

THE BANK OF ZAMBIA ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM OR PROLIFERATION DIRECTIVES, 2017

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ARRANGEMENT OF DIRECTIVES

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**IN EXERCISE** of the powers contained in section 36(4) of the Financial Intelligence Centre Act Number 46 of 2010, and in consultation with the Centre, the following Directives are hereby made:

**PART 1  
PRELIMINARY**

Short title                    1. These Directives may be cited as the Bank of Zambia Anti-Money Laundering and Combating the Financing of Terrorism or Proliferation Directives, 2017.

2. In these Directives, unless the context otherwise requires,

Interpretation No. 46  
of 2010

“Act” shall mean the Financial Intelligence Centre Act;

“attempted transaction” is one where a customer intended to conduct a transaction and took some form of action to do so. It is different from a simple request for information, such as an enquiry as to the fee applicable to a certain transaction. An attempted transaction includes entering into negotiations or discussions to conduct the transaction and involves concrete measures to be taken by either you or the customer.

“Centre” shall have the same meaning assigned to it in the Act.

“compliance officer” is an officer designated as such pursuant to section 23 of the Act.

“manager” means an officer of a reporting entity who is in a position to control, direct, or influence decision-making.

“proliferation” has the same meaning assigned to it under the Act as amended by Act No.4 of 2016.

“reporting entity” has the same meaning assigned to it in the Act;

“money laundering” has the same meaning assigned to it under the Prohibition and Prevention of Money Laundering Act No 14 of 2001, as amended by Act No.44 of 2010.

“financing of terrorism” has the same meaning assigned to it under Anti-Terrorism Act No. 21 of 2007.

Application

3. These Directives shall apply to all reporting entities licensed or designated by the Bank of Zambia.

**PART II**  
**AUTHORITY OF BANK OF ZAMBIA**

Authority of the Bank  
of Zambia

4. The Bank of Zambia shall be the supervisory authority for the purposes of giving effect to these Directives.

**PART III**  
**REPORTING OBLIGATIONS**

Obligation to Report  
Suspicious Transaction

5. (1) Where a reporting entity processes or is likely to process a transaction to which there is reasonable grounds to suspect that any property is the proceeds of crime, or is related to, or is to be used for, terrorism, terrorist acts or by terrorist organisations or persons who finance terrorism or proliferation, the reporting entity shall take reasonable measures to ascertain the purpose of that transaction and submit a report to the Centre, setting out the grounds for the suspicion and the particulars of the transaction, within three (3) working days of forming that suspicion.

(2) A reporting entity shall exercise caution when carrying out a transaction which it suspects to be related to money laundering or financing of terrorism or proliferation.

(3) A reporting entity shall submit a suspicious transactions report on attempted money laundering or financing of terrorism or proliferation to the Centre in accordance with Directive 5.

Obligations of  
compliance officer

6. (1) A compliance officer shall:
- (a) keep a register of all reports made by employees of the reporting entity and of all reports that the officer makes to the Centre;
  - (b) on written request by a law enforcement agency,
    - i. give an acknowledgment receipt from the Centre of all the reports submitted to the Centre;
    - ii. make available to the law enforcement agency copies of reports made to the Centre and those made to the compliance officer by employees of the reporting entity; and.
  - (c) after receiving a report in terms of Directive 7, promptly evaluate whether or not there are reasonable grounds for believing that a customer has been engaging in illegal activities or crime or financing of terrorism or proliferation, and if after such evaluation, the compliance officer finds that such grounds exist, the compliance officer shall immediately submit a

suspicious transactions report to the Centre in the format prescribed in the First Schedule to these Directives.

(3) If a compliance officer resigns from a reporting entity, the reporting entity shall prepare and deliver to the Bank of Zambia and the Centre, within ten days after delivery to the reporting entity of the compliance officer's resignation, a written statement of the reasons for the resignation.

(4) If a reporting entity terminates the appointment of its compliance officer, the reporting entity shall prepare and deliver to the Bank of Zambia and the Centre, within ten days of the decision to terminate the appointment, a written statement of the reasons for the termination

Obligations of employees

7. An employee of a reporting entity shall promptly report to a compliance officer all cases where:

(1) the employee becomes aware, has knowledge or suspects or has reasonable grounds to suspect, that a customer has been or is involved in an illegal activity or crime or financing of terrorism or proliferation; or

(2) a customer in respect of whom the employee becomes aware, has knowledge or suspects or has reasonable grounds to suspect, that another customer has been engaging in illegal activities or crime or financing of terrorism or proliferation.

Cooperation with law enforcement agencies

8. (1) In addition to reporting a suspicious transaction report to the Centre, a reporting entity shall not be precluded from providing information to a law enforcement agency where a transaction requires immediate action;

(2) A reporting entity shall:

(a) cooperate with the law enforcement agencies to facilitate the exchange of information relating to money laundering or financing of terrorism or proliferation; and

(b) comply with any law which requires the provision of information to the law enforcement agencies to assist in an investigation.

Obligations of the board of a reporting entity.

9. (1) The board of a reporting entity shall ensure that the reporting entity puts in place internal programmes to prevent, detect and report any suspicious activities relating to money laundering, financing of terrorism or proliferation.
- (2) The board shall submit an annual compliance report to the Bank of Zambia indicating the number of internal reports submitted to the Centre on money laundering, financing of terrorism or proliferation and on the effectiveness of the internal programmes referred to in Directive 9(1).

Prohibition against Tipping Off

10. A reporting entity or any director, manager, officer, principal or employee of the reporting entity shall not disclose to any person, including the person in respect of whom the report is made, the contents of a suspicious transactions report.

Protection of identity of persons and information relating to Suspicious Transactions Reports

11. (1) A reporting entity or any director, manager, officer, principal or employee of the reporting entity shall not disclose any information that identifies, or is likely to identify the person who prepared or made a suspicious transaction report, or handled the underlying transaction.

12. A reporting entity or any director, manager, officer, principal or employee of the reporting entity shall keep confidential the contents of a suspicious transaction report.

Immunity of entities/persons reporting

13. A reporting entity or any director, manager, officer, principal or employee of the reporting entity who submits a suspicious transactions report to the Centre, in good faith, or in compliance with directions given by the Act or these Directives shall not be liable to any civil, criminal, administrative or disciplinary proceedings for breach of banking or professional secrecy or contract.

Obligations Relating to Financing of Terrorism or Proliferation

14. (1) A reporting entity shall develop and implement practices and procedures that will help to detect and deter transactions that may involve funds used in the financing of terrorism or proliferation.
- (2) Where such transactions are identified, a reporting entity shall submit a suspicious transaction report to the Centre.

**PART IV  
SANCTIONS**

- General penalty
15. A person who contravenes any provision of these Directives commits an offence and is liable upon conviction, to a fine not exceeding seven hundred thousand penalty units or to imprisonment for a period not exceeding seven years, or to both.
- Administrative sanctions
16. (1) Notwithstanding the criminal sanctions provided for under Directive 15, the Bank of Zambia may impose administrative sanctions on a person who intentionally or negligently fails to submit a suspicious transaction report on money laundering and financing of terrorism or proliferation to the Centre.
- (2) The administrative sanctions that the Bank of Zambia may impose include any of the following:
- a. A caution not to repeat the conduct which led to the non-compliance with a provision of the Act or these Directives;
  - b. A reprimand;
  - c. A directive to take remedial actions or make specific arrangements to redress identified non-compliance;
  - d. A restriction or suspension of certain specified business activities;
  - e. A suspension of licence for a period not exceeding six months;
  - f. A suspension from office for a period not exceeding six months;
  - g. A removal from office;
  - h. Publication of a public notice of any prohibition or requirement imposed by the Centre or Bank of Zambia under this part and of any rescission or variation thereof and the notice made if the Centre or Bank of Zambia considers necessary, include a statement of the reason for the prohibition, requirement, variation or rescission;
  - i. A fine not exceeding seven hundred thousand penalty units.

**PART III  
GENERAL**

- Repeal and replace the Bank of Zambia Anti-Money Laundering Directives, 2004.
17. The Bank of Zambia Anti-Money Laundering Directives, 2004 is hereby repealed.
- Directives to come into force
18. These Directives shall come into force on such day as the Bank of Zambia shall prescribe.

**FIRST SCHEDULE**

**THE FINANCIAL INTELLIGENCE CENTRE**

**The Financial Intelligence Centre Act, 2010**

**(Act No. 46 of 2010)**

**SUSPICIOUS TRANSACTION REPORT**

**(Section 29 of the Financial Intelligence Centre Act, No. 46 of 2010)**

**INSTRUCTIONS:**

1. Complete as much of this form as possible.
2. Fields marked with an asterisk (\*) are mandatory, except for attempted transactions.
3. Please complete form in INK and CAPITAL LETTERS.
4. Mark appropriate boxes with a cross (X).  
For further information on how to complete this form please refer to the STR Guidelines.
5. For electronic submission please log on to our website at [www.fic.zm](http://www.fic.zm)

**Send the Completed form to:**

The Director  
Financial Intelligence Centre  
P.O. Box 30481, Lusaka, Zambia  
or  
Email [FICSTR@fic.gov.zm](mailto:FICSTR@fic.gov.zm)

All Suspicious Transaction Reports (STRs) must, when completed, be treated as confidential.

**PART A: DETAILS OF THE PERSON/ORGANISATION TO WHICH THE SUSPICIOUS MATTER RELATES**

**I. ACCOUNT OWNER(S)/HOLDER(S) – INDIVIDUAL**

1. Surname: .....
2. First Name: .....
3. Maiden Name: .....
4. Other Names: .....

5. Marital Status: .....

6. Date of Birth: (DD/MM/YYYY) ..... / ..... / .....

7. Sex:  F  M

8. Profession: .....

9. Occupation: .....

10. Nationality: .....

11. Identity Type:  National Registration Card  Passport  Driver's Licence

(a) Identification Number: .....

(b) Date of issue: .....

(c) Place of Issue: .....

(d) Identification issued by: .....

2. Residential Address\* .....

(a) Property Number: .....

(b) Street Name: .....

(c) Area: .....

(d) Village: .....

(e) Chief: .....

(f) District: .....

(g) Province: .....

(h) Country: .....

3. Postal Address\* .....

4. Business Address:

(a) Property Number: .....

(b) Street Name: .....

(c) Area: .....

(d) District: .....



(e) Province: .....

5. Contact Details

(a) Telephone: .....

(b) Mobile: .....

(c) Fax: .....

If more than one person is involved, please provide the same details in this Part for each person, where appropriate, and attach.

**II. ACCOUNT OWNER(S)/HOLDER(S) - BUSINESS ENTITY**

1. Name\* .....

2. Date of Registration\* (MM/DD/YYYY) ..... / ..... / .....

3. Registration Number\* .....

4. Country of Registration\* .....

5. Type of Business\* .....

- |                              |                |                              |             |
|------------------------------|----------------|------------------------------|-------------|
| (a) <input type="checkbox"/> | Company        | (e) <input type="checkbox"/> | Sole trader |
| (b) <input type="checkbox"/> | Partnership    | (f) <input type="checkbox"/> | Cooperative |
| (c) <input type="checkbox"/> | Statutory Body | (g) <input type="checkbox"/> | Society     |
| (d) <input type="checkbox"/> | Trust          | (h) <input type="checkbox"/> | Other       |

6. Nature of Business\* .....

7. Business Address (Head Office):

(a) Property Number: .....

(b) Street Name: .....

(c) Area: .....

(d) Village: .....

(e) Chief: .....

(f) District: .....

(g) Province: .....

(h) Country: .....

- 8. Postal Address\* .....
- 9. Contact details .....
- (a) Telephone: .....
- (b) Mobile: .....
- (c) Fax/Landline: .....
- (d) Email: .....
- (e) Website: .....

**PARTICULARS OF DIRECTORS/TRUSTEES/SETTLERS/BENEFICIARY**

- (a) Surname: .....
- (b) First Name: .....
- (c) Maiden Name: .....
- (d) Marital Status: .....
- (e) Nationality: .....
- (f) Occupation: .....
- (g) Identity Type and Number: .....
- (h) Date of issue: .....
- (i) Place of Issue: .....
- (j) Residential Address: .....

Contact details:

- (a) Mobile: .....
- (b) Landline: .....
- (c) Fax: .....
- (d) e-mail: .....

**PARTICULARS OF PERSON WITH AUTHORITY TO CONDUCT TRANSACTION ON BEHALF OF BUSINESS ENTITY/ TRUST**

12. Surname: .....

13. First Name: .....

14. Maiden Name: .....

15. Other Names: .....

16. Marital Status: .....

17. Date of Birth: (DD/MM/YYYY) ..... / ..... / .....

18. Sex:  F  M

19. Profession: .....

20. Occupation: .....

21. Nationality: .....

22. Identity Type:  National Registration Card  Passport  Driver's Licence

(e) Identification Number: .....

(f) Date of issue: .....

(g) Place of Issue: .....

(h) Identification issued by: .....

Contact details

(a) Mobile: .....

(b) Landline: .....

(c) Fax: .....

(d) e-mail: .....

**PARTICULARS OF PERSON WITH AUTHORITY TO MANAGE, VARY OR CONTROL THE MANAGEMENT OF THE ENTITY/TRUST**

23. Surname: .....

24. First Name: .....

25. Maiden Name: .....

26. Other Names: .....

27. Marital Status: .....

28. Date of Birth: (DD/MM/YYYY) ..... / ..... / .....

29. Sex: F M

30. Profession: .....

31. Occupation: .....

32. Nationality: .....

33. Identity Type: National Registration Card Passport Driver's Licence

(i) Identification Number: .....

(j) Date of issue: .....

(k) Place of Issue: .....

(l) Identification issued by: .....

Contact details:

(a) Mobile: .....

(b) Landline: .....

(c) Fax: .....

(d) e-mail: .....

**PART B: ACCOUNT DETAILS**

25. Account Number)\* .....

27. Branch/Office .....

28. Date account opened\* DD/MM/YYYY ..... / ..... / .....

29. Date account closed DD/MM/YYYYD ..... / ..... / .....

30. Other accounts held by this customer: .....

31. Details of person who closed account: .....

32. Status of account: .....

33. Account/Product type\*

Accounting Services

Insurance

- |   |   |
|---|---|
| <input type="checkbox"/> Advisory Services    | <input type="checkbox"/> Investment             |
| <input type="checkbox"/> Auditing Trust       | <input type="checkbox"/> Lease/Hire purchase    |
| <input type="checkbox"/> Betting              | <input type="checkbox"/> Conveyance of Property |
| <input type="checkbox"/> Bullion              | <input type="checkbox"/> Remittance             |
| <input type="checkbox"/> Credit/Debit Card    | <input type="checkbox"/> Stored value card      |
| <input type="checkbox"/> Credit Facilities    | <input type="checkbox"/> Superannuation         |
| <input type="checkbox"/> Custodial            | <input type="checkbox"/> Trading                |
| <input type="checkbox"/> Demand/Cheque/Saving | <input type="checkbox"/> Other                  |
| <input type="checkbox"/> Foreign Currency     |   |

**PART C: TRANSACTION DETAILS**

- |   |                       |                         |
|---|-----------------------|-------------------------|
| 34. Purpose of transaction  | 45. Transaction Type* | 46. Purchase of         |
| 35. parties to transaction  | Account Opening       | Negotiable Instrument   |
| 36. Place of transaction*.....                                      |                       |                         |
| 37. Date of Transaction   | Account Depositing    | Disposal of Instruments |
| *DD/MM/YYYY   |                       |                         |
| 38. Time of transaction   | Account Withdrawal    | Contribution            |
| HH:MM   |                       |                         |
| 39. State period over which transaction conducted                   | Traveller's cheques   | Premium                 |
| 40. Total amount of transaction (ZMK)*.....                         | Funds Transfer        | Bet Placed              |
| 41. Assets involved, Currency Amount, value and type (Specify)..... |                       |                         |
| 42. Method of transaction.....                                      |                       |                         |
| 43. Method of disposal of funds or property.....                    | Transfer of Property  | Remittance              |

44. Amount of disposition of funds or assets..... Other (specify)
47. Any previous activity in the preceding 180 days which had been considered for reporting in connection with the account, whether the activity was reported or not.
48. The report number of any previous reports made in connection with the account

**PART D: CATEGORY FOR SUSPICION**

**REASON FOR SUSPICION (Tick at least one)**

- |   |                                     |
|---|-------------------------------------|
| Person - Suspicious Behaviour                       | ATM fraud                           |
| Irregular or unusual international banking activity | Advance fee Scam                    |
| Large or unusual cash deposit                       | Large or unusual cash withdrawals   |
| Activity inconsistent with customer profile         | Corporate/Investment fraud          |
| Large or unusual inward remittance                  | Large or unusual outward remittance |
| Unusually large foreign currency transaction        | Credit Card fraud                   |
| Country/jurisdiction risk                           | Credit/loan facility fraud          |
| False name/identity                                 | Currency not declared at border     |
| Counterfeit currency                                | Immigration related issue           |
| Fraud   | Internet fraud                      |
| Avoiding reporting obligations                      | National Security concern           |
| Known/suspected criminal/organization               | Unauthorised Transaction            |
| Unusual business practices                          | Unusual Financial Instrument        |
| Many third parties making deposits into the account | Unusual Gambling                    |
| Watch listed individual/organization                | Other (Specify):                    |
| Phishing (Electronic Fraud)                         | (Attach extra leaf if necessary)    |
| Inactive account                                    |                                     |

**DESCRIPTION OF TRANSACTION**

Transaction Narrative\*

Please describe clearly and completely the factors or unusual circumstances that led to the suspicion. Further, indicate whether the transaction is an isolated incident or involves other transactions. Provide as much details as possible to explain what was suspicious. Has this matter been reported to any Law Enforcement Agency? If yes, please specify. If there is insufficient space, attach extra leaf.

Indicate what action the natural or legal person making the report, or other entity on whose behalf the report is made, has taken in connection with the transaction concerning which the report is made. Indicate what documentary proof, if any, is available in respect of the transaction concerning which the report is made.

**PART E: REPORTING ENTITY DETAILS\***

**NATURE OF BUSINESS**

Micro Finance Institution	Insurance Broker	Lotteries
Motor Vehicle Dealer	Precious metal Dealer	Leasing Company
Bureau de Change	Real Estate Agent	Legal Practitioner
Insurance	Building Society	Money Remitter
Real Estate Dev.	Accountant/Auditor	Pension
Commercial Bank	Casino	Stock Broker
Tax Consultant	Development Finance	Other (Specify)

Reporting Entity Name\* .....

Physical Address .....

Compliance/Reporting Officer Name .....

Position .....

Tel No.:

Landline: +260.....

Mobile: +260.....

Fax: +260.....

Email Address:.....

**If different from Compliance /Reporting Officer**

Name: .....

Position: .....

Tel No:

Landline: +260.....

Mobile: +260.....

Fax: +260.....

Email Address:.....

Are there any attachments accompanying this form?                      Yes                      No

(If yes, please specify):

Date: MM/DD/YYYY \_\_\_/\_\_\_/\_\_\_\_\_

.....

Signature

.....

Compliance Officer Signature\*

Please submit completed STR to FIC not later than three working days of forming the suspicion

<b>FOR OFFICIAL USE ONLY</b>
<p>STR NO:</p> <p>DATE RECEIVED:</p> <p>NAME:</p> <p>(Signature)_____</p> <p style="text-align: center;"><i>Authorised Officer</i></p>