared with all CFT stakeholders.
- (c) The level of understanding of TF risks and CFT obligations varies across the FIs. While large and medium local and foreign owned or controlled banks including some MVTs providers have a good understanding of the TF risks, there is low understanding of TF risks and CFT obligations by Non-Banking Financial Institutions and the DNFBP sectors which, to greater extent is attributed to lack or limited AML/CFT supervision.
- (d) Some AML/CFT supervisors have not yet adopted and started implementing AML/CFT risk-based supervision and some DNFBPs have no AML/CFT supervisors. Although AMLA and AMLPOCA designated FIU as overall regulator of all reporting entities with no designated supervisory authority, there are some deficiencies emanating from sector specific issues.
- (e) There is limited access and use of financial intelligence by competent authorities. While the FIU produces financial intelligence reports, these products are being underutilized in the TF investigation and prosecution value chain, and also by supervisory bodies. The authorities have not prioritized TF investigations and focus on conventional investigation of predicate offences.
- (f) In an attempt to have an in-depth analysis of the TF risk in Tanzania and improve the understanding of TF crime, an Assessment of Terrorism Financing was reviewed in 2023 with a view to looking into the internal perspective of TF practices, their potential for occurring in URT and

making appropriate recommendation to facilitate enhanced prevention, detection, investigation and prosecution.

- (g) In 2022 and 2023 the URT, by way of Amendments of the POTA and promulgation of the new POTA (General) Regulations Government Notice Nos: 379 of 2022 and No: 61 of 2023, put in place an adequate legal framework and mechanisms to implement targeted financial sanctions (TFS) on TF, ensure measures are in place for asset freezing and prohibitions of funds or other assets from being made available, directly or indirectly, for the benefit of specified entities/designated persons who are being sanctioned both domestically and by the appropriate UNSC Resolution.

The regulations impose a number of measures, like travel ban and arms embargo, against individuals and entities associated with terrorists, including financiers, to be implemented by reporting persons. The regulations also provide for procedures for the listing and de-listing of individuals, access to funds for basic and extraordinary expenses and protection of rights of third parties, amongst other issues.

- (h) The FIU issued guidelines to assist reporting institutions and other persons to effectively implement their TFS obligations and they complement measures or obligations provided in the legislation dealing with funds or other assets of designated persons and entities. The guidelines provide for a step-by-step measure that are necessary in the context of stopping/freezing the flow of funds or other assets to terrorist groups.
- (i) By way of an Assessment carried in June, 2022, URT identified the nature of threats posed by terrorists to the NPOs as well as how the terrorist financiers abuse NPOs. The legal and regulatory framework in URT requires all registries for legal persons and legal arrangements (company registrars, registrars of trusts, and registrar of NPOs), to identify, verify, maintain and update BO information and records. The challenge remains

on the capacity and mechanisms to ensure that reporting persons have access to BO information and that the basic information being kept by reporting persons is adequate, accurate and up-to date.

- (j) URT has in place a good legal and institutional framework to cooperate and exchange information with foreign counterparts in respect of movement of terrorist suspects, mutual legal assistance (MLA), extraditions and other forms of international cooperation. These measures have had positive impact on predicate offences and need to be extended to TF cases. The effectiveness of cooperation is undermined by inadequacies and lack of capacity to pursue TF investigations when investigating predicate offences.
- (k) Overall, the competent authorities do not have adequate capacity both in terms of human and financial resources to effectively carry out their CFT responsibilities.
- (l) For some time, the URT has not put in place a written AML/CFT specific strategy that is informed by the identified TF risks, (threats and vulnerabilities). In 2022, as a means to address the deficiencies identified in the MER 2021, the government approved to have a National AML/CFT/CPF Strategy 2022/23 to 2026/2027. A critical analysis of the said Strategy indicated that it had no specific objectives, targets and actions that would effectively facilitate implementation of TF counter measures. It was therefore resolved that it is pertinent to have a separate CFT Strategy to address the deficiencies identified.

2.3 CFT Stakeholders Analysis

In this section, the analysis is made on all stakeholders at the global, regional and domestic perspectives.

2.3.1 Global perspective

The United Nations through the Convention for the Suppression of Financing of Terrorism (1999), the Palermo Convention (2000) against Transnational Organized Crime, the Counter-Terrorism Committee and the 1267/1989/2253

ISIL (Da'esh) and Al-Qaida Sanctions Committee and other agreements require, among other things, member countries to criminalize terrorist financing and take other appropriate targeted financial sanctions in terms of both asset freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of designated persons and entities. Furthermore, the international community has developed other measures such as creation of the Financial Action Task Force (FATF) in 1989 that sets standards to combat money laundering, terrorist financing and proliferation financing. These standards are observed and implemented by jurisdictions worldwide.

In 1995, the international community created global association of Financial Intelligence Units (FIUs) known as Egmont Group of Financial Intelligence Units to the exchange of intelligence among member FIUs.

2.3.2 Regional Perspective

The international community created FATF Styled Regional Bodies (FSRBs) to facilitate jurisdictions' compliance with the FATF Standards. Such bodies facilitate member countries' peer review (Mutual Evaluations) on effective implementation and compliance with the FATF Standards. URT is a founding member of the FSRB for eastern and southern Africa region called the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). ESAAMLG was established in Arusha, Tanzania in 1999 and currently has twenty (20) member countries. ESAAMLG Secretariat is hosted in Dar es Salaam. Also, the East African Community and the Southern African Development Community support and endorse implementation of AML/CFT/CPF measures including the efforts to establish the SADC Regional Counter Terrorism Centre which is hosted in Dar es salaam Tanzania.

Law Enforcement Agencies in URT have entered into agreements with various regional institutions or fora such as the INTERPOL, the Eastern Africa Police Chiefs Cooperation Organization (EAPCO), the Southern Africa Police Chiefs Cooperation Organization (SAPCO) and the Asset Recovery Interagency

Network for Southern Africa (ARISA) to foster and exchange information that assist the investigation of TF and other crimes.

2.3.3 Domestic Perspective

Pursuant to the UN Conventions, URT ratified relevant TF related UN Convention and enacted laws that amongst others, criminalize TF; establish and assign duties and responsibilities to various institutions such as the FIU and the National Committee to counter ML/TF/PF. The laws that were enacted include the Proceeds of Crime Act (Cap. 256); the Prevention of Terrorism Act (Cap. 19); the Anti-Money Laundering Act (Cap. 423) and the Anti-Money Laundering and Proceeds of Crime Act, No.10 of 2009 of Zanzibar; Mutual Assistance in Criminal Matters Act (Cap. 254) and the Economic and Organized Crime Control Act (Cap. 200). All AML/CFT/CPF stakeholders are obliged to comply with these laws. These stakeholders are as discussed below.

2.3.3.1 Law Enforcement Agencies operations and Judiciary

The Law Enforcement Agencies (LEAs) which are in the AML/CFT/CFP chain includes the National Prosecution Service (NPS); Director of Public Prosecutions (DPP's) office of Zanzibar; Tanzania Police Force (TPF); Prevention and Combating of Corruption Bureau (PCCB); Zanzibar Anti-Corruption and Economic Crimes Authority (ZAECA); Drugs Control and Enforcement Authority (DCEA); Zanzibar Drugs Control and Enforcement Authority (ZDCEA) and the Tanzania Immigration Service. The LEAs, among other things, are obliged to investigate and prosecute TF offences and identify and trace illicit assets for potential seizure, forfeiture and confiscation. URT established the National Counter Terrorism Centre (NCTC) to coordinate efforts of CTF investigate and sharing of intelligence. On the other hand, Judiciary adjudicate TF cases.

In 2022, in collaboration with the British High Commission in Tanzania and the EU under the Building a Sustainable Anti - Corruptions Action in Tanzania project (BSAAT), URT resolved to establish an Economic Crimes Center (ECC) to fast-track ML/TF/PF investigations, prosecution and determination of such

cases and develop financial investigation capabilities. The Center emulates practices in UK(NECC), South Africa (Fusion Center) Australian (Serious Financial Crime Task Force), Canada (Integrated Proceeds of Crime) and Kenyan Multi-Agency Task Team. The Centre which became operational in March, 2023, brings together law enforcement and government departments with a shared objective of investigating and prosecuting ML/TF/PF cases. The Center co-opts staff from all LEAs on TF/ML cases to pursue to the end. The staff will work on rotational basis by working on specific time bound assignments until completion. New staff will then be assigned to the Centre and with new cases. With the operationalization of the Center the URT will be able to demonstrate-

- (a) through case studies and statistics that authorities are having the ability to successfully conduct a range of investigations and prosecutions of ML/TF/PF in line with the country's risk profile; and that LEAs are taking measures to identify, trace, seize and, where feasible, confiscate proceeds and instrumentalities of crime;
- (b) through case studies and statistics, demonstrate the ability of LEAs to identify TF cases, successfully conduct TF investigations and pursue prosecutions commensurate with URT's TF risk profile; and
- (c) ensure LEAs get practical training on the use of financial intelligence from FIU and other sources of financial information, to increase the number of requests from the FIU, provide feedback on investigation on TF and to enhance LEAs capacity to detect, investigate and prosecute different types of ML cases, in line with the risk profile of the country.

2.3.3.2 Supervisors/regulators of Reporting Persons

The Bank of Tanzania (BoT) supervises banks and related financial institutions (FIs), the Capital Markets and Securities Authority (CMSA) and Tanzania Insurance Regulatory Authority (TIRA) are responsible for the supervision of the capital markets intermediaries and insurance licensees respectively. The Gaming Board of Tanzania (GBT) supervises casinos and other gaming

activities, Tanganyika and Zanzibar Law Societies supervise lawyers in Tanzania Mainland and Zanzibar respectively, Architects and Quantity Surveyors Registration Board is responsible for supervising Architects and Quantity Surveyors in Tanzania Mainland, National Board of Accountants and Auditors is responsible for supervising Accountants and Auditors in Tanzania Mainland, Registrar of Societies supervises societies in URT, Registrar of Cooperatives supervises cooperatives in URT, Registrar of Non-Governmental Organizations supervise non-governmental organizations in URT, Tanzania Communication Regulatory Authority supervises communication industry in URT, and Registration, Insolvency and Trusteeship Agency supervises trust ship in Mainland Tanzania. The FIU is the overall regulator for AML/CFT/CPF compliance for sectors that are regulated or unregulated.

2.3.3.3 Reporting Persons and the general public

The majority of Reporting Persons are from the private sector and are categorized as financial institutions and the Designated Non-Financial Business and Professions (DNFBPS). Reporting Persons are primarily gate keepers for preventing TF at the source and are required to apply the relevant CFT preventive measures and submit suspicious transactions reports and other compliance reports to the FIU. Given that URT is cash-based economy, the general public is required by law to identify properties belonging or controlled by terrorist, terrorist organizations and groups and report to LEAs.

2.3.3.4 The URT CFT hierarchical structure

In view of the stakeholders in the CFT regime identified in paragraph 2.3 above, the URT tactical, strategic and policy hierarchy for effective implementation of the CFT strategy is based on Public-Private Partnership (PPP) as one of the cornerstones of a well-functioning CFT framework.

PPP for CFT purposes can occur at different levels within the same group. The underlying objective of PPP in the CFT Strategy is to ensure cooperation among different entities and sectors that are not part of the same group of private sectors or the public sectors and vice versa. Such cooperation, coordination or

interaction can take place within the domestic context or it can be across borders.

Public-Public Cooperation and coordination (PPC) is critical and is an important element for the effectiveness of the CFT framework as barriers to coordination and cooperation may negatively impact the effectiveness of CFT efforts and inadvertently facilitate operations of criminal networks. Public-Public coordination and cooperation underscores the importance of having rapid, meaningful and comprehensive operations from a wide variety of sources, across the national scale.

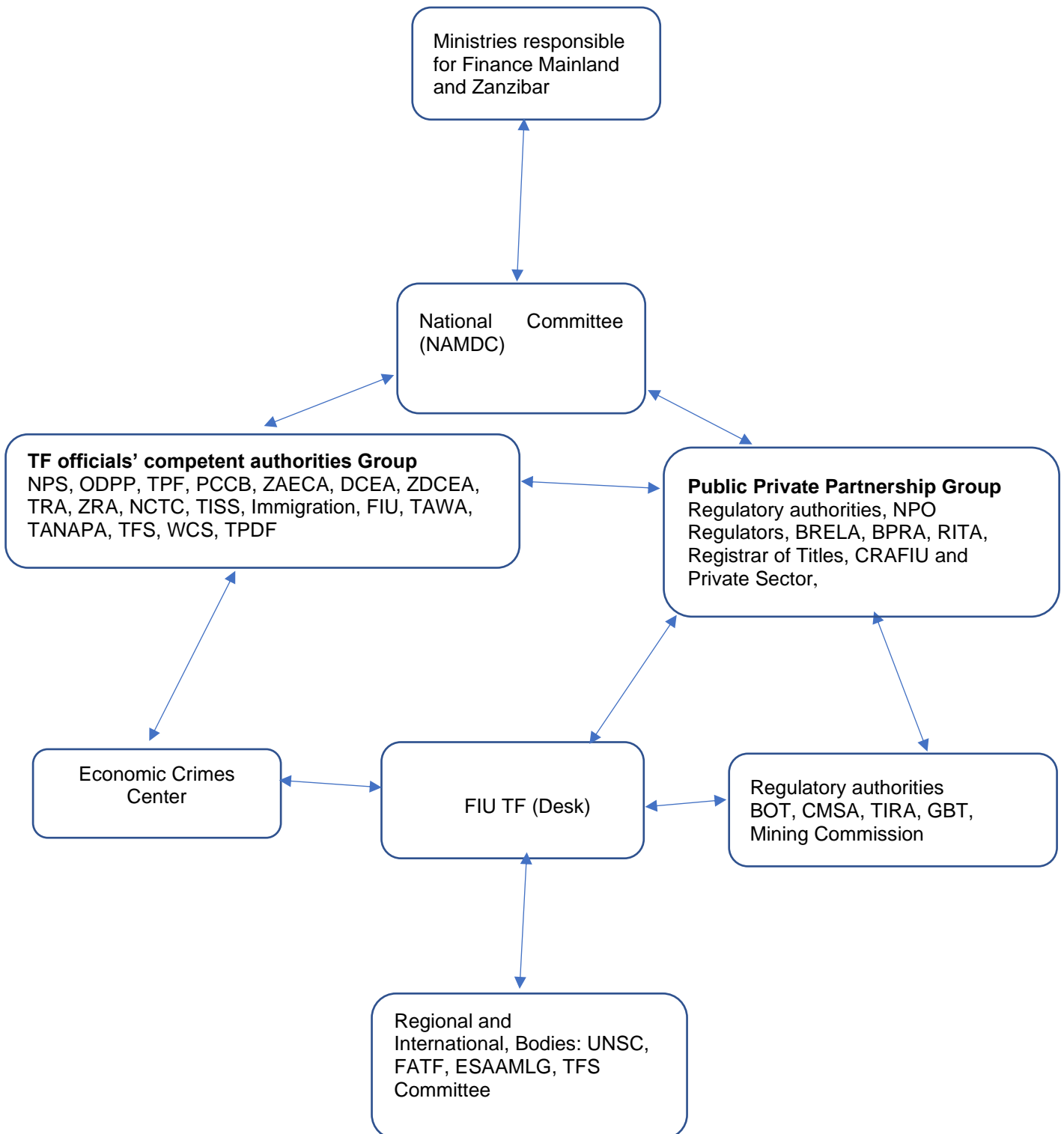
On the other hand, PPP cooperation and coordination is key to promoting transparency and protection of the integrity of the financial system by providing both private sector and relevant public sector's competent authorities with the necessary intelligence, analysis and data necessary to prevent and combat TF.

Similarly, private sector institutions look to the public sector for information on trend analysis, patterns of behaviors, targeted suspects or geographical vulnerabilities in order to better manage their risk exposure, monitor their transaction flows and provide a more useful input to law enforcement. Public and Private sector institutions can therefore be a good source as well as target of information flow. In this regard, a continuous dialogue between the public and private sectors must be maintained.

CFT stakeholders should not be unduly prevented from participating in CFT risk management, mitigation and information sharing. The Government seeks to promote PPP and PPC in the CFT Strategy is as shown in the organogram below:

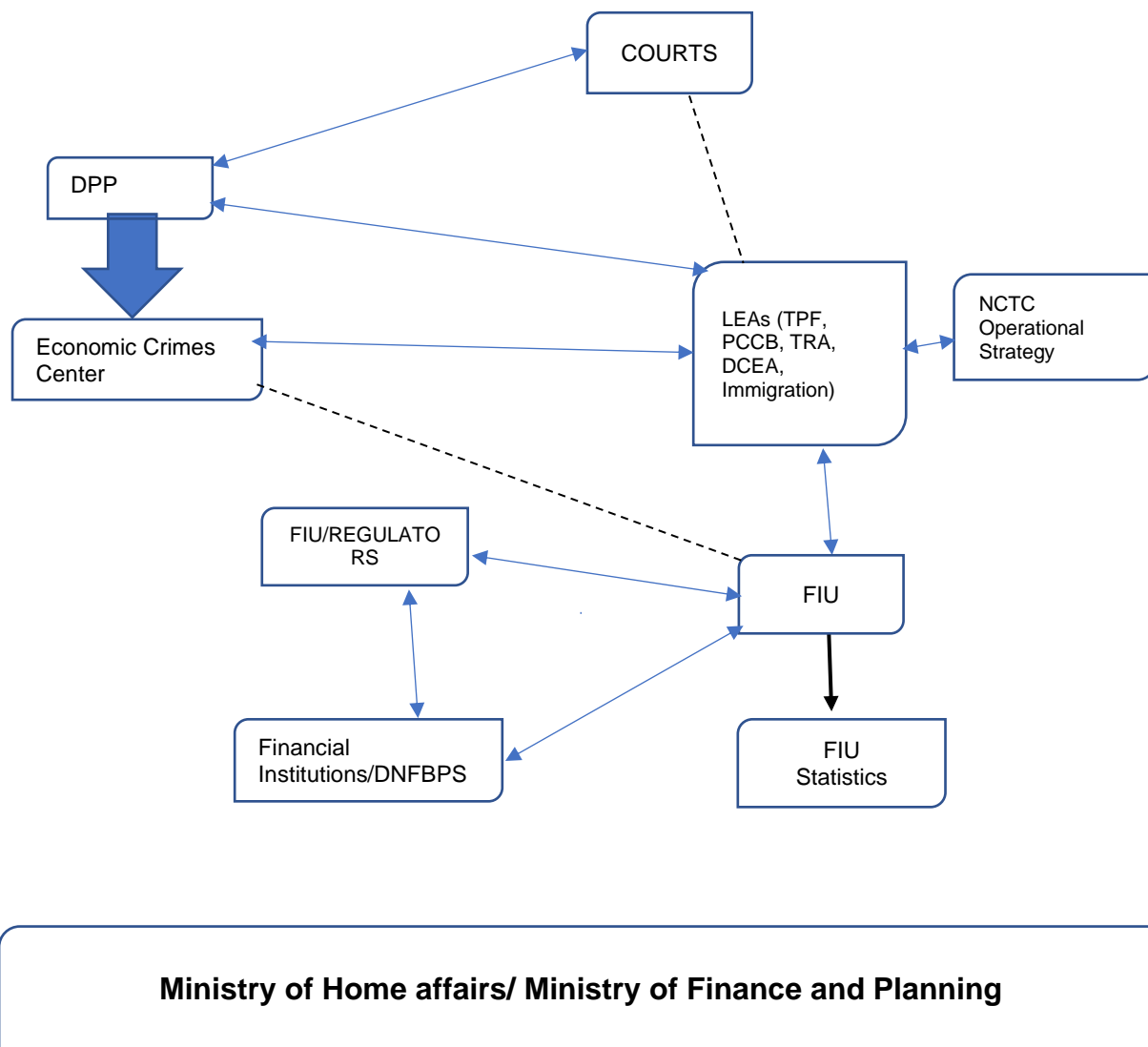
URT CFT Organogram

The Organigram is for implementation of the CFT Strategy and National TF Risk Assessment



2.3.3.4(b) TF Investigation and prosecution

Under the existing framework, URT has multiple agencies that are involved directly and indirectly in combating TF as shown in the diagram below:



Each of the agencies is equipped differently with its own unique capacities and mandate thus necessitating the need to put their efforts together in the CFT quest. This, therefore, calls for close collaboration between law enforcement agencies in order to ensure the safety and security of the country’s financial system. There is need to ensure a collaborative approach for investigations and prosecution of TF to enhance the optimal use of shared TF information among the various law enforcement agencies and the ability to prosecute cases in the most efficient and effective manner. Familiarity among law enforcement

agencies, before any crisis, enhances each other's capacity in handling emerging issues during investigations and prosecution.

The Directors of Public Prosecution (DPP) of Tanzania Mainland and Tanzania Zanzibar are mandated upon consultation with the Inspector of General of Police, the Director of Criminal Investigation and other investigative agencies, to establish Task Forces. In exercise of this power, in 2023 the DPPs established the Economic Crimes Center (ECC) that is mandated to investigate and prosecute ML and TF cases. The operational procedures of ECC is provided for in the Standard Operating Procedures and Operational Guidelines.

2.4 SWOC Analysis

The assessment of Strength, Weaknesses, Opportunities and Challenges has been conducted with the view of identifying the strengths, proper utilization of opportunities, and taking corrective measures to address weaknesses and challenges. Detailed SWOC analysis matrix is shown in **Appendix I**.

2.5 CFT Assessment

National Money Laundering and Terrorist Financing Risks

As a cornerstone to implementing effective and robust AML/CFT/CPF regimes and pursuant to FATF recommendations, jurisdictions are obliged to understand money laundering, terrorist financing and proliferation financing (ML/TF/PF) risks and to adopt a Risk-Based Approach (RBA) and allocate resources according to the identified risks in order to effectively mitigate them.

To enhance its AML/CFT regime, the United Republic of Tanzania conducted its first National Money Laundering and Terrorist Financing Risk Assessment (NRA) from September 2015 to December 2016 using the World Bank Methodology on Money Laundering and Terrorist Financing risk assessment.

The Assessment involved assessment of ML/TF risk in 19 sectors which are: Banking; Insurance; Securities; Real Estate; Electronic Money Issuers; Dealers in Precious Metals and Stones; SACCOS; Accountants and Auditors; Lawyers, Notaries, Attorneys and other independent legal professionals; Micro Credit Institutions; Bureaus de Change; informal financial groups; Money or Value Transfer Services; Informal Value Transfer (hawala) Services; Pension Fund Managers; Casinos and other gaming activities; Auctioneers; Dealers in Works of Art; and Motor Vehicle Dealers. The assessment determined ML/TF threats, vulnerabilities and risk in each of the mentioned sectors, as well as prominent crimes that generate illegal proceeds that are subsequently laundered. Nevertheless, the Risk Assessment did not take into consideration, among other things, various sectors vulnerability to TF. In 2022 a separate TF Risk Assessment was conducted and reviewed in year 2023. The objectives were to identify the overall Threats and Vulnerabilities of the country to terrorist

financing; to review the adequacy of measures in URT to prevent and mitigate Terrorism and Terrorist Financing and to prioritize actions and resources that will improve the country's risk-based Counter-Terrorist Financing (CTF) actions.

The Overall Terrorist Financing risk at the national level is assessed to be **MEDIUM LOW** whereby **TF Threat is Medium-Low** while **TF Vulnerability is Medium-Low**.

Key findings from the 2023 TF Assessment indicated as follows:

- TF risk to NPO sector is **Medium**;
- TF risk from organized crime is **Medium**;
- TF risk to dealers of precious metals and stones is **Medium**;
- TF risk to banking sector is **Medium Low**;
- TF risk to Money and Value Transfer Services is **Medium**;
- TF risk to cross border currency transportation is **Medium**; and
- TF risk to hawala is **Medium Low**.

The TF risk assessment report provided a number of recommendations including:

- Registrars should conduct "sectoral risk assessment" to categorize existing NPOs available in their various registries depending on their risk status (high, medium or low) and apply TF risk-based supervision;
- Registrars should ensure NPOs financial transactions are conducted through banks to avoid use of cash transactions;
- Registrars should ensure compliance by NPOs on submission of audited financial statements on timely basis;
- Registrars should ensure effective, proportionate and dissuasive sanctions are imposed to non-compliantly NPOs;
- Before registering of foreign NPOs registrars should conduct enhanced screening against TFS designated list;
- Investigation of offences [such as trafficking in wildlife and poaching, trafficking in timber and charcoal, drugs trafficking, illegal smuggling of mining, trafficking in counterfeit goods and smuggling of Immigrants]

LEAs should conduct parallel financial investigation with a view to ensuring proceeds emanating from this are confiscated/forfeiture and elevate chances of the use of such proceeds for TF;

- Patrol on the borders with neighboring countries should be increased in order to mitigate or minimize threats of attack or movements of criminals.
- Cooperation with neighboring countries to strengthen security at their borders should be given high priority;
- There is a need to amend AMLA, AMLPOCA and Mining Act to empower the Mining Commission to supervise DPMS for the AML/CFT/CFP purposes;
- The Mining Commission and FIU should conduct “sectoral risk assessment” to enable categorization of existing DPMS depending on their ML/TF risks levels and apply TF risk-based supervision;
- The Mining Commission should ensure effective, proportionate and dissuasive sanctions are imposed to any non-compliant DPMS;
- The Mining Commission should before licensing DPMS conduct screening of the applicants against TFS designations;
- Bank of Tanzania (BOT) should conduct “sectoral risk assessment” to enable categorization of existing licensees depending on their TF risk and apply risk-based supervision;
- BOT should ensure effective, proportionate and dissuasive sanctions are applied for non-compliant licensees;
- Before licensing a bank to operate in URT the BOT should conduct enhanced screening against TFS designated list;
- TRA should strengthen the customs department to raise its detection capacity so that any person who contravenes the declaration requirements is prosecuted and the undeclared amount forfeited /confiscated as required by the law;
- TRA should finalize the automation of CBDC and implement the submissions to FIU accordingly;
- LEAs should enhance capacity to investigate source and purpose of non-declared funds and negotiable instruments;

- There need for BOT in collaboration with LEAs to conduct research so as to determine the extent, magnitude and threat of Hawala Remittances in URT; and
- Financial Regulators should enhance financial inclusion efforts to discourage use of Hawala.

Mutual Evaluation of the URT AML/CFT/CPF Regime

The URT was evaluated by ESAAMLG for the second round from October, 2018 July 2019 and MER was published June 2021. The Mutual Evaluation assessed Technical Compliance to the 40 Recommendations and Effectiveness on AML/CFT/CPF legal and institutional framework against 11 FATF Immediate Outcomes. In terms of Technical Compliance, URT attained the following ratings: three (3) Compliant, 11 Largely Compliant, 17 Partially Compliant and nine (9) non-Compliant. In terms of effectiveness, URT attained two (2) Moderate Effectiveness rating and nine (9) Low Effectiveness ratings.

Based on the above cited results, the URT performance was considered to be not satisfactory and the main deficiencies identified are as follows:

- (a) URT has a limited understanding of ML/TF risks and it has not applied RBA to combat ML/TF;
- (b) there is low AML/CFT/CPF awareness among FIs, DNFBPs, competent authorities and other AML/CFT/CPF stakeholders;
- (c) URT lacks a written AML/CFT/CPF policy/strategy;
- (d) AML/CFT legislation have some deficiencies and need to be amended;
- (e) Financing of Proliferation of Weapons of Mass Destruction has completely not been addressed in URT;
- (f) URT does not implement targeted financial sanctions as required by the relevant United Nations Security Council Resolutions (UNSCRs) including UNSCR 1267 and 1373;
- (g) URT does not apply seizure and confiscation of assets as a policy objective. It predominantly seizes instrumentalities of crime rather than proceeds of crime;
- (h) URT does not keep adequate and accurate statistics on ML/TF;

- (i) Measures in URT to obtain and maintain or update beneficial ownership information are inadequate;
- (j) There are inadequate staff among competent authorities to conduct analysis of STRs and other reports, to investigate as well as to prosecute ML/TF offences;
- (k) Competent authorities make very little use of financial intelligence made by the FIU, they predominantly only investigate and prosecute predicate offences, leaving out the offences of ML/TF; and
- (l) URT does not seek Mutual Legal Assistance (MLA) on ML/TF cases and extradition.

2.6 Key issues for Implementation, Risks and Proposed Mitigation Measures

This Strategy identifies the following priorities:

- Increase transparency and close legal and regulatory gaps in CFT framework;
- Making the CFT regulatory framework for financial institutions and reporting more efficient and effective.;
- Enhance operational effectiveness in prevention, investigation, and prosecution and adjudication of TF cases;
- Supporting technological innovation and harness technology to mitigate TF risks;
- Promote inter-agency corporation and coordination in prevention, investigation and prosecution of TF cases.

The details of each of these key issues and the related supporting actions are as follows:

2.6.1 To increase transparency and close legal and regulatory gaps in CFT framework, the Government is seeking to prevent TF exploitation of access to the financial system by means of shell companies and the use of cash in business particularly, real estate, motor vehicle and precious stones and metals purchases, which are identified as high areas. The supporting actions include promulgation of rules and regulations for

implementing beneficial ownership information (BOI) reporting requirements and to address cash transactions in high TF risk areas.

2.6.2 To monitor development of Digital Assets and the extent to which digital assets are used for TF the Government will explore opportunities to mitigate the risks through regulation, supervision, public-private engagement, oversight, and enforcement.

2.6.3 To make the CFT regulatory framework for financial institutions more efficient and effective, the government plans to achieve this by providing clear compliance guidelines, sharing information appropriately, and fully resource supervision and enforcement. The supporting actions on this include:

- (a) Public and private sector exploration of modifications and updates to CFT reporting requirements, such as automating certain suspicious activity reports (SARs) and currency transaction reports (CTRs);
- (b) enhancing risk- based approach supervision, including updating the CFT regulations consistent with the CFT National Priorities;
- (c) resourcing supervision for certain nonbank financial institutions or providers of certain higher risk financial services (such as virtual asset-focused financial institutions).

2.6.4 To enhance interagency cooperation in combating TF, the Government aims to support enhancing the efficacy of law enforcement, in partnership or support of international cooperating agencies. The necessary supporting actions include:

- (a) regularly updating and communicating TF risks and CFT national priorities.
- (b) prioritizing targeted measures and interagency coordination to disrupt TF, including by empowering and optimizing law enforcement, modernizing the architecture of the financial sanctions/penalties for non-compliance, and improving the efficiency and effectiveness of asset recovery programs.;

(c) government's engagement on information sharing beyond the financial institutions to include private sector companies at the intersection of payments and merchandise purchases, including licensing certain money services businesses to provide virtual (digital) asset services (VASPs) to allow them to locate accounts and transactions for individuals identified in TF.

2.6.5 Strengthening implementation of CFT standards by supporting FATF's efforts, providing other jurisdictions with Mutual Legal assistance; coordinating effectively other information sharing initiatives with foreign partners, and strengthening the risk-based approach to supervision, especially of those businesses that provide critical products and services to customers at risk of exclusion.

2.6.6 To support technological innovation and harness technology to mitigate TF risks, the Government aims to promote the use of new technologies to keep advancing the CFT supervisory and regulatory framework while maintaining the capabilities to identify and address new technology-enabled vulnerabilities, including regulatory gaps, that could be exploited for TF. The necessary supporting actions in this priority area include the use of technology to improve private sector CFT compliance, including development of digital identity solutions, updated customer identification programs, and incentivizing the use of Artificial Intelligence for transaction monitoring; enhancing the use of Artificial Intelligence (AI) and data analytics in government efforts to combat illicit finance; employing advanced tools and processes to operationalize bulk datasets and optimize the use of Suspicious Activity Reports in trend analysis and generating leads; and encouraging financial institutions to adopt and leverage similar capabilities, particularly concerning to virtual assets and ransomware.

2.7 Critical issues for Implementation, risks and mitigations

The URT is committed to and places a high priority on ensuring that critical issues arising from the SWOC Analysis, MER and Risks Assessments referred to in paragraphs 2.4 and 2.5 that may impair implementation of the CPF efforts to achieve the intended objectives are fully dealt with. Eight (8) critical issues requiring strategic planning and implementation have been identified, the risks for their non-implementation also have been identified and mitigation measures to avert the identified risks are proposed in **Table No. 1.0** below implementation of which are embedded in Specific Objectives detailed in **Chapter Four**.

Table 1.0: Critical issues for Implementation, risks and mitigations

S/N	CRITICAL ISSUES	RISK	MITIGATION
1.	Awareness and capacity building to conduct risk assessments on TF among stakeholders.	<ul style="list-style-type: none"> continued contravention of the law and inadequate commitment; FATF Blacklisting for noncompliance with international standards 	<ul style="list-style-type: none"> conducting Risk Assessments at all levels, national, sectoral and institutional conduct training and outreach programmes.
2.	Appropriate legal framework on TF and TFS	<ul style="list-style-type: none"> loss of country reputation (UN and FATF sanctions); weak rule of law and good governance and threat to social and economic development; and lack of safety in the financial system. 	<ul style="list-style-type: none"> Enhance political commitment to the implementation of the international standards; To continuously update the laws consistence with standards and best practice.
3.	Inter-agency cooperation	<ul style="list-style-type: none"> Limited capacity; Lack of interoperability; Constraints in terms of resources; 	<ul style="list-style-type: none"> Formulate, review and effectively implement appropriate guidelines laws and policies on inter agency cooperation; Create conducive mechanism of information

S/N	CRITICAL ISSUES	RISK	MITIGATION
		<ul style="list-style-type: none"> Operating in silos. 	<ul style="list-style-type: none"> sharing on TF at various agencies; Contribute and cooperate to cross cutting activities at various institutions; Periodic allocation and use resources.
4.	Supervision of reporting entities on TF risk sensitivity.	<ul style="list-style-type: none"> Low implementation of TFS Failure to understand and identify TF risks Increase noncompliance incidences; 	<ul style="list-style-type: none"> Robust legal and institutional framework on TF preventive measures for reporting entities; Continuous learning from other jurisdictions on best practices. Impose effective, proportionate, and dissuasive sanctions Conduct oversight of reporting persons
5.	Accessibility of Beneficial ownership of legal persons and legal arrangements to all reporting persons to enable them identify and verify the BO information.	<ul style="list-style-type: none"> lack of transparency leading to the use of legal persons and arrangements by terrorist financiers to finance terrorist or for income from dividends through ownership; Inability to implement /comply with the law on TF identification and verification. 	<ul style="list-style-type: none"> Existence of robust legal and institutional framework in support of BO identification and verification; Availability of databases on BO information at various registries, open sources (social media) and private sources
6.	Effective use of financial intelligence	<ul style="list-style-type: none"> Lack of focused investigation on TF based on high-risk areas; Non availability of comprehensive statistics on TF; 	<ul style="list-style-type: none"> Create cadre of qualified and suitably experienced trainers on the use of financial intelligence report both domestically and internationally; Train and create professional TF analysts, investigators and

S/N	CRITICAL ISSUES	RISK	MITIGATION
		<ul style="list-style-type: none"> • Inability of the LEAs to understand the patterns and trends on TF; • Inability of the LEAs to follow, seize, confiscate or forfeit the funds and assets involved in TF; • Inability of LEAs to identify and trace the TF stages and network • Lack of sufficient financial information to assist investigation 	<p>prosecutors.</p> <ul style="list-style-type: none"> • Having a comprehensive statistical tool on TF. • Operationalization of ECC
7.	Prevent TF abuse on NPOs	<ul style="list-style-type: none"> • Exploitation of legitimate NPO sector as conduit for TF; • Misappropriation of funds designed for welfare purposes to support TF; • Undermining the rule of law; • Instability of national security, peace and economy. 	<ul style="list-style-type: none"> • Maintain effective and robust legal and institutional framework for supervision of NPO sector; • Implementing effective monitoring of registration and activities of NPO sector. • Enhance transparency of NPOs operations
8.	Application of appropriate sanctions on TF offences	<ul style="list-style-type: none"> • Financial system and economy abused by TF perpetrators; • Undermining the rule of law; • Instability of national security, peace and economy 	<ul style="list-style-type: none"> • Existence of robust legal and institutional framework for investigations, prosecution and adjudication of TF offences; • Enhance capacity of investigations collection, prosecution and adjudication of TF cases; • Enhancing capacity of

S/N	CRITICAL ISSUES	RISK	MITIGATION
		<ul style="list-style-type: none"> • Inclusion to FATF black list; • URT sanction being by international community 	<p>identification, tracing, seizure and confiscation of terrorist finance.</p> <ul style="list-style-type: none"> • Implementing TFS • Apply effective, proportionate and dissuasive sanctions on TF cases

CHAPTER THREE

Vision, Mission and Objectives

3.1 Vision

An efficient, effective, coordinated and sustainable CFT regime.

3.2 Mission

Applying effective legal and institutional mechanisms comprising of a wide range of measures, actions and programs, consistent with best practice and international standards informed by TF risks, and recognizing the importance of synergies, in enforcement of CFT.

3.3 Objectives

General Objective

Efficient, effective, corporation and coordinated approach to the implementation of the CFT measures in the country enhanced.

Specific Objectives

In order to effectively meet the general objective referred to above, the National CFT Strategy 2023/24-2027/28 shall be guided by the following specific objectives:

- (a) Risk based approach in countering TF effectively applied;
- (b) Domestic and international CFT stakeholders' cooperation attained;
- (c) Supervision of Reporting Persons and application of CFT preventive measures effectively implemented;
- (d) Analysis, investigation, prosecution and adjudication of TF offence by Competent Authorities improved;
- (e) Transparency on BO information control of legal persons and legal arrangements for CTF purposes accessed;
- (f) United Nations resolutions, conventions and other international and regional agreements relating to CFT implemented;
- (g) New products, technologies, services, delivery channels and other business practices with TF risks mitigated launched;
- (h) Financial services that leave audit trail made available.

CHAPTER FOUR

The CTF Strategy 2023/24-2027/28

4.1 Objective 1:

Risk based approach in countering TF effectively applied.

4.1.1 Strategies

- (a) Continuous understanding of TF risks; and
- (b) Effective mitigation of TF risks.

4.1.2 Targets

- (a) CTF awareness-raising on risk-based approach conducted by 2028;
- (b) TF risk assessments at the national, sectoral, and institutional levels conducted, regularly reviewed and updated by CTF stakeholders by June, 2028; and
- (c) Resources to assess and mitigate TF risks are allocated annually by June 2028.

4.2 Objective 2:

Domestic and international CFT stakeholders' cooperation attained.

4.2.1 Strategies

- (a) Enhance mechanism and application of domestic and international coordination and cooperation.

4.2.2 Targets

- (b) Interagency competent authorities and PPP meetings conducted on quarterly basis by 30 June, 2028;
- (c) Task forces and networks to foster domestic, cooperation continuous established by June 2028;
- (d) ECC operations supported by June 2027; and
- (e) Agreements for cooperation among domestic and international stakeholders periodically entered and implemented by June 2028.

4.3 Objective 3:

Supervision of Reporting Persons and application of CFT preventive measures effectively implemented.

4.3.1 Strategies

- (a) Raising awareness and compliance on obligations on CFT preventive measures.
- (b) Periodically review of legislation to enhance provisions on Customer Due Diligence (CDD), maintenance of customer records, internal controls, and reporting STRs and implementing TFS.

4.3.2 Targets

- (a) Level of awareness of CFT preventive measures increased to at least 80% from the current 10% by June 2028;
- (b) Level of compliance with CFT preventive measures increased to at least 80% from the current 10% by June 2028; and
- (c) CFT guidelines to reporting persons issued continuously by June 2028.

4.4 Objective 4:

4.4.1 Analysis, investigation, prosecution and adjudication of TF offence by Competent Authorities improved.

4.4.2 Strategies

- (a) Capacity building programs for competent authorities in terms of human, financial and technical resources in place.

4.4.3 Targets

- (a) Use of financial intelligence, parallel financial investigations and prosecution of TF increased from 5% to 80% by June 2028;
- (b) Speed of adjudication of TF cases improved from 2-3 years to 1 year by June 2028; and
- (c) Recovery of assets involved in TF cases increased to 80% by June 2028.

4.5 Objective 5:

Transparency on BO information control of legal persons and legal arrangements for CTF purposes.

4.5.1 Strategies

- (a) Use of IT Systems to obtain, verify and update information on beneficial owners and control of legal persons and legal arrangements;
- (b) Access beneficial ownership and control information of legal persons and legal arrangements provided to all qualifying CTF stakeholders; and
- (c) Use of national identity card and resident identity card for Zanzibar and passport for foreigners as primary identity documents Continuous monitoring and enforcement of laws and regulations concerning registration of mobile phone sim cards.

4.5.2 Targets

- (a) Information on beneficial ownership and control of legal persons and legal arrangements in all registries updated by June, 2024;
- (b) Achieve 100% access of beneficial ownership and control of legal persons and legal arrangements information by all qualifying CTF stakeholders by June, 2028 100% of eligible URT applications for national identity cards issued with relevant smart IDs by June 2028; and
- (c) 100% registration of registration of sim card achieved by June 2024.

4.6 Objective 6:

United Nations resolutions, conventions and other international and regional agreements relating to CFT implemented.

4.6.1 Strategies

- (a) Implement CFT related UNSCRs, and Regional and International agreements.

4.6.2 Targets

- (a) 80% legal and institutional framework and CFT mechanism related with UNSCRs, Regional and International agreements streamlined by June, 2028; and
- (b) 80% implementation of Resolution 1267 and 1373 of by June, 2028.

4.7 Objective 7:

New products, technologies, services, delivery channels and other business practices with TF risks mitigated launched.

4.7.1 Strategy

- (a) Establish mechanism for TF risk mitigation for new products, technologies, services, delivery channels and other business practices.

4.7.2 Target

New products, services, delivery channels and practices and technologies with TF risks understood and mitigated by June 2028.

4.8 Objective 8:

Financial services that leave TF audit trail made available.

4.8.1 Strategies

- (a) Create conducive environment and encourage the use of formal financial services and financial inclusion products; and
- (b) Enforce and monitor declarations of cross border currency and bearer negotiable instruments and cash transactions.

4.8.2 Targets

- (a) 100% use of financial inclusion products with low and mitigated TF risks attained by June, 2028;
- (b) 65% use of formal financial services attained by June, 2028;
- (c) 100% cross border declarations of currency and bearer negotiable instruments attained by June, 2028; and
- (d) 80% reporting of cash transactions by all stakeholders attained by June, 2028.

The detailed Log Frame for Implementation of AML/CTF/CPF Strategy indicating the responsibilities of specific institutions on specific actions is attached hereto as **Appendix II**.

CHAPTER FIVE

Roles and Responsibilities of Key Stakeholders

5.1 Introduction

The CFT Strategy 2023/24-2027/28 mainly focuses on creating an enabling environment for effective implementation of CFT measures in the URT in order to establish a robust regime. Such an enabling environment shall be coordinated by the National Multi-Disciplinary Committee (NAMDC).

5.2 Assignment of Duties and Responsibilities Among Stakeholders

The key implementers of the CTF Strategy, 2023/24-2027/28 can be classified into two broad categories comprising the public sector and the private sector. The public sector includes the Ministries and other Independent Government Departments, the National Multi-Disciplinary Committee on Anti-Money Laundering, the Financial Intelligence Unit, Law Enforcement Agencies, Regulators, Prosecution Services and the Judiciary.

The Private Sector is mostly made up of Reporting Persons comprising Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBP), i.e Lawyers, Accountants, Dealers in Precious Stones and Metals, Clearing Agents, Land Developers, Auctioneers, Motor Vehicle Dealers, Gaming Operators and Real Estate Agents.

The Public Sector (Government)

(a) Ministerial Level

The Ministries responsible for finance in Tanzania Mainland and Zanzibar will champion this strategy and will be overall in charge over its administration. The Ministry of Home Affairs will be responsible for matters relating to prevention and investigation of TF crimes through the Police Force, processing domestic designation for TFS and communicate them to the members of the public. The Ministry of Foreign Affairs and East African Co-operation will be responsible for matters relating to regional and international cooperation, including the United Nations on matters relating to Resolutions, conventions and communication to the Government of Tanzania. The Ministries responsible for Constitutional and

Legal Affairs in Tanzania Mainland and Zanzibar will be responsible for legal matters including the enactment and amendment of laws, extradition and mutual legal assistance through NPS/ODPP Zanzibar.

(b) The National Committee

The National Committee is an CFT coordinating authority in Tanzania and is also responsible for advising the Government of the United Republic and the Revolutionary Government of Zanzibar on CFT matters generally. It will be responsible for monitoring implementation of this strategy and advising the Governments as appropriate. In this regard the National Committee will receive report of the implementation of this Strategy and guide as appropriate,

(c) Other Stakeholders

Other stakeholders that are directly responsible for implementing this strategy are:

- i) The Financial Intelligence Unit shall receive and analyses STRs and other information relevant to terrorist financing offences and disseminate intelligence to LEAs for investigations and prosecution, and supervisors of reporting persons for CTF compliance;
- ii) Law enforcement agencies that shall investigate TF offences and submit cases to Prosecution Services, as well as identify, trace assets related to TF and conduct civil assets forfeiture;
- iii) Regulators that shall supervise Reporting Persons for CFT compliance and issuance of effective, proportionate, dissuasive sanctions for non-compliance;
- iv) Prosecution services that shall prosecute TF offences as well as conduct case proceedings, civil and criminal assets forfeiture;
- v) Registries shall keep, maintain and update KYC/CDD information of natural persons, legal persons and legal arrangements, and shall avail the necessary information to CFT stakeholders. Information on legal persons and legal arrangements shall include beneficial ownership and control information; and
- vi) Judiciary shall adjudicate TF offences.

The Private Sector

The private sector is a key player under the CFT strategy. The private sector comes in primarily as Reporting Persons who can be divided into Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs). Financial Institutions include Banks, Insurance Companies, Securities Dealers, Money or Value Transfer Services (MVTs), while DNFBPs include Lawyers, Accountants, Dealers in Precious Stones and Metals, Clearing and Forwarding Agents, Land Developers, Auctioneers, Motor Vehicle Dealers, Gaming Operators and Real Estate Agents. Reporting Persons are required to implement KYC/CDD measures, to monitor customer transactions and submit STRs and other information to the FIU. They are also required to report other information to other competent authorities and ensure that their products, services and delivery channels are not abused for TF purposes.

Academic and Professional Institutions

Public and private academic and professional institutions will be responsible for researching and providing CTF education to CTF stakeholders and other parties.

The General Public

Members of the general public should be aware of the crimes of TF, and their obligations under CFT legislation. Primarily, the public should refrain from committing and facilitating TF crimes. In addition, they shall be ready to cooperate with authorities and other stakeholders when discharging their duties and responsibilities.

CHAPTER SIX

Monitoring and Evaluation Framework

6.1 Introduction

CFT Strategy Monitoring and Evaluation (M&E) system is instituted as a review mechanism to monitor progress and assess the level of attainment of specific set targets.

The Ministries responsible for finance, Tanzania Mainland and Zanzibar will be the overall in charge and the National Committee will be responsible for overall monitoring and evaluation of the Strategy. For effective monitoring and evaluation, each stakeholder will have to establish a reliable internal monitoring system and ensure capacity is available to assess efficiency and effectiveness of their respective organizations in relation to the Strategy.

The Monitoring and evaluation will involve, among other things conducting baseline survey, establishing performance indicators, and setting M&E framework. Tracking progress on implementation of the milestones and targets will be done periodically. In addition, there will be an annual review, which will focus on assessing whether the planned activities are in line with the achievement of the set targets. Mid-term review of this Strategy will be done every year and whenever the need arises. Moreover, there shall also be oversight and supervision to ensure effective implementation of the Strategy. Audit and compliance functions at the Institution level shall also form part and parcel of the oversight under this Strategy.

Detailed Performance Indicators matrix which is in **Appendix III** elaborates the way to monitor and evaluate implementation of the Strategy.

6.2 Objectives and Guiding Principles of CTF Strategy M&E Framework

Overall and Specific Objectives

The overall objective of M&E Framework is to guide the implementation of the Strategy and its objectives with a view to maximizing efficiency and effectiveness of the intervention mechanism. Specifically, the M&E framework intends to:

- (a) establish benchmark of indicators for the Strategy and programme assessment;
- (b) set targets and standards for policy implementation;
- (c) guide actors' participation in implementation and monitoring activities; and
- (d) control use of resources during implementation.

Guiding Principles of M&E

The CTF Strategy monitoring and evaluation framework will be under the following guiding principles:

- (a) Harmonization of this M&E framework with other M&E systems of the Government;
- (b) Adoption and use of result-based management system;
- (c) Start from the current situation;
- (d) Capacity building on current M&E activities; and
- (e) Flexibility in revising the M&E framework.

6.3 Scope of M&E Framework

The M&E framework covers the following scope:

- (a) Measurements of input, process, outputs, outcomes and impacts of the CFT 2023 Strategy implementation;
- (b) Database and reports shall be used for the CFT 2023 Strategy Monitoring and Evaluation framework; and
- (c) Monitoring of planning and implementation thereof, including the financial and actual progress.

6.4 Data Collection and Analysis

Data for monitoring and evaluation will be collected routinely using appropriate tools such as; periodic performance reports, activity reports, mutual evaluations, risk assessments, oversight and the compliance reports. The central data bank to be established will facilitate easy access of data for M&E. The data collected will appropriately be evaluated, collated, and analysed. The actions thereafter will reflect results of that analysis.

6.5 Reporting Schedule

Reporting schedule for the Strategy Monitoring and Evaluation Framework is elaborated in **Table 2.0** below:

Table 2.0: Reporting Schedule for the Strategy Monitoring and Evaluation Framework

Type of reports	Contents	Frequency
NAMDC	A consolidated report covering the key indicators outlined in the Strategy	Semi-annual/Annually
Ministries, Departments and Agency (MDA) reports	Performance reports on implementation of activities in accordance with the provisions of the strategy	Quarterly/Annually
Regulators	Performance reports on implementation of CFT activities in accordance with the provisions of the strategy	Quarterly/Annually
FIU	Performance reports on implementation of activities in accordance with the provisions of the strategy	Quarterly/Annually
Prosecution Services and LEAs	Performance reports on implementation of activities in accordance with the provisions of the strategy	Quarterly/Annually
Reporting Persons	Performance reports on implementation of CFT activities in accordance with the provisions of the strategy.	Quarterly/Annually
Researchers, Civil Societies, Academicians and Media Houses	Surveys and Studies on AML/CFT/CPF issues and provisions of this strategy.	Quarterly/Annually and on ad hoc basis

Reporting Flow

The reports on achievement of targets and milestones will be prepared by responsible institutions and forwarded to the National Committee for consolidation. The National Committee will produce consolidated performance reports on semi-annual and annual basis and submit it to MOFP/PO-MOF Zanzibar for record and necessary action.

Feedback Mechanism

Feedback Mechanism provides a two-way flow of information between report producers and users, the feedback should be incorporated in the lateral linkages among stakeholders to improve the quality of reports and report submission.

6.6 Use of Monitoring and Evaluation Information

The M&E reports will be used by the Ministries, MDAs, Prosecution Services, LEAs, FIU, Regulators, Reporting Persons, Regional and International Bodies, Researchers, Civil Societies, Academicians and Media Houses and other stakeholders for:

- (a) Compliance and better services delivery;
- (b) Self-assessment and improvement;
- (c) Mutual Evaluation and Risk Assessment;
- (d) Decision making;
- (e) Planning; and
- (f) Resources allocation.

Appendices

Appendix I: SWOC Analysis

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
1.	TF risk identifications and assessment	<ul style="list-style-type: none"> (a) Existence of political will. (b) Existence of law requiring all reporting person, regulators and the national committee to ensure understanding of risks, conducting assessments and putting in place mitigation measures; (c) Availability of TF Risk Assessment of 2023 and National Risk Assessment of 2016; (d) Availability of risk Assessment guidelines; (e) Initiation of Institutional and sectoral risk assessments; (f) Availability of domestic experts 	<ul style="list-style-type: none"> (a) Lack of awareness and inadequate capacity to conduct risk assessments on TF among many stakeholders; (b) Outdated National Risk Assessment; (c) Inadequate financial resources; and (d) Lack of sufficient domestic tool/mechanism to undertake risk assessment. 	<ul style="list-style-type: none"> (a) Availability of retail and internationally acceptable tools for conducting TF Risk assessments; (b) Technical Assistance and funding support for capacity building and conduct risk assessments; (c) International standards and recommended best practices; and (d) FATF's specific guidelines and typology reports. 	<ul style="list-style-type: none"> (a) Rapid change of TF risk landscape; (b) Most of available tools are generic and some are cumbersome to use particularly for small or medium size Reporting persons; (c) technical assistance may not be available for small or medium size reporting person or DNFBPs; (d) Rapid change of technology may result to added costs for procuring the relevant tool to reporting persons; (e) The global and transnational nature and reach of financial institutions and DNFBPs, the greater role of intermediaries, and the uneven development, even divergence, of the world's economic systems; and (f) Informal economic sector coupled with 'cash economy' hamper tracking financial trail.

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
2.	Domestic coordination on CTF	<p>(a) Existence of legal and intuitional frame work providing for mandatory cooperation, exchange of information and coordination;</p> <p>(b) National Committee as AML/CFT/CPF coordinating organ/authority;</p> <p>(c) Established Economic Crime Centre to enhance parallel investigations;</p> <p>(d) Existence of institutional databases to maintain statistics and having access with other stakeholders' databases;</p> <p>(e) Support of human and financial resource; and</p> <p>(f) Preparedness and willingness of institutional leaders to cooperate.</p>	<p>(a) Lack of awareness of laws requiring exchange of information and cooperation initiatives;</p> <p>(b) Lack of adequate funds and commitment, irresponsibility, poor infrastructure and lack of skilled staff;</p> <p>(c) Physical structural separation of institutions resulting to loss of ad hoc communication and lack of contact among team members; duplication of processes and problems of time management.</p>	<p>(a) Sound planning and having roadmap of the goals;</p> <p>(b) Sound organizational structure with clearly defined objectives and defined individual roles with emphasis on corporation and coordination;</p> <p>(c) Formation of Committees, forum of focal persons or joint action;</p> <p>(d) Comprehensive policies, strategies and programs for coordination and cooperation;</p> <p>(e) Voluntary Cooperation and effective Communication;</p> <p>(f) Investing in the coordination and cooperation mechanisms and tools through capacity building both in human and financial resources;</p> <p>(g) Provision of feedback and rewards; and</p> <p>(h) Exitance of international partners assisting on technical skills.</p>	<p>(a) In absence of coordination duplication e of activities</p> <p>(b) lack of trust among stakeholders and failure of implementation of plans, policies or strategies in a coordinated manner. This may also be caused by participating agencies or individuals having a history of poor relations with each other or they may never have worked with each other before and therefore causing suspicion and doubt and lead them to see each other as threats, competitors, or untrustworthy;</p> <p>(c) Threats to Autonomy as some institutions fear that coordination will reduce their freedom to decide over their own programs;</p> <p>(d) Disagreement among operational agencies as persons or groups disagree about needs to be met, services to be provided, programming approaches; and</p> <p>(e) The diversity of mandates, policies, and procedures, as well as ideologies, values, and vested interests among organizations, leads to fragmentation within the "human response" system.</p>

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
3.	International cooperation	<p>(a) Existence of International standards for international cooperation;</p> <p>(b) Existence legal and institutional framework supporting international cooperation.</p> <p>(c) Membership to regional and international organizations;</p> <p>(d) Existence of MOUs or MMOUs on international cooperation and information exchange and assistance on investigation;</p> <p>(e) Commitment of the Government to institutionalize international cooperation for CFT</p>	<p>(a) Inadequate human and financial resources to support international obligations</p>	<p>(a) Building a comprehensive and efficient international capacity;</p> <p>(b) Ratifying and implementing international conventions;</p> <p>(c) Complying with the FATF Recommendations and other sector-specific international standards;</p> <p>(d) Availability of cooperating regional and international bodies;</p> <p>(e) Availability of international standards and best practices;</p>	<p>(a) Cumbersome procedures to establish and implement regional and international cooperation</p> <p>(b) Membership to regional and international cooperation is highly demanding in terms of expertise and resources</p> <p>(c) willingness to share information in a timely manner is a challenge;</p> <p>(d) International cooperation is often defined by coercion and domination, with key actors bullying others into cooperating;</p> <p>(e) Given Tanzania's proximity to countries where terrorist activities and organizations are present, there is likelihood for spillover of radicalization and recruitment in Tanzania.</p>

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
4.	Effective supervision of financial institutions and DNFBPs	<p>(a) Existence of legal frame work designating FIs and DNFBPs as reporting persons;</p> <p>(b) Existence of International standards and Typology studies on risks and trends on ML/TF related to DFNBP; and</p> <p>(c) Availability of resources and tools for supervision.</p>	<p>(a) Inadequate capacity and awareness among supervisors or regulators and DNFBPs; and</p> <p>(b) Inadequate human and financial resources.</p>	<p>(a) Availability of regional and international technical assistance to guide on appropriate methods of supervising the FIs and DNFBPs; and</p> <p>(b) Availability of best practices and international standards</p>	<p>(a) Some DNFBPs are identified as a vulnerable sector and considered attractive channels for TF;</p> <p>(b) The majority of the DNFBP sector constitutes of sole practitioners, and therefore face challenges in complying with their obligations under the relevant AML/CFT legislation;</p> <p>(c) Some DNFBPs do not have resources and manpower available to them to meet their obligations under the law.</p>
5.	Financial institutions and DNFBPs adequately apply preventive measures commensurate with risk and report STRs on TF	<p>(a) Existence of appropriate legal and institutional framework;</p> <p>(b) Guidance, information and support from regulators and the government;</p> <p>(c) Appointment of Money Laundering Reporting Officers in almost all financial institutions and some DNFBPs;</p> <p>(d) Availability of financial resources; and</p>	<p>(a) High compliance costs including putting in place programs, procedures and training of staff;</p> <p>(b) Lack of awareness and capacity for a number of stakeholders; and</p> <p>(c) Slows the pace of transactions; it may even lead to a decision to avoid business relationships with those persons and institutions.</p>	<p>(a) Sharing of compliance costs with related businesses (for example, a subsidiary and holding company or as part of a franchise;</p> <p>(b) Efficient and compliant regime; and</p> <p>(c) Early detection, response, and elimination of inherent and residual terrorist financing risks;</p> <p>(d) Availability of regional and international partners to provide</p>	<p>(a) Core operational systems upgrading to required standards is costly;</p> <p>(b) High turnover of experts among institutions and sectors; and</p> <p>(c) Leads to exclusion of millions of low-income people from formal financial services and denying regulators and law enforcement a key means of strengthening financial integrity.</p>

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
		(e) Proactive identification and correction of deficiencies.		awareness and capacity building; and (e) Availability of different approaches on the design of appropriate CFT controls.	
6.	Legal persons and arrangements are prevented from misuse for TF	(a) Existence of legal frame work that require mandatory maintenance of BO information by all registries of legal persons and legal arrangements and requiring reporting person to conduct enhanced due diligence on legal persons and arrangements where they are considered to pose high risk; (b) Existence of registries which maintain basic and beneficial ownership information; (c) Availability of databases in relevant institutions	(a) Lack of access to BO information to Reporting Persons from registries.; (b) Registries are not harmonized; (c) Information in registries not fully updated, computerized and accessibility is limited; and (d) High cost of maintaining databases.	(a) Availability of commercial registers for holding beneficial ownership information; (b) Possibility of establishment of centralized database at one place to facilitate easier checks or verification by reporting persons and therefore preventing contradictory information; (c) Availability of best practices and international standards; and (d) Availability of external technical assistance to improve registries.	(a) Multiple legal structures and/or corporate vehicles (particularly in the case of offshore entities subject to different laws, regulatory requirements and client documentation; (b) Extensive time delays, to access the necessary ownership information; (c) Assurance of whether or not the information recorded in the register is complete and reliable; (d) Engaging in sideways research in other words using a wide range of secondary sources and registries can quickly become manual, time-consuming and costly undertaking; and (e) Some organizations operate in conflict zones where governance is weak, nor organized and transparent.
7.	Effective use of financial intelligence by	(a) Availability of legal and intuitional frame work;	(a) Unreliable Intelligence Sources;	(a) Establishment of Standard Operational procedures	(a) Changing nature of TF typologies due to technological developments;

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
	competent authorities in terrorist financing offences and activities	<p>(b) Availability of specialized financial investigations unit and National Counter Terrorism Centre.</p> <p>(c) Availability of TF investigators.</p> <p>(g) Availability of ECC a tool for inter-agency cooperation.</p> <p>(h) Formation of accreditation pathway for financial investigators and prosecutors to enhance capacity;</p> <p>(i) Existence Criminal Justice Forum</p>	<p>(b) Lack of standardization leading to duplication of LEAs efforts conducting investigation;</p> <p>(c) Inadequate Intelligence Analysts;</p> <p>(d) Lack of technology capabilities to enable thorough analysis of the information;</p> <p>(e) Lack of specialized financial investigation units in some LEAs;</p> <p>(f) Inadequate resources; Intelligence collection systems are expensive.</p> <p>(g) Inadequate parallel financial investigations operation</p> <p>(h) Due to inadequate feedback mechanism, there is lack of harmonized statics</p>	<p>among financial intelligence units (FIUs), law enforcement agencies and prosecutors (LEAs) that ensures that financial Intelligence records on transactions and other reports are used proactively, retroactively or reactively and strategically;</p> <p>(b) Law Enforcement use Financial Intelligence report to identification financial crime motives aided by the analysis, patterns, trends associations, and links to people, places and underlying criminal activity;</p> <p>(c) Developing practical solutions to assist better demonstration on how financial intelligence is effectively managed among the competent authorities responsible for combating money laundering, associated predicate offences, and terrorist financing;</p> <p>(d) Availability of international standards and best practices on the use of Financial Intelligence reports by the LEAs;</p>	<p>(b) Increased number of insurgency and terrorist groups in neighboring countries;</p> <p>(c) Cross-border transactions lacking audit trail;</p> <p>(d) Cash usage and transportation across the border;</p> <p>(e) Terrorist and terrorist organizations obscure activities through front business; and</p> <p>(f) Transactions to and from conflict zones lack audit trail.</p> <p>(g) People leaving around border areas cooperate with insurgencies and terrorist in neighboring countries.</p>

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
				(e) Availability of technical assistance in global community; and (f) Availability of relevant regional and international bodies to provide guidance, standards and typology studies.	
8.	Terrorist, terrorist organizations and terrorist financiers are prevented from raising, moving and using funds, and from abusing NPO sector	(a) Existence of legal and institutional frame work to monitor transactions; (b) Existence of registries which maintain basic and beneficial ownership information and monitor activities; (c) Guidance, information and support from regulators and the government; (d) Availability of money laundering reporting officers in almost all financial institutions and some DNFBPs; (e) Availability of financial resources; and	(a) High compliance costs including putting in place programs, procedures and training of staff; (b) Lack of awareness and capacity for a number of stakeholders to detect TF; and (a) Slows the pace of transactions; it may even lead to a decision to avoid business relationships with those persons and institutions.	(a) Early detection, response, and elimination of inherent and residual terrorist financing; (b) Availability of regional and international partners to provide awareness and capacity building; and (c) Availability of different approaches on the design of appropriate CFT controls.	(a) Core operational systems upgrading to required standards is costly; and (b) Hidden nature of TF activities and amount. (c) Cyber threat and increase use of new technologies.

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
		(f) Proactive identification and correction of deficiencies. (g) Availability of TF Risk Assessment. (h) Availability of Cross border declarations cash mechanism.			
9.	Application of appropriate sanctions on TF offences	(a) Existence of the legal framework that provides competent authorities with the necessary duties, powers and sanctions, create terrorist financing offenses, enforcement power that provides for freezing, seizing and confiscation of terrorist funding; (b) Existence of proportionate and dissuasive penalties, sanctions or taking administrative measures for contraventions by supervisory authorities, regulators, FIU and courts of law;	(a) Inadequate application of proportionate and dissuasive penalties, sanctions or taking administrative measures for contraventions by supervisory authorities, regulators FIU and court of law; (b) Lack of awareness of regulators/supervisory authorities of their obligation to apply sanctions for contraventions; and (c) Inadequate evidence to sanction TF offences.	(a) Existence of international inter-agency cooperation; (b) Availability of a wide range of supervisory measures, such as warnings, action letters, limitations and conditions for activities of the financial institution, which may be progressive in severity, requiring financial institutions to remedy CFT control deficiencies and any breach of CFT obligations or failure to mitigate TF risks in a timely manner; and (c) Availability of awareness materials globally.	(a) Managing cross-border and multi-jurisdictional contraventions and sanctions;

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
		<p>(c) Availability of a sufficient range of sanctions that can be applied proportionately to greater or lesser breaches of supervisory requirements. This range extend from taking informal remedial actions to taking formal supervisory actions addressing the specific deficiencies identified, effective at ensuring future compliance by the sanctioned institution, and dissuasive of non-compliance by others.</p> <p>(d) Availability of mechanism for implementation of targeted financial sanction</p>			
10.	Proceeds and instrumentalities of crime are confiscated	(a) Existence of legal and institutional framework that allow confiscation of proceeds and	<p>(a) Non implementation of the legal framework;</p> <p>(b) Lack of awareness of stakeholders in the</p>	(a) Available technical assistance, peer-learning programs to provide training to stakeholders with a view to promote the use of best practices on confiscation;	(a) Assets identification, tracing and maintenance is costly; and

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
		<p>instrumentalities of crime;</p> <p>(b) Availability of experienced and knowledgeable staff on assets recovery;</p> <p>(c) Availability of financial resources</p>	<p>investigation, prosecution and adjudication;</p> <p>(c) Inadequate specialized financial investigations and prosecution unit;</p> <p>(d) Insufficient guidance and training, and poor resources to facilitate confiscation seizures, forfeiture of proceeds and instrumentalities of crime;</p> <p>(e) Lack of capacity by appropriate law enforcement agencies (human and financial resources) on the management and disposal of seized and confiscated assets;</p> <p>(f) Incomplete records of tainted assets;</p> <p>(g) Inadequate resources to identify and trace the assets;</p> <p>(h) Lack of unified assets recovery authority/agency and databases</p>	<p>(b) Existence of the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) and other parts which is an informal multi-agency network for participating countries the enables participating members to exchange information, model legislation and laws in asset forfeiture and confiscation;</p> <p>(c) Availability of best practices and international standards to guide;</p> <p>(d) Availability of regional and international bodies to guide;</p> <p>(e) Availability of regional and international cooperation to facilitate information sharing.</p>	<p>(b) Crimes and illegal schemes generating proceeds are becoming more sophisticated and often involve commission of criminal acts in multiple jurisdictions. This makes practical enforcement of criminal legislation more challenging for law enforcement and prosecution agencies.</p>
11.	Relevant UNSCRs and other international and regional	(a) Existence of domestic legal and frame work providing the basis for the implementation of	(a) Lack of awareness to stakeholders on their responsibilities on the Targeted Financial Sanctions issued by UNSCRs; and	(a) Development of efficient and effective means of communication of designations for targeted financial sanctions;	(a) The UNSCRs designation list is updated regularly and involved large number of persons, follow ups on updated may be cumbersome; and

No.	CRITERION	Strengths	Weaknesses	Opportunities	Challenges
	agreements are adhered to	<p>international agreements;</p> <p>(b) URT membership to UN and ratification of by URT to the relevant UN Treaties, Conventions and other international instruments;</p> <p>(c) Designated authorities locally for implementation of UNSCRs;</p>	<p>(b) Lack of verified information for designated or proposed to persons to be designated.</p>	<p>(b) Development of practical guidance to private sector with respect to their obligations on the targeted financial sanctions;</p> <p>(d) Availability of focal persons and ombudsmen at the UN and the relevant UNSC Committee;</p> <p>(e) Well-defined structures at the UN UNSCRs; and</p> <p>(f) Availability of Targeted Sanction list that is updated regularly.</p>	<p>(b) Tracing and matching of designated or proposed persons to be designated is costly.</p>

Appendix II: A Log Frame for Implementation of CTF Strategy 2023/24 – 2027/28

No.	Objective	Strategy	Targets	Activities	Responsible Institution
1.	Risk based approach in countering TF effectively applied	Continuous understanding of TF risks	CTF awareness-raising on risk-based approach conducted by 2024;	(a) Identify and register all FIs and DNFBPs into the goAML System; (b) Conduct CTF workshops, trainings and seminars to FIs and DNFBPs on Risk Assessment.	FIU, Regulators
			TF risk assessments at the national, sectoral, and institutional levels conducted, regularly reviewed and updated by CTF by stakeholders by June, 2028	(a) Conduct sectoral and institutional TF risk assessments in all sectors including NPOs, Mining, Banking, and MVTS; (b) Update Sector Risk Assessments periodically each year; (c) Update Institutional Risk Assessments of reporting persons each year; (d) Review, update and issue guidelines on risk assessment for sectoral and institutional level.	FIU, Competent Authorities, Reporting Persons
				(e) Review of the TF risk assessments annually.	National Committee, FIU, Competent Authorities, Reporting Persons

No.	Objective	Strategy	Targets	Activities	Responsible Institution
		Effective mitigation of TF risks	Resources to assess and mitigate TF risks are allocated annually by June 2028	<p>(a) Develop and publish guidelines on risk-based approach for sectoral and institutional level;</p> <p>(b) Conduct thematic onsite inspection to verify Risks Assessments, mitigation measures and budgetary allocation to risks identified;</p> <p>(c) Allocate resources on CTF basing on risks identified in all sectors including NPOs, Mining, Banking, and MVTs;</p> <p>(d) Conduct outreach to stakeholders including DPMS on identified risks.</p>	FIU, Regulators and Reporting persons.
2.	Domestic and international CFT stakeholders' cooperation attained.	Enhance mechanism and application of domestic coordination and international cooperation.	Interagency competent authorities and PPP meetings conducted on quarterly basis by 30 June, 2028;	(a) Resource National Committee (human and financial resources);	Ministries responsible for finance Mainland and Zanzibar, NAMDC, FIU, LEAs both in Mainland and Zanzibar, Regulators. AGs, NPS, ODPP Zanzibar FIU, LEAs both in Mainland and Zanzibar, Regulators. NPS, ODPP.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				(a) Train focal persons on CFT and exchange of information issues;	FIU, LEAs both in Mainland and Zanzibar, Regulators. NPS, ODPP.
				(a) Conduct Public to Public and Public to Private meetings to discuss cross cutting issues; (b) Conduct Head of Institutions meetings annually; (c) Conduct AML/CFT annual symposium;	National Committee, FIU, LEAs both in Mainland and Zanzibar, Regulators. NPS, ODPP.
			Task forces and networks to foster domestic cooperation continuously established by June 2028;	(a) Establish and capacitate Task Forces to operate jointly on TF cases; (b) Operationalize Task Forces formed and develop protocols for information exchange among established Task Forces; (c) Conduct patrol on borders with neighboring countries to mitigate TF; and (d) Develop mechanism for outreach programmes to local governments	National Committee, FIU, LEAs both in Mainland and Zanzibar, Regulators, NPS, ODPP Zanzibar. FIU, LEAs both in Mainland and Zanzibar, Regulators, NPS, ODPP Zanzibar.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
			ECC operations supported by June 2027	<p>(a) Allocate resources both human and financial to ECC</p> <p>(a) Create awareness on stakeholder of synergy of ECC</p> <p>(b) Train ECC experts in ML/TF/PF investigative, and prosecution;</p> <p>(c) Train focal persons on effective information exchange to support ECC.</p>	<p>Ministries responsible for finance both Mainland and Zanzibar, MoHA, National Committee, FIU, LEAs in both Mainland and Zanzibar, NPS, ODPP Zanzibar, NCTC.</p> <p>FIU, LEAs in both Mainland and Zanzibar, NPS, ODPP Zanzibar, NCTC.</p>
			Agreements for cooperation among domestic and international stakeholders periodically entered by June 2028	<p>(a) Preparations and signing of MOU and other agreements for TF information sharing between Competent Authorities and NPOs,</p> <p>(b) Ratification or Accession of CFT related Regional and International agreements</p> <p>(c) Conduct joint operation with neighboring countries</p>	MDAs MoFAEC, MoHA, AG, National Committee, FIU, LEAs in both Mainland and Zanzibar, Regulators. AGs. NPS, ODPP Zanzibar, MOCLA

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				strengthen security at their borders against TF associated offences.	
3.	Supervision of Reporting Persons and application of CFT preventive measures effectively implemented	Raising awareness and compliance on obligations on CFT preventive measures	Level of awareness of CFT preventive measures increased to at least 80% from the current 10% by June 2028	<ul style="list-style-type: none"> (a) Prepare training programmes; (b) Conduct awareness /training and outreach to Reporting persons and NPOs for TF and TFS; and (c) Register new Reporting Persons on goAML. 	Regulators, Supervisors of NPOs, NCTC and FIU.
			Level of compliance of CFT preventive measures increased to at least 80% from the current 10% by June 2028	<ul style="list-style-type: none"> (a) Conduct thematic onsite and offsite inspections to verify application of CFT preventive measures and enhance due diligence to high risk NPOs, DPMS, Banks, MVTS and other sectors; (b) Sanctioning Bank and non-bank Financial Institutions and DFNBPs (including DPMS, MVTS) for non-compliance applied effectively, proportionately and dissuasively by June 2028 	Regulators, Supervisors of NPOs, FIU.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				<p>(c) Sanctioning NPOs effectively, proportionately and dissuasively for not transacting through banks and financial institutions, and submitting audited financial statements timely.</p> <p>(d) Amend AMLA, AMLPOCA and Mining Act to empower the Mining Commission to supervise DPMS for the AML/CFT/CFP purposes</p>	

No.	Objective	Strategy	Targets	Activities	Responsible Institution
		Periodically review of legislation to enhance provisions on Customer Due Diligence (CDD), maintenance of customer records, internal controls, and reporting STRs and other reports.	CFT guidelines to reporting persons issued continuously by June 2028	(a) Prepare and issue specific guidelines; (a) Prepare proposals for legislative amendments or enactment of new relevant laws	Regulators, Supervisors of NPOs, FIU. MoHA, National Committee, FIU, Regulators. AGs. MOCLA
4.	Analysis, investigation, prosecution and adjudication of TF offence by Competent Authorities improved	Capacity building programs for competent authorities in terms of human, financial and technical resources in place;	Use of financial intelligence, parallel financial investigations and prosecution of TF increased from 5% to 80% by June 2028;	(a) Conduct trainings, on use of financial intelligence and parallel investigations to prosecutors, investigators and analysts. (b) conduct parallel financial investigation on offences generating proceeds for TF such as trafficking in wildlife and poaching, trafficking in timber and charcoal, drugs trafficking, illegal smuggling of mining, trafficking in counterfeit goods and smuggling of Immigrants (c) Establish/ put in place a feedback mechanism for all CFT-related matters	NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				<p>(d) LEAs to provide periodic reports/feedback on cases in which intelligence reports were effectively used.</p> <p>(e) Acquire appropriate modern analytical tools for competent authorities.</p>	
			Speed of adjudication of TF cases improved from 2-3 years to 1 year by June 2028;	<p>(a) Conduct training to judges/magistrates on adjudication of TF cases;</p> <p>(b) Institute TF proceedings in Courts of law;</p> <p>(c) Conduct period review of progression of TF cases in Courts of Law;</p> <p>(d) Training to Judges/Magistrate on adjudication on TF matters;</p>	Judiciary, NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
			Recovery of assets involved in TF cases increased to 80% by June 2028	<ul style="list-style-type: none"> (a) Develop intelligence sharing systems on TF assets; (b) trace, seize, confiscate/forfeit properties related to TF; (c) Conduct trainings, workshops, seminars on asset recovery and management to LEAs, Judges and Magistrates. 	Judiciary, NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.
				<ul style="list-style-type: none"> (a) Conduct a study on the possibility of establishing a unified assets recovered management agency; (b) Implement recommendations of the study of establishing unified agency for management of recovered assets 	MOCLA, Ministries responsible for finance Mainland and Zanzibar, NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
5.	Transparency on BO information control of legal persons and legal arrangements for CTF purposes accessed	Use of IT Systems to obtain, verify and update information on beneficial owners and control of legal persons and legal arrangements	Information on beneficial ownership and control of legal persons and legal arrangements in all registries updated by June, 2024	(a) Acquire appropriate ICT systems for BO information	Ministries responsible for Industries and Trade both in Tanzania Mainland and Zanzibar, Registries, Registrars of NPOs Mainland and Zanzibar, Presidents Office Regional Administration Office, TRA, ZRA, Ministry responsible for Local Government Mainland.
				(a) Update regularly Registries databases to have adequate and accurate BO information;	Registries, Registrars of NPOs Mainland and Zanzibar, TRA, ZRA.
		(b) Apply appropriate sanctions to legal and natural persons for non-compliance on provision of information on beneficial ownership and control;	(c) Review and recommend legislative proposals on laws that impede exchange of BO information to administer CFT measures		
		Access to beneficial ownership and control information of legal persons and legal arrangements	Achieve 100% access of beneficial ownership and control of legal persons and legal arrangements information by all qualifying CTF stakeholders by June, 2028	(a) Appoint dedicate focal person to all Registries; (b) Link all BO registries with competent authorities to facilitate ease of reference in	Registries both in Mainland and Zanzibar, competent authorities

No.	Objective	Strategy	Targets	Activities	Responsible Institution
		provided to all qualifying CTF stakeholders		<p>the performance of their responsibilities.</p> <p>(c) Provide access to BO information to all reporting persons</p>	
		Use of national identity card and resident identity card for Zanzibar and passport for foreigners as primary identity documents	100% of eligible URT applicant for national identity cards issued with relevant smart IDs by June 2028	<p>(a) Allocate resources both financial and human to NIDA and ZCSRA</p> <p>(b) Issue guidelines on use of ID cards to general public.</p>	MOHA MOFP Mainland, PO-FP Zanzibar, Registrar of NPOs, Ministry responsible for Information, Communication and Information Technology for both Tanzania Mainland and Zanzibar, NIDA, ZCSRA and TCRA, National Committee.
				<p>(c) Fast-track issuance of ID cards.</p> <p>(d) Conduct awareness campaigns on usage of ID cards.</p>	NIDA, ZCSRA and TCRA.
		Continuous monitoring and enforcement of laws and regulations concerning registration of mobile phone sim cards.	100% registration of sim card achieved by June 2024	<p>(a) Conduct meetings with NIDA, TCRA and other stakeholders with view to proposing appropriate reforms on ID issuance and sim card registration;</p> <p>(b) Implement CDD measure effectively.</p>	National Committee, NIDA, TCRA, Ministry responsible for Information, Communication and Information Technology for both Tanzania Mainland and Zanzibar; FIU, Mobile Operators.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				(a) Apply effective, proportionate and dissuasive sanction on compliance on CDD and registration	NIDA, TCRA, FIU, Mobile Operators
6.	United Nations resolutions, conventions and other international and regional agreements relating to CFT implemented	Implement CFT related UNSCRs, and Regional and International agreements.	80% legal and institutional framework and mechanism for CFT related UNSCRs, Regional and International agreements streamlined by June, 2028	(a) Formulate and issue guidelines to guide Reporting persons on Targeted Financial Sanctions; (b) Promulgation of regulations/guidelines relevant to implementation of any international CFT agreement.	MoCLA (Tanzania Mainland and Zanzibar), MOHA, Ministry of Foreign Affairs and East African Co-operation, NPS, DPP Zanzibar, NAMDC, FIU, LEAs, Regulators, Reporting Persons
			80% implementation of Resolution 1267 and 1373 of by June, 2028.	(a) Follow up and disseminate UN sanction list updates; (b) Request UNSC access to updated sanctions list;	Ministry of Foreign Affairs and East African Co-operation, FIU
				(a) Designate natural persons and entities as international or domestic terrorists; (b) Conduct enhanced screening against TFS to foreign NPOs, DPMS, Banks, and other sectors.	MOHA, Committee, NCTC, FIU
7.	New products, technologies, services, delivery channels and other business practices with TF risks mitigated launched	Establish mechanism for TF risk mitigation for new products, technologies, services, delivery channels and	New products, services, delivery channels and practices and technologies with TF risks understood and mitigated by June 2028	(a) Issue guidance on issuance of new products, services, delivery channels and practices and new technologies to the market;	FIU, Regulators, Reporting Persons

No.	Objective	Strategy	Targets	Activities	Responsible Institution
		other business practices		<p>(b) Supervise and monitor the use of new products, services, delivery channels and practices and new technologies;</p> <p>(c) Conduct a study on virtual assets;</p> <p>(d) Implement virtual assets study results.</p>	
8.	Financial services that leave audit trail made available.	Create conducive environment and encourage the use of formal financial services and financial inclusion products	100% use of financial inclusion products with low and mitigated TF risks attained by June, 2028	<p>(a) Issue guidelines to reporting persons on financial inclusion products;</p> <p>(b) Create awareness among stakeholders on financial inclusion products;</p> <p>(c) Approve new technology, products, service and delivery chandelles.</p>	MOFP Mainland, PO-FP Zanzibar, MoCLA (Tanzania Mainland and Zanzibar), Ministry responsible for Community Development (Tanzania Mainland and Zanzibar), MOHA, FIU, Regulators, Reporting Persons, eGA for both Tanzania Mainland, TRA, ZRA.
			65% use of formal financial services attained by June, 2028;	<p>(a) Develop policy on cash light economy;</p> <p>(b) provide incentives to financial service providers serving rural, peripheral areas, and disadvantaged and other vulnerable groups;</p>	Ministry responsible for Finance, National Committee, FIU TRA, ZRA.

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				(c) Conduct a study on affordable formal financial services;	
		Enforce and monitor declarations of cross border currency and bearer negotiable instruments and cash transactions.	100% Cross border declarations of currency and bearer negotiable instruments attained by June, 2028.	(a) Conduct awareness programs to border posts officials; (b) post on all border points notices/instructions in legible form in prominent public places that it is a legal requirement for all travelers to declare relevant threshold cash transported across border points; (c) allocate resources to customs officers at border posts; (d) Review current provision of cross-border declaration of currency regulations to consistent with amendments made in AMLA and AMLPOCA 2022/23 (e) Train customs officers at border points to enhance detection capacity; (f) Enhance interagency cooperation and capacity of LEAs to investigate source and purpose of non-declared funds and negotiable instruments	TRA, ZRA, FIU

No.	Objective	Strategy	Targets	Activities	Responsible Institution
				(g) Develop and deploy automated declaration and reporting system to FIU.	
			80% reporting of cash transactions attained by June, 2028	(h) Promulgate regulation requiring all transactions to be conducted through financial institutions and limiting cash transaction to a specified threshold Improve declaration forms to be more user friendly;	Ministry responsible for finance Mainland and Zanzibar, MoCLA, National Committee, BOT, FIU.

Appendix III: Performance Indicators Matrix

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
1.	Risk based approach in countering TF effectively applied	Continuous understanding of TF risks	CTF awareness-raising on risk-based approach conducted by 2024;	Number of awareness programs conducted Number of trained personnel	Quarterly, semi-annual, annual reports	30%	50%	70%	80%	90%	FIU, Regulators
			TF risk assessments at the national, sectoral, and institutional levels conducted, regularly reviewed and updated by CTF by stakeholders by June, 2028	Number and type of risk assessments reviewed and updated.	Quarterly, semi-annual, annual reports	30%	40%	60%	70%	80%	FIU, Competent Authorities, Reporting Persons
		Effective mitigation of TF risks	Resources to assess and mitigate TF risks are allocated annually by June 2028	Amount and type of resources allocated proportionally to identified risks	Quarterly, semi-annual, annual reports	30%	40%	60%	70%	80%	FIU, Regulators and Reporting persons.

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
2.	Domestic and international CFT stakeholders' cooperation attained.	Enhance mechanism and application of domestic coordination and international cooperation.	Interagency competent authorities and PPP meetings conducted on quarterly basis by 30 June, 2028;	Number of PPP and PPC meetings	Quarterly, semi-annual, annual reports	10%	50%	60%	70%	80%	Ministries responsible for finance Mainland and Zanzibar, NAMDC, FIU, LEAs both in Mainland and Zanzibar, Regulators. AGs, NPS, ODPP Zanzibar FIU, LEAs both in Mainland and Zanzibar, Regulators. NPS, ODPP.
			Task forces and networks to foster domestic cooperation continuously established by June 2028;	Number of Taskforce meetings and operations	Quarterly, semi-annual, annual reports	30%	50%	60%	70%	80%	National Committee, FIU, LEAs both in Mainland and Zanzibar, Regulators, NPS, ODPP Zanzibar. FIU, LEAs both in Mainland and Zanzibar, Regulators, NPS, ODPP Zanzibar.

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
			ECC operations supported by June 2027	Number of investigated, prosecuted and adjected TF cases facilitated by the ECC	Quarterly, semi-annual, annual reports	0%	10%	30%	50%	80%	Ministries responsible for finance both Mainland and Zanzibar, MoHA, National Committee, FIU, LEAs in both Mainland and Zanzibar, NPS, ODPP Zanzibar, NCTC.
			Agreements for cooperation among domestic and international stakeholders periodically entered by June 2028	Number of domestic and international agreements entered to	Quarterly, semi-annual, annual reports	30%	50%	60%	70%	80%	MDAs MoFAEC, MoHA, AG, National Committee, FIU, LEAs in both Mainland and Zanzibar, Regulators. AGs. NPS, ODPP Zanzibar, MOCLA

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
3.	Supervision of Reporting Persons and application of CFT preventive measures effectively implemented	Raising awareness and compliance on obligations on CFT preventive measures	Level of awareness of CFT preventive measures increased to at least 80% from the current 10% by June 2028	Increase of compliance level by reporting persons	Quarterly, semi-annual, annual reports	20%	50%	60%	70%	80%	Regulators, Supervisors of NPOs, NCTC and FIU.
				Number of appropriate sanctions for non-compliance applied	Quarterly, semi-annual, annual reports	10%	30%	50%	60%	70%	Regulators, Supervisors of NPOs, FIU.
		Periodically review of legislation to enhance provisions on Customer Due Diligence (CDD), maintenance of customer records, internal controls, and reporting STRs and other reports.	CFT guidelines to reporting persons issued continuously by June 2028	Number of guidelines issued to Reporting Persons	Quarterly, semi-annual, annual reports	40%	50%	60%	70%	80%	MoHA, AGs. MOCLA, National Committee, Regulators, Supervisors of NPOs, FIU.

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
4.	Analysis, investigation, prosecution and adjudication of TF offence by Competent Authorities improved	Capacity building programs for competent authorities in terms of human, financial and technical resources in place;	Use of financial intelligence, parallel financial investigations and prosecution of TF increased from 5% to 80% by June 2028.	Number of cases investigated and prosecuted incorporating financial intelligence	Quarterly, semi-annual, annual reports	10%	40%	50%	60%	70%	NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.
			Speed of adjudication of TF cases improved from 2-3 years to 1 year by June 2028;	Number of adjudicated ML/TF/PF cases in a year	Quarterly, semi-annual, annual reports	30%	60%	70%	80%	90%	Judiciary, NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.
			Recovery of assets involved in TF cases increased to 80% by June 2028	Number of assets recovered in relation to the number of assets involved	Quarterly, semi-annual, annual reports	40%	50%	60%	70%	80%	Judiciary, NPS, ODPP Zanzibar, LEAs Mainland and Zanzibar, FIU.

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
5.	Transparency on BO information control of legal persons and legal arrangements for CTF purposes accessed	Use of IT Systems to obtain, verify and update information on beneficial owners and control of legal persons and legal arrangements	Information on beneficial ownership and control of legal persons and legal arrangements in all registries updated by June, 2024	Number of relevant AML/CTF/CPF legislation reviewed	Quarterly, semi-annual, annual reports	50%	60%	70%	80%	90%	Ministries responsible for Industries and Trade both in Tanzania Mainland and Zanzibar, Registries, Registrars of NPOs Mainland and Zanzibar, Presidents Office Regional Administration Office, TRA, ZRA, Ministry responsible for Local Government Mainland.
		Access to beneficial ownership and control information of legal persons and legal arrangements provided to all qualifying CTF stakeholders	Achieve 100% access of beneficial ownership and control of legal persons and legal arrangements information by all qualifying CTF	Number of streamlined Institutions	Quarterly, semi-annual, annual reports	50%	60%	70%	80%	90%	Registries both in Mainland and Zanzibar, competent authorities Zanzibar, NPS, Competent Authorities

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
			stakeholders by June, 2028								
		Use of national identity card and resident identity card for Zanzibar and passport for foreigners as primary identity documents	100% of eligible URT applicant for national identity cards issued with relevant smart IDs by June 2028	No. of qualifying people issued National IDs	Quarterly, semi- annual, annual reports	40%	60%	80%	90%	100%	MOHA MOFP Mainland, PO-FP Zanzibar, Registrar of NPOs, Ministry responsible for Information, Communication and Information Technology for both Tanzania Mainland and Zanzibar, NIDA, ZCSRA and TCRA, National Committee.

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
		Continuous monitoring and enforcement of laws and regulations concerning registration of mobile phone sim cards.	100% registration of sim card achieved by June 2024	Accurate CDD information of SIM card subscribers registered	Quarterly, semi-annual, annual reports	40%	60%	70%	80%	90%	National Committee, NIDA, TCRA, Ministry responsible for Information, Communication and Information Technology for both Tanzania Mainland and Zanzibar; FIU, Mobile Operators.
6.	United Nations resolutions, conventions and other international and regional agreements relating to CFT implemented	Implement CFT related UNSCRs, and Regional and International agreements	80% legal and institutional framework and mechanism for CFT related UNSCRs, Regional and International agreements streamlined by June, 2028	Number of domestic or international designation of targeted financial sanctions	Quarterly, semi-annual, annual reports	50%	60%	70%	80%	90%	MoCLA (Tanzania Mainland and Zanzibar), MOHA, Ministry of Foreign Affairs and East African Co-operation, NPS, DPP Zanzibar, NAMDC, FIU, LEAs, Regulators, Reporting Persons.

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
			80% implementation of Resolution 1267 and 1373 of by June, 2028.	Number of legislation and institutions streamlined in line with international and regional agreements	Quarterly, semi-annual, annual reports	30%	40%	50%	60%	70%	Ministry of Foreign Affairs and East African Co-operation, FIU MOHA, Committee, NCTC.
7.	New products, technologies, services, delivery channels and other business practices with TF risks mitigated launched	Establish mechanism for TF risk mitigation for new products, technologies, services, delivery channels and other business practices	New products, services, delivery channels and practices and technologies with TF risks understood and mitigated by June 2028	Number of new products, services, delivery channels and practices and technologies with ML/TF/PF risks mitigated launched	Quarterly, semi-annual, annual reports	30%	40%	50%	60%	70%	FIU, Regulators, Reporting Persons.
8.	Financial services that leave audit trail made available.	Create conducive environment and encourage the use of formal financial services and financial inclusion products	100% use of financial inclusion products with low and mitigated TF risks attained by June, 2028	Level of public understanding and compliance to AML/CTF/CPF requirements	Quarterly, semi-annual, annual reports	50%	60%	70%	80%	90%	MOFP Mainland, PO-FP Zanzibar, MoCLA (Tanzania Mainland and Zanzibar), Ministry responsible for Community Development

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
											(Tanzania Mainland and Zanzibar), MOHA, FIU, Regulators, Reporting Persons, eGA for both Tanzania Mainland, TRA, ZRA.
			65% use of formal financial services attained by June, 2028;	Number of trainers trained	Quarterly, semi-annual, annual reports	50%	60%	70%	80%	90%	Ministry responsible for Finance, National Committee, FIU TRA, ZRA.
		Enforce and monitor declarations of cross border currency and bearer negotiable instruments and cash transactions.	100% Cross border declarations of currency and bearer negotiable instruments attained by June, 2028.	Number of short courses rolled out by professional institutions and participants issued with certifications	Quarterly, semi-annual, annual reports	50%	60%	70%	80%	90%	TRA, ZRA, FIU
			80% reporting of cash transactions	Cash transactions reaching threshold identified and	Weekly, quarterly, semi-annual,	40%	50%	60%	70%	80%	Ministry responsible for finance Mainland and Zanzibar,

No	Objective	Strategy	Targets	Performance/ Output Indicators	Means of Verification /Outcome or Impact Indicators	Periods					Source
						Base year	2024/25	2025/26	2026/27	2027/28	
			attained by June, 2028	reported by all reporting persons	annual reports						MoCLA, National Committee, BOT, FIU.