

GOVERNMENT NOTICE NO. 10A published on 14/01/2023

THE ANTI-MONEY LAUNDERING ACT,
(CAP. 423)

REGULATIONS

(Made under section 29)

THE ANTI-MONEY REGULATIONS, 2023

ARRANGEMENT OF REGULATIONS

Regulation Title

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THE ANTI-MONEY REGULATIONS, 2023

PART I
PRELIMINARY PROVISIONS

Citation

GN.NO
397 2022

1. These Regulations may be cited as the Anti- Money Laundering Regulations 2023 and shall be read as one with the Anti-Money Laundering Regulations, 2023 hereinafter referred to as the “principal Regulations”.

PART II
GENERAL AMENDMENTS

Amendment of
regulation 2

2. The principal regulations are amended in regulation 2 by adding the words “and any powers that regulate and bind the legal person” immediately after the word “document” appearing in paragraph (e) in the definition of the term "basic entity information".

Amendment of
regulation 8

3. The principal regulations are amended in regulation 8 by-

(a) deleting the full stop appearing at the end of paragraph (d); and

(b) adding immediately after paragraph (d) the following;

"(e) for customers that are legal persons, the reporting person shall identify and take reasonable measures to verify the identity of beneficial

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owners through the following information;

- (i) the identity of the natural person with an ultimate controlling ownership interest in a legal person; and where there is doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control of the legal person or arrangement through other means;
 - (ii) where no natural person is identified, the identity of the relevant official who holds a senior managing position; and
 - (iii) taxpayer identification number for legal person and for legal arrangement, where applicable;
- (f) for customers that are legal arrangements, the reporting persons shall identify and take reasonable measures to verify the identity of beneficial owners through the following information:
- (i) for trusts, the identity of the settlor, the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, grantor, signatories and any other natural person exercising ultimate effective control over the trust (including through a chain of control/ownership);
 - (ii) for other types of legal arrangements, the identity of persons in equivalent or similar positions;
- (g) for the beneficiaries of life insurance policies, in addition to the customer due diligence measures required for the customer and the beneficial owner, the reporting person shall conduct the following customer due diligence measures on the beneficiary of life insurance and other investment related insurance policies, as soon as the beneficiary is identified or designated:

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- (i) for a beneficiary that is specifically identified as natural or legal persons or legal arrangements, taking the name of the person;
 - (ii) for a beneficiary that is designated by characteristics or by class or by other means, obtaining sufficient information concerning the beneficiary to satisfy the reporting person that it will be able to establish the identity of the beneficiary at the time of the payout;
 - (iii) take reasonable measures to determine whether the beneficiaries or the beneficial owner of the beneficiary are politically exposed persons at the time of the payout and where higher risks are identified, the reporting person shall inform senior management before the payout of the policy, to conduct enhanced scrutiny on the whole business relationship with the policyholder, and consider making a suspicious transaction report;
 - (iv) for the both cases in sub paragraphs (i) and (ii), the verification of the identity of the beneficiary shall be conducted or made at the time of the payout;
- (h) a reporting person shall include the beneficiary of a life insurance policy as a relevant risk factor in determining whether enhanced customer due diligence measures are applicable and where the reporting person determines that a beneficiary who is a legal person or a legal arrangement presents a higher risk, the reporting person shall take enhanced measures including reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary at the time of payout;
- (i) a reporting person shall verify the identity of the customer and beneficial owner before or during

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the course of establishing a business relationship or conducting transactions for occasional customers; or may complete verification after the establishment of the business relationship, provided that-

- (i) this occurs sooner as reasonably practicable;
 - (ii) it is essential not to interrupt the normal conduct of business; and
 - (iii) the money laundering, terrorist financing or proliferation financing risks are effectively managed;
- (j) a reporting person shall apply customer due diligence requirements to existing customers on the basis of materiality and risk, and to conduct due diligence on such existing relationships at appropriate times, taking into account whether and when customer due diligence measures have previously been undertaken and the adequacy of data obtained;
- (k) where a reporting person is unable to comply with relevant customer due diligence measures, he shall-
 - (i) not open the account, commence business relations or perform the transaction; or shall terminate the business relationship; and
 - (ii) consider making a suspicious transaction report in relation to the customer;
- (l) in case the reporting persons form a suspicion relating to money laundering or terrorist financing, and he reasonably believe that performing the customer due diligence process will tip-off the customer, he may choose not to pursue the customer due diligence process, and file an STR;
- (m) in relation to politically exposed persons, in addition to performing customer due diligence measures required under section 15A(2)(b)(ii), a reporting person shall obtain senior management approval before establishing or continuing with

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the existing customers' business relationships;

- (n) subject to section 15A(2)(b)(iii), in relation to politically exposed person, in addition to performing customer due diligence measures, the reporting person shall take reasonable measures to establish the source of wealth and the source of funds of the customer and beneficial owner identified as a politically exposed person.”

Addition of
regulation 8A

4. The principal Regulations are amended by adding immediately after regulation 8 the following;

8A.- In conducting an on-going monitoring pursuant to section 15A(1)(b) of the Act, the reporting person shall perform ongoing due diligence of the business relationship by-

- (a) scrutinizing transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the reporting person's knowledge of the customer, their business and risk profile, including where necessary, the source of funds; and
- (b) ensuring that documents, data or information collected under the customer due diligence process is kept up-to-date and relevant by undertaking reviews of existing records, particularly, for higher risk categories of customers.

Amendment of
regulation 10

5. The principal Regulations are amended in regulation 10, by-

- (a) designating the contents of regulation 10 as 10(1);
- (b) adding immediately after paragraph (f) of sub regulation (1) as re-designated, the following:

“(g) proportionate to the risks, business relationships and transactions with natural and legal persons and other reporting persons from countries in

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which this is called for by the FATF.

- (c) adding immediately after sub regulation (1) as re-designated, the following;

“(2) Counter measures proportionate to the risks shall apply in the United republic of Tanzania -

- (a) when called upon to do so by the FATF; and

- (b) independently of any call by the FATF to do so.

(3) Competent authorities shall issue guidelines on measures to ensure that reporting persons are advised about weaknesses in the anti-money laundering, counter terrorist financing and counter proliferation financing systems of other countries.”

Amendment of
regulation 13

13-

6. The principal regulations are amended in Regulation

- (a) in sub regulation 3, by deleting the words “where a third party is in another country” appearing in paragraph (c) ; and

- (b) in sub regulation (4), by adding immediately after paragraph (b), the following;

“ (c) higher country risks are adequately mitigated by the group’s anti-money laundering and counter terrorism financing policies;”

- (c) in sub regulation (7), by inserting before paragraph (a), the following;

“(a) information available on the level of country risk;” and

- (d) renaming paragraphs (a) to (e) as paragraphs (b) to (f) respectively.

Addition of
regulation 13A

7. The principal Regulations are amended by adding immediately after regulation 13 the following;

13A.- Reporting persons shall implement group-wide programmes against money laundering,

Reporting by

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branches and
subsidiaries

terrorists financing and proliferation financing which are applicable and relevant to all branches and majority-owned subsidiaries of the financial group including the following:

- (a) policies and procedures for sharing information required for the purposes of customer due diligence and money laundering, terrorist financing and proliferation financing risk management;
- (b) the provision, at group-level compliance, audit, or anti-money laundering, terrorist financing and proliferation financing functions, of customer, account, and transaction information from branches and subsidiaries when necessary for anti-money laundering, counter terrorist financing and counter proliferation financing purposes which shall include information and analysis of transactions or activities which appear unusual if such analysis was done, and branches and subsidiaries shall receive such information from the group-level functions when relevant and appropriate for the purpose of risk management; and
- (c) adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off.

Addition of
regulation 21

The principal Regulations are amended by adding immediately after regulation 21, the following;

“Derogation
from some
FATF
standards

21A.- (1) Pursuant to section 15 (13) of the Act, competent authorities and reporting persons may decide not apply some FATF recommendations requiring financial institutions or designated non-financial businesses and professions to take certain action where satisfied that -

- (a) there is a proven low risk of money laundering, terrorist financing or

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proliferation financing and the exemption applies to strictly limited and justified circumstances and it relates to a particular type of financial institution or activity, or a designated non-financial businesses and professions; or

- (b) a financial activity, other than the transferring of money or value, is carried out by a natural or legal person on an occasional or very limited basis having regard to quantitative and absolute criteria such that there is minimal risk of money laundering, terrorist financing and proliferation financing.”

Dodoma.
11th January, 2023

MWIGULU LAMECK NCHEMBA MADELU
Minister for Finance and Planning

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