

THE UNITED REPUBLIC OF TANZANIA

*Supplement No. 2*

*8<sup>th</sup> March, 2022*

***ACT SUPPLEMENT***

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**THE ANTI-MONEY LAUNDERING (AMENDMENT) ACT, 2022**

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THE UNITED REPUBLIC OF TANZANIA



NO. 2 OF 2022

I ASSENT

SAMIA SULUHU HASSAN  
*President*

[23<sup>rd</sup> February, 2022]

**An Act to amend the Anti-Money Laundering Act and to make consequential amendments to other related laws.**

**ENACTED** by Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

Short title

Cap.423

**1.** This Act may be cited as the Anti- Money Laundering (Amendment) Act, 2022 and shall be read as one with the Anti-Money Laundering Act, hereinafter referred to as the “principal Act”.

PART II

GENERAL AMENDMENTS

Amendment  
of long title

**2.** The principal Act is amended by deleting the long title and substituting for it the following:

“An Act to make better provisions for the prevention and prohibition of money laundering, terrorist financing and proliferation financing, to provide for the disclosure of information on money laundering, terrorist financing and the proliferation financing, to establish a Financial Intelligence Unit and the National Multi-Disciplinary Committee on Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing and to provide for matters related thereto.”

Amendment  
of section 2

**3.** The principal Act is amended in section 2(2) by adding the words “Counter Terrorist Financing and Counter Proliferation Financing” immediately after the words “money laundering”.

Amendment  
of section 3

**4.** The principal Act is amended in section 3-  
(a) by deleting the definitions of the terms “beneficial owner”, “financial institution”, “money laundering”, “politically exposed person”, “predicate offence” and “terrorist financing” and substituting for them the following:

““beneficial owner” means any natural person who ultimately owns or controls the customer, the natural person on whose behalf a transaction or activity is being conducted, a person who exercises ultimate effective control over a legal person or legal arrangement or beneficiary of an insurance policy or other investment linked insurance policy and includes-

(a) in the case of a customer being a legal person-

- (i) the natural person who ultimately owns or controls the legal person through direct or indirect ownership of a majority shares or voting rights or ownership interest in that legal person and such ownership, ownership interest or control also includes possession of bearer shares, the ability to appoint or remove the majority of board members, the chief executive officer or senior management;
- (ii) a shareholding of five percent or more in the legal person or an ownership interest of five percent or more in the legal person held by a natural person shall be an indication of direct ownership or a sufficient percentage of the shares or voting rights or ownership interest in that legal person, or a shareholding of five percent or more or an ownership interest of five percent or more in the legal person held by a legal person, which is under the control of a natural person, or by multiple legal persons, which are under the control of the same natural person, shall be an indication of indirect ownership;
- (iii) if, after having exhausted all possible means and provided

there are no grounds for suspicion of money laundering, terrorist financing and proliferation financing, no natural person under subparagraph (i) is identified, or if there is any doubt that the natural person identified is the beneficial owner, the natural person who holds the position of senior managing official;

(b) in the case of a customer being a trust-

(i) the settlor, trustee or the protector;

(ii) the beneficiaries, or where the natural person benefiting from the trust has yet to be determined, the class of natural persons in whose main interest the trust is set up or operates; or

(iii) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

(c) in the case of a customer being any other legal arrangement, the natural person holding equivalent or similar positions to those referred to in subparagraph (b);

“financial institution” means any person who conducts as a business one or more of the following activities or operations:

(a) acceptance of deposits and other repayable funds from the public including private banking and other repayable



- funds from the public, issuing and managing means of payment, trading in foreign exchange or transferable securities or decentralised virtual currencies exchangers, wallet providers, payments processors or senders, and other virtual currency business models;
- (b) lending, including consumer credit, mortgage credit, factoring with or without recourse, finance of commercial transactions including forfeiting;
  - (c) financial leasing;
  - (d) mortgage and house financing;
  - (e) money or value transfer services without extending to persons that solely provide messaging or other support systems for transmitting the funds;
  - (f) issuing and managing means of payment including credit cards, debit cards, money orders, cheques, traveler's cheques, money, bankers' drafts and electronic money;
  - (g) financial guarantees and commitments;
  - (h) dealing in gold bullion;
  - (i) trading in:
    - (i) money market instruments including cheques, bills, certificates of deposit and derivatives;

- (ii) foreign exchange;
  - (iii) exchange, interest rate and index instruments;
  - (iv) transferable securities; and
  - (v) commodity futures trading;
  - (j) securities dealership, brokerage and securities market intermediation;
  - (k) individual and collective portfolio management;
  - (l) trusteeship and management of collective investment schemes;
  - (m) safekeeping and administration of cash or liquid securities on behalf of other persons;
  - (n) investing, administering or managing funds or money on behalf of other persons;
  - (o) pension fund management;
  - (p) insurance, insurance agency and brokerage; and
  - (q) money and currency changing;
- “money laundering” means offences referred to under section 12;
- “politically exposed person” means a natural person-
- (a) within or outside the United Republic who is or has been entrusted with a prominent public function;
  - (b) who is or has been entrusted with a prominent function in an international organisation including a member of senior management such as a

member of the board of directors, the chief executive officer, director, head of department, their deputies and equivalent functions,

and includes family members and close associates of such a natural person;

“predicate offence” means a serious offence as defined in the Proceeds of Crime Act;

Cap. 256

“terrorist financing” means-

(a) the provision of finance or economic resources or making available financial or related services to-

(i) a terrorist, terrorist group, terrorist entity, terrorist course or a terrorist act;

(ii) an individual, a group or entity that is concerned with a terrorist, terrorist group, terrorist entity, terrorist course or a terrorist act;

(b) conducting a financial transaction or facilitating a financial transaction directly or indirectly, in order to deal with property that is owned or controlled by a terrorist, terrorist group or terrorist entity;

(c) conducting financial transaction or facilitating a financial transaction directly or indirectly, in order to deal with property on behalf of a

- terrorist, terrorist group or terrorist entity;
- (d) financing or facilitating travel of any individual or a group of individuals to a country other than their country of residence or nationality in order to participate in a terrorist course, terrorist training or terrorist act, or in order to directly or indirectly conduct, perpetrate, plan or prepare terrorist acts;
  - (e) organising or directing others to commit any of the acts in paragraphs (a), (b), (c) or (d) or participating in any of those acts as an accomplice; or
  - (f) an attempt to commit any of the acts in paragraphs (a), (b), (c), (d) or (e);”;
- (b) in the definition of the term “law enforcement agency” by deleting the words “investigative agency dealing with anti-money laundering and combating the financing of terrorism” appearing at the end of that definition and substituting for them the words “body dealing with criminal investigations”;
- (c) in the definition of the term “Minister” by deleting the words “monetary affairs” and substituting for them the word “finance”;
- (d) in the definition of the term “regulator” by-
- (i) deleting paragraph (e) and substituting for it the following:
    - “(e) “Registrar of Societies”;
  - (ii) adding immediately after paragraph (m) the following:
    - “(n) Tanganyika Law Society;
    - (o) Architects and Quantity

Surveyors Registration  
Board;

(p) National Board of Accountants  
and Auditors;” and

(iii) renaming paragraphs (n) and (o) as  
paragraphs (r) and (s) respectively;

(e) in the definition of the term “reporting  
person” by-

(i) inserting the words “auditor, tax adviser”  
between the words “agent” and “dealer”  
appearing in paragraph (c);

(ii) deleting paragraphs (d) and (e) and  
substituting for them the following:

“(d) trust and company service  
provider;

(e) motor vehicle dealer;

(f) clearing and forwarding  
agent;”;

(iii) deleting the word “attorneys”  
appearing at the beginning of  
paragraph (f) and substituting for it  
the word “advocates”;

(iv) deleting the words “micro financing  
institutions” appearing in paragraph  
(g) and substituting for them the  
words “microfinance service  
providers except for community  
microfinance groups classified as  
Tier 4 in the Microfinance Act”;

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407

(v) renaming paragraphs (f), (g), (h) and  
(i) as paragraphs (h), (i), (j) and (k)  
respectively;

(f) by adding in their appropriate alphabetical  
order the following new definitions:

““bearer negotiable instrument” means a  
monetary instrument in bearer  
form such as-

(a) traveler’s cheques;

(b) negotiable instruments including cheques, promissory notes and money orders that are either in bearer form, endorsed without restriction, made out to a fictitious payee or otherwise in such form that title to that instrument passes upon delivery;

(c) incomplete instruments such as cheques, promissory notes and money orders signed, but with the payee's name omitted;

“bearer shares” means negotiable instruments that accord ownership in a legal person to the person who possesses the bearer share certificate;

“business relationship” means an arrangement between a reporting person and a customer that is characterised by the following:

(a) it is a business, professional or commercial arrangement;

(b) the arrangement involves the reporting person setting up a customer account and the exchange of goods, products or services and is facilitated by transactions that are conducted involving that account; or

(c) transactions are conducted frequently, habitually or on a regular basis;

“close associate” means-

(a) a natural person who is known to have joint beneficial

ownership of body corporate, or any other close business relations with the politically exposed person;

- (b) a natural person who has sole beneficial ownership of a body corporate which is known to have been set up for the *de facto* benefit of the politically exposed person; or
- (c) a natural person who is reasonably found or believed to be closely connected with a politically exposed person for any other reason, either socially or professionally;

“competent authority” means any public entity with designated responsibilities for combatting money laundering, terrorist financing or proliferation financing including a regulator, customs authority, a law enforcement agency, licensing agency or authority, FIU and the National Committee;

“customer” means any natural person, legal person or legal arrangement that receives goods, products or services from a reporting person for exchange for money or any other consideration;

“customer due diligence” includes establishing the identity of the customer, a beneficial owner or a person purporting to act on behalf of the customer, whereby-

- (a) in the case of a customer, doing any or all of the

following, depending on the perceived money laundering, terrorist financing or proliferation financing risk-

- (i) verifying the identity of the customer using reliable, independent source documents, data or information;
- (ii) understanding, and where appropriate, obtaining the required information on the nature and purpose of the business relationship;
- (iii) understanding the occupation of the customer;
- (iv) understanding the ownership and control structure of the customer who is a legal person or legal arrangement;
- (v) obtaining information on the source of customer income and funds;
- (vi) establishing the identity of beneficial owners and taking reasonable measures to verify their identities using reliable, independent source documents, data or information; or



- (vii) obtaining information that any person purporting to act on behalf of the customer is so authorised and to identify and verify the identity of that person using reliable, independent source documents, data or information;
- (b) in the case of a beneficial owner, doing any or all of the following, depending on the perceived money laundering, terrorist financing or proliferation financing risk:
  - (i) taking reasonable measures to verify the identity of the beneficial owner using reliable, independent source documents, data or information;
  - (ii) understanding the occupation of the beneficial owner; or
  - (iii) obtaining information on the source of income and funds of the beneficial owner;
- (c) in the case of a person purporting to act on behalf of the customer, doing any or all of the following, depending on the perceived money laundering, terrorist financing or proliferation financing risk:

- (i) verifying the identity of the person using reliable, independent source documents, data or information;
  - (ii) understanding the occupation of the person;
  - (iii) understanding the relationship between the person and the customer; or
  - (iv) ascertaining that the person is authorised to act on behalf of the customer; and
- (d) in all cases above, in paragraphs (a), (b) and (c), reviewing existing records to ensure that they are up-to-date and relevant;

“customs” has the meaning ascribed to it under the East African Community Customs Management Act;

“proliferation financing” means an act by any person who by any means directly or indirectly, renders help or provides in whole or in part any assets, funds, economic resources, technology or services to any proliferation of weapons of mass destruction course or to any person or jurisdiction or for the benefit of any person designated by the United Nations Security Council to acquire, possess, broker, manufacture, develop, store, transport, convey, transfer, import or export nuclear, chemical

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- or biological weapons and their means of delivery or related materials including technologies and dual use goods used for non legitimate purpose;
- Cap. 256 “forfeiture” has the meaning ascribed to it under the Proceeds of Crime Act;
- Cap. 19 “funds” has the meaning ascribed to it under the Prevention of Terrorism Act;
- “family member” means an individual who is related to a politically exposed person either directly on consanguinity or through marriage or similar civil forms of relationships or partnership;
- “legal arrangement” means trusts or other similar arrangements;
- “occasional transaction” means a transaction carried out by a reporting person on behalf of a customer with whom it does not have a business relationship and the transaction is carried out otherwise than through an account and it may be a single transaction or a series of transactions in a single operation or several operations that appear to be linked to each other;
- Cap. 256 “proceeds of crime” has the meaning ascribed to it under the Proceeds of Crime Act;
- “prominent public function” or “prominent function” means-
- Cap. 398 (a) in the case of Government and public sector functions in the United Republic, an office or function held by a public leader mentioned in the Public Leadership Code of Ethics Act

and any person in the capacity of deputy of the identified leader;

- (b) in the case of a foreign government or jurisdiction, an office or function held by heads of state or government, senior politicians, senior executives of state owned corporations or agencies, high level and senior functions in the foreign states, governments or diplomatic missions, foreign institutions and international organisations affiliated to the United Republic and foreign countries and jurisdictions including high commissioners, ambassadors and their deputies, military and other attaches, directors, assistant directors, managers and assistant managers and other senior and principal officers; or
- (c) any other prominent function which the Minister may, by notice published in the *Gazette*, specify;

“reasonable measures” means appropriate measures which are commensurate with the money laundering, terrorist financing or proliferation financing risk;

“risk assessment” means identifying, assessing and understanding risks and documenting the process and the findings or results;

“senior management” means natural persons within a body corporate at the highest level of management who have the day to day task of

managing the body corporate and includes directors, chief executive officers, their deputies and where appropriate, members of the board of directors or of equivalent function;

“trust and company service provider” means any person who, by way of business, provides any of the following services:

- (a) the formation of body corporate;
- (b) acting as, or arranging for another person to act as, a director, secretary or a similar position in relation to a body corporate;
- (c) providing a registered office, business address, correspondence or administrative address and other related services for a body corporate;
- (d) acting as, or arranging for another person to act as, a trustee of a trust or a similar legal arrangement; or
- (e) acting as, or arranging for another person to act as, a nominee shareholder for another person other than a company listed in a regulated market that is subject to disclosure requirements in accordance with the laws of the United Republic or subject to equivalent international standards;

“virtual asset” means a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes and is recognised by the government of the United Republic and does not

include digital representations of fiat currencies, securities and other financial assets that are already covered in the laws of the United Republic;

“virtual asset service provider” means any person who conduct one or more of the following activities or operations for or on behalf of a customer:

- (a) exchange between virtual assets and fiat currencies;
- (b) exchange between one or more forms of virtual assets;
- (c) transfer of virtual assets;
- (d) safekeeping or administration of virtual assets or instruments enabling control over virtual assets; and
- (e) participation in and provision of financial services related to an issuer’s offer or sale of a virtual asset;”.

Amendment  
of section 4

- 5.** The principal Act is amended in section 4, by-
- (a) deleting the words “of Finance” appearing in subsection (1) and substituting for them the words “responsible for finance”; and
  - (b) deleting the words “regarding potential money laundering or terrorist financing” appearing in subsection (2) and substituting for them the words “regarding actual or potential money laundering, terrorist financing or proliferation financing”.

Amendment  
of section 6

- 6.** The principal Act is amended in section 6, by-
- (a) deleting subsection (1) and substituting for it the following:

“(1) For the purposes of section 4, the Financial Intelligence Unit shall be a national center responsible for receiving, analysing, keeping and maintaining suspicious transaction reports and other information concerning money laundering and associated predicate offences, terrorist financing and proliferation financing and in that respect, the FIU shall-

- (a) receive suspicious transaction reports, currency transaction reports, cross border currency reports, electronic funds transfer reports and such other reports or information submitted by reporting persons or submitted from any other source and conduct operational and strategic analysis on such reports and information;
- (b) disseminate the results of the analysis to law enforcement agencies, supervisory authorities or other competent authorities;
- (c) supervise reporting persons for compliance with anti-money laundering, countering terrorist financing and countering proliferation financing obligations under this Act and any other written laws;
- (d) compile statistics and records and share information relating to money laundering, terrorist financing and proliferation

- financing within or outside the United Republic;
- (e) make recommendations and advise the National Committee on matters relating to anti-money laundering, countering terrorist financing and countering proliferation financing;
  - (f) in consultation with regulators of the relevant reporting persons, issue guidelines to such reporting persons in respect of obligations provided for under this Act, and any other anti-money laundering, countering terrorist financing and countering proliferation financing obligations under any other written laws;
  - (g) create training requirements and provide such training for stakeholders including reporting persons and their employees, judicial officers and competent authorities;
  - (h) consult with any relevant person, institution or organisation for the purpose of discharging its duties under this section;
  - (i) request for or have access to information from any reporting person, regulator or law enforcement agency or any other relevant legal person in the manner



- provided for in the regulations;
- (j) require any reporting person to report to FIU any suspicious transaction or activity where that reporting person suspects that the transaction or activity involves money laundering, terrorist financing or proliferation financing;
  - (k) in collaboration with the regulator or on its own, supervise reporting persons for anti-money laundering, countering terrorist financing or countering proliferation financing compliance;
  - (l) prepare periodic reports on money laundering, terrorist financing and proliferation financing typologies and trends, in the manner provided for in the regulations;
  - (m) enter into agreements or related arrangements overseas with financial intelligence units and comparable bodies and other foreign counter parts for exchange of information pertaining to combating money laundering and associated predicate offences, terrorist financing and proliferation financing;
  - (n) exchange information with domestic competent authorities in combating

- money laundering, terrorist financing and proliferation financing; and
- (o) liaise with the relevant investment and business registration and licensing authorities in assessing genuine investors.”;
- (b) adding immediately after subsection (1) the following:
- “(2) Upon analysis of the reports and information, the Commissioner or any employee of the FIU designated by him may-
- (a) where there are reasonable grounds to suspect money laundering, terrorist financing, proliferation financing or any other crime, disseminate spontaneously or upon request intelligence or any other information to relevant law enforcement agencies for investigation and possible prosecution;
- (b) disseminate spontaneously or upon request reports to any competent authority for any relevant action including reporting person supervisory action, recovery of taxes, and inform on anti-money laundering, countering terrorist financing and countering proliferation financing; or
- (c) share the information with any other relevant stakeholders within or outside the United

Republic.”;

- (c) renumbering subsections (2) and (3) as subsections (3) and (4), respectively; and
- (d) deleting the reference to "subsection (2)" appearing in subsection (4) as renumbered and substituting for it the reference to "subsection (3)".

Amendment  
of section 8

**7.** The principal Act is amended in section 8-

- (a) in subsection (1), by adding the words “Counter Terrorist Financing and Counter Proliferation Financing” immediately after the word “Laundering”;
- (b) in subsection (2), by-
  - (i) inserting immediately after paragraph (i) the following:
    - “(j) one representative from the National Prosecutions Service;
    - (k) one representative from the office of the Director of Public Prosecutions from the Revolutionary Government of Zanzibar;
    - (l) one representative from the Tanzania Revenue Authority;
    - (m) one representative from the Zanzibar Revenue Board;
    - (n) one representative from the Business Registration and Licensing Agency;
    - (o) one representative from Zanzibar Business and Property Registration Agency;
    - (p) one representative from the Ministry responsible for wildlife conservation;
    - (r) one representative from the Zanzibar Anti-Corruption and Economic Crimes Authority;
    - (s) one representative from the Drug Control and Enforcement Authority;
    - (t) one representative from the Zanzibar

Drugs Control and Enforcement Authority; and

- (ii) renaming paragraphs (j) and (k) as paragraphs (u) and (v), respectively;
- (c) by deleting subsection (4) and substituting for it the following:
  - “(4) Members of the National Committee established under subsection (1) shall be-
    - (a) appointed by the Minister;
    - (b) senior officers who possess knowledge and experience in matters relating to money laundering, terrorist financing and proliferation financing.
    - (5) In appointing members of the Committee, the Minister shall take into consideration gender equality”.
- (d) by renumbering subsections (5) and (6) as subsections (6) and (7) respectively.

Repeal and replacement of section 9

**8.** The principal Act is amended by repealing section 9 and replacing for it the following:

“Functions of National Committee

**9.** The functions of the National Committee shall be to-

- (a) formulate, assess, regularly review and improve the effectiveness of the policies and measures to combat money laundering and associated predicate offences, terrorist financing and proliferation financing;
- (b) advise the Government on legislative, regulatory and policy reforms in respect of anti-money laundering, countering terrorist financing, countering

- proliferation financing and combating crimes;
- (c) 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 assessment action plans and to ensure that such risk assessments are kept up-to-date;
  - (d) coordinate engagements and engage with regional and international anti-money laundering, countering terrorist financing and countering proliferation financing bodies and advise the Government accordingly;
  - (e) 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
  - (f) establish and oversee operational mechanisms

within the United Republic to coordinate and share information among competent authorities and other stakeholders, in order to combat money laundering, terrorist financing and proliferation financing.”.

Amendment  
of section 12

by-

**9.** The principal Act is amended in section 12,

- (a) designating the content of section 12 as subsection (1); and
- (b) adding immediately after subsection (1) as designated, the following:

"(2) The offence of money laundering under subsection (1) shall be separate, independent and distinct from the crime underlying money laundering offence.

(3) It shall not be necessary that a person first be convicted of the crime underlying money laundering offence, in order for that person to be convicted of money laundering in subsection (1).

(4) Conviction for the offence of money laundering in subsection (1) shall not amount to conviction for the associated underlying crime to money laundering offence.".

Amendment  
of section 14

**10.** The principal Act is amended in section 14-

- (a) in subsection (1) by adding the words “or a person holding a similar position” immediately after the word "partner" appearing at the end of paragraph (a); and
- (b) by inserting the words “within the body corporate” between the words “person” and

“who” appearing in subsection (3).

Amendment  
of Heading to  
Part IV

**11.** The principal Act is amended by deleting the heading to Part IV and substituting for it the following:

“PART IV  
SUPERVISION OF ANTI-MONEY LAUNDERING,  
COUNTERING TERRORIST FINANCING AND  
PROLIFERATION FINANCING”.

Repeal and  
replacement  
of section 15

**12.** The principal Act is amended by repealing section 15 and replacing for it the following:

“Undertaking risk assessment, risk mitigation measures and allocation of resources

**15.-(1)** There shall be conducted risk assessments on money laundering, terrorist financing and proliferation financing in the United Republic.

(2) Risk assessments in subsection (1) shall entail identifying, assessing and understanding risks at the national, sectoral and institutional level and commensurate risk mitigation measures shall be applied.

(3) Risk assessments in subsection (1) shall be conducted by competent authorities, reporting persons and other anti-money laundering, countering terrorist financing and countering proliferation financing stakeholders and shall be approved by the senior management.

(4) A person conducting the assessment under subsection (1) may seek assistance, data or information from any other person from within or outside the United Republic.

(5) There shall be established mechanisms to provide and share with relevant stakeholders, information from risk assessments for awareness creation, to prioritize the allocation of resources, to help in mitigating the associated risks and to help institute implementation of adequate measures to prevent money laundering, terrorist financing and proliferation financing.

(6) Reporting persons shall conduct money laundering, terrorist financing and proliferation financing risk assessment associated with-

- (a) new and existing customers, countries or geographical areas, products, services, transactions and delivery channels;
- (b) new products, business practices, services, technologies and delivery channels prior to their launch or use;
- (c) existing products, business practices, services, technologies and delivery channels which have undergone changes, prior to their continued use; and
- (d) the use of new or developing technologies for both new and pre-existing products.

(7) Subject to subsection (6)(d), new products shall include any transfers within decentralized convertible virtual currencies or assets networks, person-to-person transfers



involving hosted wallet providers, large value virtual currency payments or assets transfer, mobile payments and internet-based payments services.

(8) Subject to any relevant law allowing the use of virtual currencies or assets, when conducting risk assessment with respect of virtual currencies or virtual assets, the reporting persons shall pay particular attention to the risks posed by the nodes or points of intersection that are used to move value into and out of fiat currencies and shall focus the efforts on identifying higher risks convertible virtual currencies or assets.

(9) Reporting persons shall have appropriate mechanisms to provide to competent authorities results, findings and other information on risk assessments conducted in subsection (6).

(10) Competent authorities and reporting persons shall-

(a) have documented policies, controls and procedures approved by senior management, to manage and mitigate the risks identified in subsections (1) and (6);

(b) ensure that the level of detail of the documented policies, controls and procedures in the case of reporting persons in paragraph (a) are commensurate with the size, structure and complexity of the business of the reporting

person;

- (c) monitor and audit the implementation of policies, controls and procedures referred to in paragraph (a);
- (d) regularly review and update the policies, controls and procedures in paragraph (a) and document such reviews and updates; and
- (e) take enhanced measures to mitigate the risks in paragraph (a) where higher risks are identified.

(11) The risk assessments referred to under subsections (1) and (6) shall be kept up-to-date at a frequency commensurate with the identified risks, but at least once a year.

(12) In accordance with the identified risks in subsections (1) and (6), a regulator shall effectively monitor reporting persons under its purview and take the necessary measures to ensure that the risks are managed and mitigated and to enforce anti-money laundering, countering terrorist financing and countering proliferation financing compliance.

(13) The United Republic may decide not to apply some of the anti-money laundering, countering terrorist financing and countering proliferation financing measures based on proven low risk of money laundering, terrorist financing or proliferation financing.

(14) The reporting persons may apply simplified measures to manage and mitigate the risks, if the risk

assessments have identified low risk areas and there is no suspicion of money laundering, terrorist financing or proliferation financing.

(15) Countering measures applied shall be proportionate to the identified risks and explanations shall be made on their proportionality to the risks *suo motto* or when called upon to do so.

(16) Any person who fails to implement any anti-money laundering, countering terrorist financing and countering proliferation financing measures or requirements in accordance with this section shall be liable to administrative measures as may be imposed by the FIU or the regulator as the case may be.”.

Addition of  
section 15A

**13.** The principal Act is amended by adding immediately after section 15 the following:

“Reporti  
ng person  
shall-  
to  
conduct  
customer  
due  
diligence

**15A.**-(1) A reporting person

(a) conduct customer due diligence in accordance with the identified risks-

- (i) before establishing a business relationship;
- (ii) before carrying out an occasional transaction;
- (iii) when money laundering, terrorist financing or proliferation financing is suspected;
- (iv) when the veracity or adequacy of

- documents, data or information previously obtained for the purposes of customer due diligence is doubted; or
- (v) any time after establishing the materiality of money laundering, terrorist financing and proliferation financing risk;
  - (b) conduct ongoing monitoring after establishing a business relationship, including the updating of customer information;
  - (c) not open or operate an account in a false, disguised, anonymous or fictitious name;
  - (d) not commence a business relationship prior to completion of customer due diligence, provided that, under proven low risk, business relationship may commence pending the verification process;
  - (e) terminate an existing business relationship when customer due diligence cannot be completed; and
  - (f) submit a suspicious transaction report to the FIU when customer due diligence cannot be completed as provided

under paragraphs (d) and (e).

(2) The reporting person shall, when conducting customer due diligence-

(a) obtain and verify information on the ultimate beneficial owners of a legal person, entity or arrangement;

(b) in relation to politically exposed person, in addition to undertaking normal due diligence measures-

(i) have appropriate risk management systems to determine whether the customer is a politically exposed person;

(ii) obtain senior management approval for establishing business relationship with such customer;

(iii) take reasonable measures to establish the source of wealth and source of funds; and

(iv) conduct enhanced ongoing monitoring on that relationship.

(3) A reporting person may, subject to conditions prescribed in the regulations, rely on customer due diligence conducted by another reporting person.

Repeal and  
replacement  
of section 16

**14.** The principal Act is amended by repealing section 16 and replacing for it the following:

“Reporti  
ng  
persons  
to  
establish  
and  
maintain  
records

shall-

**16.**-(1) Every reporting person

- (a) establish and maintain records of all domestic and international transactions, know your customer files, customer due diligence, accounts, business correspondences, risk assessments on money laundering, terrorist financing and proliferation financing and suspicious transaction reports and the results of any analysis carried out, and all other reports and statistics required by this Act; and
- (b) retain records required under this section for a minimum period of ten years from the date-
  - (i) when all activities relating to a transaction or a series of linked transactions were completed or was last carried out;
  - (ii) when the business relationship was formally ended; and
  - (iii) when analysis or when money laundering, terrorist financing or proliferation financing risk assessment was

completed:

Provided that, a reporting person who closes business shall submit all records required under paragraph (a) to the regulator or, where there is no regulator in respect of the reporting person, to the FIU and the provisions of this paragraph shall not apply.

(2) The reporting person shall, where a report has been made to the FIU or he knows or believes that a matter is under investigation, without prejudice to subsection (1), retain all relevant records for as long as may be required by the competent authority.

(3) Records required under subsection (1)(a) shall contain particulars sufficient to identify-

- (a) the name, address and occupation or where appropriate, business or principal activity of each person-
  - (i) conducting the transaction; or
  - (ii) on whose behalf the transaction is being conducted, as well as the method used by the reporting person to verify the identity of each such person;
- (b) the nature and date of the transaction;
- (c) the type and amount of currency involved;
- (d) the type and identification number of any account with

the reporting person involved in the transaction;

- (e) the following details if the transaction involves a negotiable instrument:
  - (i) the name of the drawer of the instrument;
  - (ii) the name of the institution on which it was drawn;
  - (iii) the name of the payee, if any;
  - (iv) the amount and date of the instrument;
  - (v) the number, if any, of the instrument; and
  - (vi) details of any endorsements appearing on the instrument; and
- (f) the name and address of the reporting person, and of the officer, employee or agent of the reporting person who prepared the record.

(4) Records maintained pursuant to this section shall be made available on timely basis to competent authorities upon request.

(5) Where a reporting person is required by any provision of law to release any document referred to under this section, he shall retain a copy of the document and maintain a register of released documents with such particulars as may be prescribed in the regulations.

(6) Any reporting person who contravenes the provisions of this



section commits an offence and shall-

- (a) be liable to administrative sanctions as prescribed under section 19A; or
- (b) on conviction, be liable to criminal sanctions as provided for under this Act.”.

Amendment  
of section 17

**15.** The principal Act is amended in section 17(1), by-

- (a) deleting the words “money laundering or predicate offence” appearing in the opening words and substituting for them the words “money laundering, terrorist financing, proliferation financing or predicate offence”;
- (b) deleting the words “transaction or proposed transaction” appearing in paragraph (a) and substituting for them the words “funds or property, transaction or proposed or attempted transaction”; and
- (c) deleting the words “transaction in accordance with subsection (2), and communicate the information” appearing in paragraph (b) and substituting for them the words “or attempted transaction in accordance with subsection (2), and submit the report”.

Repeal and  
replacement  
of sections 18  
and 19

**16.** The principal Act is amended by repealing sections 18 and 19 and replacing for them the following:

“Reporti  
ng  
persons  
to  
establish  
and  
maintain  
internal  
reporting  
procedur

**18.**-(1) A reporting person shall establish and maintain internal policies, controls and procedures that-

- (a) ensure that persons to be engaged or employed by the reporting person are properly screened and vetted, in order to recruit

es

- qualified persons with integrity;
- (b) designate a natural person as money laundering reporting officer, to whom its employees shall report any actual or suspicious activities or transactions in terms of money laundering, terrorist financing, proliferation financing or any other criminal activity which comes to the attention of employees in the course of work;
  - (c) enable the money laundering reporting officer to have reasonable access to information that may be relevant in determining whether sufficient basis exists to report the suspicious activity or transaction to the FIU, pursuant to section 17;
  - (d) require the money laundering reporting officer to report the suspicious activity or transaction to the FIU pursuant to section 17, in the event there exists reasonable grounds to report the matter;
  - (e) put in place measures to ensure that employees are made aware of the legislation relating to combating money laundering, terrorist financing and

proliferation financing and related policies, procedures and controls, that are established and maintained pursuant to this Act;

- (f) ensure that relevant employees are appropriately trained on a regular basis in the recognition and handling of suspicious transactions relating to money laundering, terrorist financing and proliferation financing;
- (g) provide for compliance management arrangements that ensure that anti-money laundering, countering terrorist financing and countering proliferation financing matters are addressed by the compliance department or function; and
- (h) ensure independent and regular auditing of the internal policies, procedures and controls established in this section is carried out.

(2) In determining whether a person has complied with any requirement of paragraphs (e) and (f) of subsection (1), the court shall have regard to all the circumstances of the case, including such customs and practices as may, from time to time, be current in the relevant trade, business, profession or employment, and may take account of any relevant guidance adopted or approved by a public authority or other body that supervises,

regulates or acts as a representative of the trade, business, profession or employment carried on by that person.

Reportin  
g persons  
to  
impleme  
nt group-  
wide  
program  
mes

**19.**-(1) A reporting person shall, in addition to requirements provided for under section 18-

- (a) in the case of reporting persons with group-wide corporate structures, formulate and implement consistent group-wide programmes to combat money laundering, terrorist financing and proliferation financing, which shall include policies, procedures and controls for sharing information within the group;
- (b) in the case of reporting persons whose corporate structures extend beyond the United Republic, ensure that their foreign branches and majority-owned subsidiaries apply anti-money laundering, countering terrorist financing and countering proliferation financing measures consistent with the requirements of section 18;
- (c) in the case of foreign operations of such reporting persons, where the minimum anti-money laundering, countering terrorist financing and countering proliferation financing requirements of

the host country or jurisdiction are less strict than those of the United Republic, ensure that their branches and majority-owned subsidiaries in host countries implement the requirements of the United Republic, to the extent that the host country legislation permits;

(d) where the host country does not permit the proper implementation of the measures of the United Republic, apply appropriate additional measures to manage the money laundering, terrorist financing and proliferation financing risks, and inform their respective regulator in the host country or jurisdiction, and in the United Republic; and

(e) where the additional measures are not sufficient, the relevant regulator in the United Republic shall consider additional supervisory actions such as placing additional controls on the reporting person, including as appropriate, requesting the financial group to close down its operations in the host country or jurisdiction.

(2) Any person who contravenes the provisions of this

section commits an offence and shall be liable-

- (a) to administrative sanctions as prescribed in the regulations made under section 19A; or
- (b) upon conviction, to a fine of not less than five hundred thousand shillings but not exceeding five million shillings or to imprisonment for a period of twelve months, in the case of a natural person; or
- (c) upon conviction, to a fine of not less than five million shillings but not exceeding ten million shillings, in the case of a body corporate."

Repeal and replacement of section 19A

**17.** The principal Act is amended by deleting section 19A and substituting for it the following:

"Administrative sanctions

**19A.** Where any reporting person fails to comply with the provisions of section 15, 16, 17 or 18 of this Act, the FIU or regulator shall impose any of the following administrative sanctions:

- (a) warning or caution not to repeat the conduct which led to non-compliance;
- (b) reprimand;
- (c) directives to take remedial action or to make specific arrangement to remedy the default;
- (d) restriction or suspension of certain business activities;

- (e) suspending a business licence;  
or
- (f) suspension or removal from office any member of staff who caused or failed to comply.”

Amendment  
of section 21

**18.** The principal Act is amended in section 21 by deleting subsection (2) and substituting for it the following:

“(2) For the purpose of subsection (1), competent authorities and reporting persons may, on any matters related to combating money laundering, terrorist financing and proliferation financing, share information among each other or with their counterparts overseas.”.

Amendment  
of section 22

**19.** The principal Act is amended in section 22 by deleting the words “a bank or a financial institution, cash dealer, designated non-financial businesses or professions or their respective staff or partners” appearing in subsection (1) and substituting for them the words “a reporting person, or any person employed or engaged by the reporting person, or a partner of a reporting person”.

Amendment  
of section 23

**20.** The principal Act is amended in section 23, by-

- (a) deleting subsections (1) and (2) and substituting for them the following:

“(1) Any person, who transport into or out of the territory of the United Republic, cash or a bearer negotiable instrument in any amount equal to or above the amount prescribed in the regulations, shall declare to an officer of customs such cash or bearer negotiable instrument and the customs shall transmit that information to the FIU.

(2) Subject to subsection (1), a customs officer shall have powers to stop and restrain any cash or bearer negotiable instrument for a reasonable time in order to make the necessary enquiries or to ascertain whether evidence of money laundering, terrorist financing or proliferation financing may be found.

(3) Where a customs officer exercises the powers under subsection (2), he shall notify the owner of the cash or bearer negotiable instrument on the time expected to be spent to conduct the necessary enquiries or ascertainment which shall not exceed 14 days.

(4) Where a customs officer is satisfied that-

- (a) any amount of cash or bearer negotiable instruments has not been declared;
- (b) any amount of cash or bearer negotiable instruments or any other particular, detail or information has been falsely or inaccurately declared;
- (c) the person making the declaration has not provided convincing or satisfactory responses on, among others, the source of the cash or bearer negotiable instruments, the ultimate beneficiaries, or the intended use of the cash or bearer negotiable instruments; or
- (d) there is suspicion of money laundering, terrorist financing, proliferation financing or predicate offence, even if cash



or bearer negotiable instruments have been correctly or accurately declared,

he shall take reasonable measures including seizing part or the whole amount of cash or bearer negotiable instruments.”;

- (b) in subsection (4), by deleting the words “law enforcement agency” and substituting for them the words “competent authority”; and
- (c) renumbering subsections (3) to (6) as subsections (4) to (8), respectively.

Amendment  
of section  
23A

**21.** The principal Act is amended in section 23A-  
(a) in subsection (1), by-

- (i) inserting the words “or FIU” between the word “regulator” and the word “shall” appearing in the opening words;
  - (ii) deleting the words “their regulated entities” and the words “regulated entities” appearing in paragraphs (a) and (b), respectively and substituting for them the words “reporting persons”;
- (b) by deleting subsection (2) and substituting for it the following:

“(2) Subject to subsection (1)(b), the supervision for anti-money laundering, countering financing terrorism and countering proliferation financing compliance shall include the application of the consolidated group supervision or monitoring.”.

Amendment  
of section  
28B

**22.** The principal Act is amended in section 28B  
by deleting subsection (2) and substituting for it the  
following:

“(2) For purposes of subsection

(1), every director, manager, controller, principal officer or any person holding a similar position in a body corporate shall be deemed to have committed the offence unless that person proves that, the offence was committed without his consent or connivance and that he exercised such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to the circumstances pertaining to commission of the offence.”.

Addition of  
section 28D

**23.** The principal Act is amended by adding immediately after section 28C the following:

“Mainten  
ance of  
statistics

**28D.**-(1) Competent authorities shall keep and maintain the following statistics concerning money laundering, terrorist financing and proliferation financing and predicate offences:

- (a) statistics on investigations, prosecutions, convictions, seizures, freezing, forfeiture and confiscations of proceeds and instrumentalities of crime; and
- (b) information on mutual legal assistance, extraditions, suspicious transaction reports and other reports that are submitted to the FIU, intelligence reports that are disseminated by the FIU and any other information that competent authorities exchange with counterparts at the national

and international level,  
and shall provide the statistics  
to the FIU semi-annually in the  
manner as the FIU and the  
relevant competent authority  
shall agree.".

Amendment  
of section 29

**24.** The principal Act is amended in section  
29(2), by -

(a) adding immediately after paragraph (b), the  
following:

“(c) the manner and procedure for making  
declaration of cash or bearer  
negotiable instruments that are  
transported in or out of the United  
Republic;”;

(b) renaming paragraph (c) as paragraph (d).

**PART III**  
**CONSEQUENTIAL AMENDMENTS**  
*(a) Amendment of the Bank of Tanzania Act,*  
*(Cap. 197)*

Construction  
Cap. 197

**25.** This Part shall be read as one with the Bank of Tanzania Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 47  
Cap. 423

**26.** The principal Act is amended in section 47 by adding the words “or to anti-money laundering and countering terrorist financing matters pursuant to the Anti-Money Laundering Act” immediately after the word “institution” appearing at the end of subsection (1).

*(b) Amendment of the Capital Markets and Securities Act,*  
*(Cap. 79)*

Construction  
Cap. 79

**27.** This Part shall be read as one with the Capital Markets and Securities Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 11  
Cap. 423

**28.** The principal Act is amended in section 11(3), by-

(a) inserting immediately after paragraph (c) the following:  
“(d) any information on countering terrorist financing and countering proliferation financing matters pursuant to the Anti-Money Laundering Act;”; and

(b) renaming paragraphs (d) and (e) as paragraphs (e) and (f), respectively.

*(c) Amendment of the Insurance Act,*  
*(Cap. 394)*

Construction  
Cap. 394

**29.** This Part shall be read as one with the Insurance Act, hereinafter referred to as the “principal Act”.

Amendment

**30.** The principal Act is amended in section 143 by

of section  
143

deleting subsection (1) and substituting for it the following:

“(1) The Commissioner may, for the purpose of this Act, require the production of any document or information relating to-

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423

- (a) the insurance business of any insurer, broker or agent or applicant for registration, as the case may be; or
- (b) countering terrorist financing matters pursuant to the Anti-Money Laundering Act.”.

*(d) Amendment of the Mutual Assistance in Criminal Matters Act,  
(Cap. 254)*

Construction  
Cap. 254

**31.** This Part shall be read as one with the Mutual Assistance in Criminal Matters Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 4

**32.** The principal Act is amended in section 4, by-  
(a) inserting immediately after paragraph (m) the following:

“(n) carrying out of undercover operations and controlled delivery;” and

(b) renaming paragraphs (n) and (o) as paragraphs (o) and (p), respectively.

*(e) Amendment of the Prevention of Terrorism Act,  
(Cap. 19)*

Construction  
Cap. 19

**33.** This Part shall be read as one with the Prevention of Terrorism Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 3

**34.** The principal Act is amended in section 3 by adding in its appropriate alphabetical order the following:

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““proliferation financing” shall have the meaning ascribed to it under the Anti-Money Laundering Act;”.

Deletion and substitution of Heading to Part II

**35.** The principal Act is amended in Part II, by-

(a) deleting the heading to Part II and substituting for it the following:

“PART II

PROHIBITION OF ACTS OF TERRORISM AND PROLIFERATION FINANCING”; and

(b) inserting immediately before section 4 the following Sub-Part:

“(a) *Prohibition of Acts of Terrorism*”.

Repeal and replacement of section 4

**36.** The principal Act is amended by deleting section 4 and substituting for it the following:

“Definition and prohibition of terrorism act

**4.**-(1) Any person within or outside the United Republic who commits a terrorist act commits an offence.

(2) A person commits a terrorist act if the act or omission is committed with the aim of-

(a) seriously intimidating or causing fear amongst members of the public or a section of the public;

(b) seriously intimidating or compelling the Government or an international organisation to do or refrain from any act; or

(c) seriously destabilising the religious, political, constitutional, economic or social institutions of a country or an international organisation.

(3) The term “terrorist act” means an act or threat of action or omission which involves:

- (a) an attack upon a person's life which may cause death or serious bodily harm;
  - (b) the kidnapping of a person;
  - (c) serious damage to property;
  - (d) a serious risk to the health or safety of the public or a section of the public;
  - (e) the use of firearms or explosives;
  - (f) releasing into the environment or any part of it or distributing or exposing the public or any part of it to any-
    - (i) dangerous, hazardous, radioactive or harmful substance;
    - (ii) toxic chemical; or
    - (iii) microbial or other biological agent or toxin;
  - (g) disruption of any computer system or the provision of services directly related to communications infrastructure, banking or financial services, utilities, transportation or other essential infrastructure; or
  - (h) disruption of the provision of essential emergency services such as police, civil defence or medical services.
- (4) An act which-
- (a) only disrupts services; and
  - (b) is committed in pursuance of a protest, demonstration

or stoppage of work,  
shall be deemed not to be a terrorist act  
within the meaning of this section, so  
long as the act is not intended to result  
in any harm referred to under  
subsection (2).”.

Amendment  
of section 7

**37.** The principal Act is amended in section 7(1) by inserting the words “terrorist or” between the word “a” and the word “proscribed” appearing in paragraph (b).

Addition of  
Sub-Part (b)  
and section  
11B in Part II

**38.** The principal Act is amended in Part II by inserting immediately after section 11A the following:

*“(b) Prohibition of Proliferation Financing*

"Prohibition of  
proliferation  
financing

**11B.** Any person who, by any  
means, directly or indirectly-

- (a) provides or collects funds, technology or services, with an intention or knowledge that the said funds, technology or services may be used, in full or in part, to carry out an act constituting proliferation financing or to any person or jurisdiction or for the benefit of any person designated by the United Nations Security Council; or
- (b) deals with, enters into or facilitates any transaction or enables the acquisition of a business interest or performs any other act in connection with funds, which such person knows or ought reasonably to have known or suspected to have



been acquired, owned, collected, used, possessed or provided for proliferation financing,  
 commits an offence and shall be liable, on conviction, to imprisonment for a term of not less than twenty years.”.

Amendment  
 of section 12

**39.** The principal Act is amended in section 12(5), by-

- (a) deleting paragraph (d); and
- (b) renaming paragraph (e) as paragraph (d).

Addition of  
 section 12A

**40.** The principal Act is amended by adding immediately after section 12 the following:

“Designation  
 of domestic  
 terrorists

**12A.**-(1) The Minister may, pursuant to the United Nations Security Council Resolutions, designate any person or entity to be a suspected domestic terrorist, where there are reasonable grounds to believe that-

- (a) a person or an entity is or has been involved in the commission or attempt to commit a terrorist act;
- (b) an entity is owned or controlled, directly or indirectly, by any person or entity designated under paragraph (a); or
- (c) any person or entity is acting on behalf of, or at the direction of, any person or entity designated under paragraph (a).

(2) The Minister may make regulations prescribing the procedures and mechanisms of designating a domestic terrorist under this section.

(3) The provisions of this section shall apply where it is not reasonably practicable to bring the person or entity before the court on a charge relating to terrorism or terrorist financing.”

Repeal and replacement of sections 13 and 14

**41.** The principal Act is amended by repealing sections 13 and 14 and replacing for them the following:

“Prohibition of financing of terrorism

**13.** A person who finances terrorism or a person who willfully provides or collects, by any means, directly or indirectly, funds within or outside the United Republic with the intention that the funds may be used, or with the knowledge that they may be used, in order to carry out terrorist acts, commits an offence and shall upon conviction be liable to imprisonment for a term of not less than twenty years.

Collection of property or provision of property and services for commission of terrorism acts

**14.-(1)** A person who, directly or indirectly, collects property or provides, invites a person to provide, or makes available, property or financial or other related services-

- (a) intending that they be used, in whole or in part, for the purpose of committing or facilitating the commission of a terrorist act, or for the purpose of benefiting any person who is committing or facilitating the commission of a terrorist act; or
- (b) knowing that in whole or in part, they may be used by,

or shall benefit, individual terrorist or a terrorist group, commits an offence and shall on conviction, be liable to imprisonment for a term of not less than twenty years but not more than twenty five years.

(2) Notwithstanding the provisions of subsection (1), it shall not be necessary to prove that the funds or other assets were used for carrying out, attempt, or linked to a terrorist act.”

Addition of section 14A

**42.** The principal Act is amended by adding immediately after section 14 the following:

“Prohibition of terrorism related to travel

**14A.** Any person who-

- (a) travels or attempts to travel within or outside the United Republic; or
- (b) funds, organises, facilitates or recruits such travel or attempted travel by another,

intending that the travel be for-

- (i) perpetrating, planning, preparing or participating in a terrorist act, financing of terrorism, proliferation or proliferation financing;
- (ii) providing or receiving terrorist training; or
- (iii) joining or providing support to a proscribed organisation,

commits an offence and shall, on conviction, be liable to imprisonment for a term of not less than fifteen years but not exceeding twenty years.”.

Amendment  
of section 15

**43.** The principal Act is amended in section 15 by adding the words “financing of terrorism, or proliferation financing” immediately after the words “terrorist act” appearing at the end of paragraphs (a) and (b).

Amendment  
of section 17

**44.** The principal Act is amended in section 17 by inserting immediately before the words “terrorist group” wherever they appear in those provisions the words “an individual terrorist or”.

Amendment  
of section 18

**45.** The principal Act is amended in section 18, by-

- (a) inserting immediately before the words “terrorist group” appearing in subsection (1)(a) the words “individual terrorist or”; and
- (b) deleting the words “a member of a terrorist group constitutes giving of support to a terrorist group” appearing in subsection (2) and substituting for them the words “an individual terrorist or a member of a terrorist group constitutes giving of support to an individual terrorist or a terrorist group”.

Amendment  
of section 20

**46.** The principal Act is amended in section 20, by-

- (a) inserting immediately before the words “terrorist group” appearing in paragraph (a) the words “an individual terrorist or”; and
- (b) inserting the words “an individual terrorist” immediately after the words “benefit of” appearing in paragraph (c).

Amendment  
of section 26

**47.** The principal Act is amended in section 26(1) by adding the words “an individual terrorist or” immediately after the words “addressed by” appearing in paragraph (c).

Addition of  
section 27A

**48.** The principal Act is amended by adding immediately after section 27, the following:

“Financial penalties **27A.**-(1) Where a person contravenes the provisions of this Act

or regulations made under this Act and no specific financial penalty is stipulated, that person shall, on conviction:

- (a) in the case of an individual person, be liable to a fine not exceeding five hundred million shillings but not less than one hundred million shillings or be ordered to pay three times the amount of money involved or market value of the property, whichever amount is greater; or
- (b) in the case of a body corporate, be liable to a fine of not less than five hundred million shillings or be ordered to pay three times of the amount of money involved or market value of the property, whichever amount is greater.

(2) For the purposes of subsection (1)(b), every director, manager or principal officer and member of the board of directors of the company shall be deemed to have committed the offence.”.

Amendment  
of section 48

**49.** The principal Act is amended in section 48, by-  
(a) inserting immediately after subsection (1), the following:

“(2) Without prejudice to the generality of subsection (1), the regulations may provide for-

- (a) procedure and mechanisms to

- collect or solicit information to identify persons and entities that meet the criteria for designation and persons or entities who have been identified and whose proposal for designation has been considered;
- (b) preventive measures for funds, assets and properties of sanctioned persons or entity;
  - (c) procedures for proposing persons or entities for designation and delisting under the United Nations Security Council Resolutions relating to terrorist financing and proliferation financing and the authority responsible for proposing designation;
  - (d) mechanism and criteria for identifying targets for designation;
  - (e) implementation of targeted sanctions and other measures imposed by the United Nations Security Council Resolutions;
  - (f) procedure to respond to international request for information regarding particular actions or movements of terrorist or terrorist groups pursuant to section 37(a); and
  - (g) any other matter which is required to be prescribed for proper implementation of this Act.”; and
- (b) renumbering subsections (2) and (3) as subsections (3) and (4), respectively.

*(f) Amendment of the Proceeds of Crime Act,  
(Cap. 256)*

Construction  
Cap. 256

**50.** This Part shall be read as one with the Proceeds of Crime Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 3

**51.** The principal Act is amended in section 3 by deleting the words “includes any” appearing in the definition of the term “serious offence” and substituting for them the words “any other”.

Passed by the National Assembly on the 8<sup>th</sup> February, 2022

NENELWA J. MWIHAMBI  
Clerk of the National Assembly