

The Republic of Zimbabwe



NATIONAL ANTI-MONEY LAUNDERING AND COMBATING FINANCING OF TERRORISM STRATEGIC PLAN

2020-2025

*Contributing to Zimbabwe's economic growth by achieving high level of
effectiveness in combating AML/CFT.*

VISION STATEMENT

To build, sustain and co-ordinate an effective, responsive and adaptive AML/CFT framework consistent with international standards.

MISSION STATEMENT

The establishment of the comprehensive AML/CFT framework shall be through the engagement of human and technical resources amongst relative local and international stakeholders

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ACRONMYS

AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering and Combatting the Financing of Terrorism
BO	Beneficial Owner/Ownership
CBM	Central Bank of Malta
CDD	Customer Due Diligence
DAIP	Detailed Action Implementation Plan.
DNFBP	Designated Non-Financial Businesses and Professions
ESAAMLG	Eastern and Southern Anti Money Laundering Group.
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
ICRG	International Cooperation Review Group- now known as the Joint Group.
IPEC	Insurance and Pensions Commission
LEAs	Law Enforcement Agencies.
ML	Money Laundering
ML/FT	Money Laundering/Financing of Terrorism
MLPCA	Money Laundering and Proceeds of Crime Act (Chp 9;24).
MLA	Mutual Legal Assistance
MLRO	Money Laundering Reporting Officer
MOU	Memorandum of Understanding
NTF Terrorism	National Task Force on Combating Money Laundering and Funding of Terrorism
NRA	National Risk Assessment
SECZ	Securities Exchange Commission of Zimbabwe
TA and T	Technical Assistance and Training
TF	Terrorism financing
UNODC	United Nations Office on Drugs and Crime

INTRODUCTION.

This is Zimbabwe's third national Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Strategic Plan, following after the first AML/CFT three-year Strategic Plan for period 2010-2012 and the second that covered the period 2015-2020. This plan covers the period 2020-2025. As per previous endeavours, the plans, sets out the strategic direction that the Republic of Zimbabwe intends to adopt in order to attain its vision for the prevention and combating financial crimes, a vision which is also in line with the regional pursuits within the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and international best practice regarding the implementation of the Financial Action Task Force (FATF) AML/CFT standards.

The AML/CFT framework in Zimbabwe is established through the Money Laundering and Proceeds of Crime Act -Chapter 9:24; (MLPCA), which is an act to suppress the abuse of the financial system and enable the unlawful proceeds of all serious crime and terrorist acts to be identified, traced, frozen, seized and eventually confiscated. Given its widespread ambit, the Act identifies and imposes obligations on a number of institutions and stakeholders who are all vital to the prevention and combating ML and TF in the country. The figure below is a diagrammatic representation of these stakeholders and their linkages.

Diagram 1. The AML/CFT Value Chain.



Each part of the chain is essential to the overall attainment of confiscating the proceeds of crime each part operate in a series of dependencies with the next part for the overall wholeness of the system. In this regard for a successful AML/CFT initiatives it is important that the following three measures are achieved which are; close working relationships, collaboration and coordination. It is cognisance of the different but important roles that each of the AML/CFT stakeholders play that this current strategic plan is drawn.

The 2020-2025 Strategic Plan has been built on various foundational themes. Firstly, are the successes achieved and lessons learnt from the challenges encountered in the

implementation of the first two plans. The second foundational theme has been the country's AML/CFT experiences and exposures in the past decade, which of note are; the country entry into the Joint Group (formerly referred to as the International Cooperation Review group ICRG) in 2012 and its exit in early 2015, the country first national risk assessment exercise in 2014-5, and its assessment under the ESAAMLG second round mutual evaluation exercise. All these experiences have provided important learning blocks of which this current 2020-2025 Strategic plan is premised upon. Third and importantly the country has just completed its second national Risk Assessment exercise which is informing the country of its current AML/CFT threats and vulnerabilities. These foundational themes are the important derivatives for directional guidance in adopting the strategy that the country need to follow in the coming years.

Diagram 2 Feeders into the 2025 Strategic Plan.



The Strategic Plan also recognizes the current budgetary constraints upon the national fiscus as well as challenges that are besetting the economy and therefore cognisant of the fact that the AML/CFT measures will have to be implemented in an environment where other priorities compete for the attention and resources of authorities, the harnessing, mobilization and efficient utilization of such resources is critical. In this regard, the 2020-2025 Strategic Plan will seek to complement National Treasury efforts with those of non-state actors and critical sectors whose roles are important to the effective implementation of AML/CFT measures.

Review of the Strategic Plan 2015-2020

Tenets of the 2015-2020 Strategy.

Zimbabwe Strategic orientation as per the 2015-2020 strategic plan was encapsulated in the following five strategic objectives. These were;

- Identify and assess the country's Money Laundering and Financing of Terrorism threats and risks, on an ongoing basis, and implement risk-based measures to mitigate the risks,
- Increase effectiveness of Zimbabwe's AML/CFT systems to detect, investigate and prosecute cases of ML/TF,
- Increase effectiveness of Zimbabwe's AML/CFT systems to detect, investigate and prosecute cases of ML/TF,
- Increase the country's effectiveness in identifying, tracing and confiscating proceeds and instrumentalities of crime and funds related to financing of terrorism and
- Enhance national Cooperation as well as International Co-operation on AML/CFT Issues.

Achievements

the country is able to list the following activities amongst other major achievements that arose from the implementation of the above discussed strategic objectives.

- Several legal amendments were made to the main ML Act to refine operational procedures and processes. Some of these were the additions to section six (6) and twelve (12) of the MLPCA.
- The Treasury was able to set aside a fund for AML/CFT capacity building, which saw the National Task Force embark on a nationwide program specifically aimed at Law Enforcement Agencies.
- A specific unit within the Zimbabwe Republic Police dedicated to the investigation of ML cases, (i.e. the Asset Forfeiture Unit) was set up.
- The country successfully launched its Second National Risk Assessment program making it one of the first in the ESAAMLG region to do so.
- Domestic and International cooperation process were enhanced through legal amendments and the signing of new Memoranda of Understanding, culminating in record statistics for the country in terms of cooperation on AML/CFT.

- Various stakeholder processes which include those of the FIU and SECZ were automated to facilitate better analysis, monitoring and supervision which has seen improved effectiveness in AML/CFT issues.
- An RBA Supervisor framework was drawn and though still at its early implementation stages at the launch of this plan, this had been cascaded to all Supervisory Authorities.

Challenges.

Despite the successful attainment of the achievements discussed above various constraints in the form of financial resource limitation, technical expertise challenges, skilled human resource scarcity as well as the emergence of unforeseen variables. Notably amongst these has been the;

- Limited outreach and public awareness campaigns due to availability of staff as well as commitment to other competing objectives,
- Failure to secure technical expertise for awareness and outreach for technical stakeholders specifically in this regard the Judiciary.
- Lack of operational resources that could be used to pursue strategic objectives. Precisely the lack of vehicles, computers and other forensic aids to assist Law Enforcement Agencies to pursue their duties,
- Low stakeholder buy-in to the strategic initiatives which amongst other issues is the pursuit of confiscation and seizures of the proceeds of crime as witnessed by low statistics to this effect.

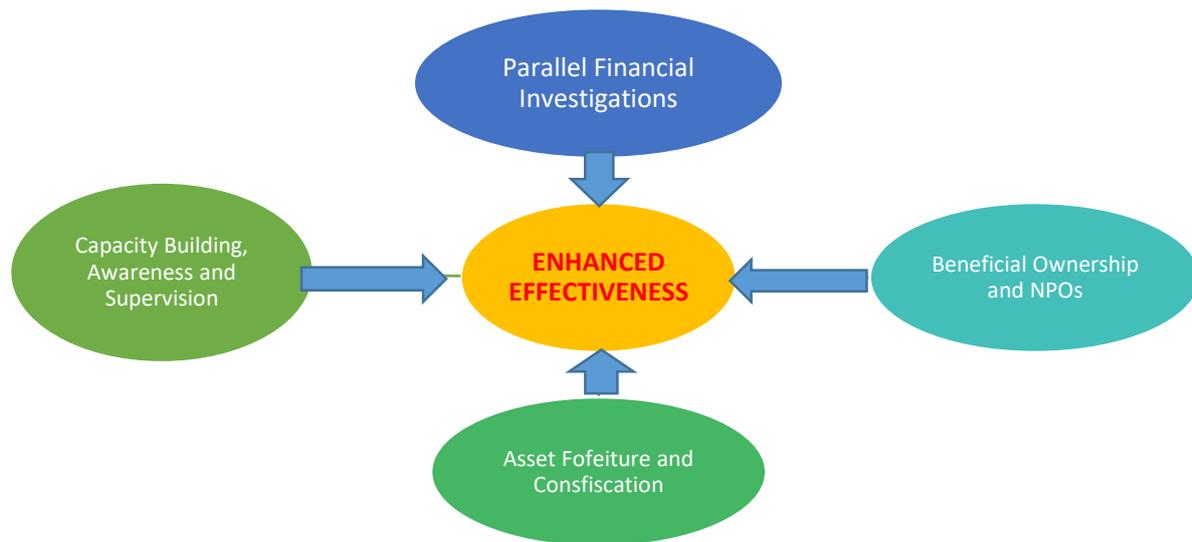
THE STRATEGIC PLAN

Overview

The country AML/CFT vision and mission is in the long term. In this regard this strategic plan is a pursuit of the same over the period of the next five years. The strategic plan therefore seeks advancement towards the vision by pursuit of four broad objectives. Pursuing our long term goals, we will focus on four key objectives for the next five years.

These four strategic objectives will guide both the National Task Force on AML/CFT as well as its Secretariat the Financial Intelligence Unit in their approach to effective regulation and supervision, and in maintaining confidence in Zimbabwe's economy by combating financial crime.

Diagram 3. The National Strategic Objectives for Zimbabwe 2010-2025



Strategic Priorities

Strategic Priority 1. - AML/CFT Awareness and Capacity Building.

This will require that the various agencies of the NTF, specifically those that are of a supervisory nature to ensure improved understanding, by all relevant stakeholders, from designated institutions right up to the public in general on the of the MLPCA expectations and requirements, regulatory and supervisory frameworks, guidance and procedures which are easy to understand. In following this strategic objective, the NTF shall require each of the stakeholders to;

- Develop communication strategies on AML/CFT to their constituencies
- Review, develop and disseminate relevant AML/CFT materials,
- Ongoing partnership with other stakeholders on public awareness,
- Either alone or in partnership with other professional bodies continuously offer training and capacity building programs for their stakeholders.
- Draw up and administer effective Risk Based Supervisory programs that should ensure compliance by designated institutions,
- Widen scope of domestic cooperation capacity building and awareness efforts through domestic and international MOUs, for exchange of information and joint awareness, and supervisory operations,
- Administer dissuasive sanctions for non –compliant designated institutions for repeated breaches of AML/CFT obligations.

Strategic Priority 2. The pursuit of parallel financial investigations.

This current strategic initiative builds upon the achievement of the previous plan of 2015-2020 of setting up a separate and specialised Money Laundering Investigation Unit (AFU). However, cognisant of the limited number of successful parallel financial investigations, further work is required on the objective for the country to gain it's the level of effectiveness it wished to achieve. In following this strategic objective, all Law Enforcement Agencies shall be required to;

- Have designed and be implementing a plan to strengthen and increase the size and level of specialisation in money laundering and terrorism financing investigations.
- Have designed a staff development strategy to increase the number of staff and allow for additional training of current staff, thus improving both capacity and ML/TF expertise.
- Make more frequent use of external experts (e.g. forensic accountants) their parallel financial investigations when in the expertise is not available in-house,
- Enhance their access to the relevant information and its use of analytical and workflow tools, by maximum utilisation of the FIU and other cooperating agencies in combating ML/TF,
- Review investigation procedures with a view to enhance techniques for complex ML investigations and the assistance of specialised technical assistance such as Prosecutor led investigations,
- Widen scope of international cooperation in investigations to capture the global nature of AML/CFT investigations through MOUs, exchange of information and cross border joint operations,
- Collect and maintain additional and detailed statistics to ensure adequate monitoring of the progress achieved in terms of the outcome of Zimbabwe's efforts with regards to investigating and prosecuting money laundering and terrorism financing.

Strategic Priority Three- Confiscation and Forfeiture of Criminal Proceeds.

The National Prosecuting Authority and to some extent LEAs are responsible for asset recovery. The ability to trace, freeze and forfeit the proceeds of crime has been limited so far. The recent establishment of a dedicated Asset Recovery Unit within the NPA is expected to enhance the ability to trace, freeze and forfeit the proceeds of crime. However, the country lags behind in terms of actual confiscations and forfeitures.

Further resolve is required for heightened input in this matter. In following this strategic objective, the responsible agencies shall be required to;

- Define their operating models with emphasis to spheres of operations in terms of their national role in confiscation and forfeiture of criminal proceeds.
- Develop and implement plans for increasing their capacity which amongst other measures includes the hiring of staff, selection of the necessary IT tools, capacity building initiatives specifically horned for confiscation and forfeiture of criminal proceeds,
- Operationalise the Asset Recovered Fund,

Strategic Priority Four- Beneficial Ownership Matters.

Centralised information about beneficial owners of legal entities has not been available to date and though LEAs are able to follow up on a need basis there has been little effort to make BO information to be publicly available. Further though other entities may have all the required information other registries and databases (e.g. voluntary organisations contain only partial information on BO). In order to prevent the misuse of legal entities and arrangements for ML/TF, in Zimbabwe the following measures will be implemented under this strategic objective;

- A number of registers will be established or will undergo a major upgrade to provide more transparency about the beneficial ownership of legal entities and arrangements (e.g. Register of Companies, Beneficial Ownership Register of Trusts, Register of Legal Persons, and Voluntary Organisations),
- the Registry of Companies will extend the existing register to include beneficial ownership information of companies and other commercial partnerships.
- the Registrar of Legal Persons will set up a register of beneficial owners of other legal entities. The relevant subsidiary legislation was published at the end of 2017 and will be followed by implementation starting in early 2018,
- The Ministry of Labour and Social Welfare will strengthen its supervisory capacity. It will seek additional powers (esp. operational independence and sanctioning powers), and it will increase its internal capacity with additional resources and enhancing the comprehensiveness of its database of voluntary organisations. Finally, it will aim to raise awareness across voluntary organisations on ML/TF vulnerabilities as well as AML/CFT obligations and best practices.

Strategic Plan Attainment Enablers.

The implementation and attainment of the goals of this strategic plan will require the following key ingredients for its success. Enablers are capabilities, forces, and resources that contribute to the success of an entity, program, or project. Enablers define the extent a strategic orientation is achieved.

The following four enablers will define the extent that this strategy will be achieved; **Resource Mobilisation**, Continued High Level Support, International Pressure to meet AML/CFT Standards and Sustained Monitoring and Evaluation.

Implementation, Review and monitoring of the National Strategy

Implementation, review and monitoring are very important to the management of strategic initiatives as they entail comparing actual against the expected and the resultant impact. In a changing and dynamic environment of which characterises Zimbabwe, some of the key assumptions in the plan may dramatically change and affect implementation of the set goals.

The National Task Force on AML/CFT will develop and operationalise the detailed implementation plan of this Strategic Plan (SP-DAIP). On the basis that the NRA of 2019 was also a basis for the drawing up of this strategic plan, this SP-DAIP will also mirror activities and actions as identified in the NRA.

The Chairperson of the National Task Force shall be responsible for the coordination, implementation and review of the Strategic Plan. Consequently, through the NTF he shall arrange for the mid-term and end of term evaluation of the Strategic Plan, to assess the impact of planned activities on service delivery.

Under the guidance of the Chair, the National AML/CFT Committee shall be responsible for monitoring and reviewing the implementation of the National Strategy. Members of the National AML/CFT Committee will report to the Committee on the progress made on their respective implementation plan. This where applicable will be through the established sub committees of the National Task Force. In turn the National Task Force through its Chairperson shall make reports as and when necessary make its report to the Minister of Finance and Economic Development.

Diagram 4 Monitoring and Evaluation of the Strategic Plan



Any constraint that impedes the implementation process will also be brought to the attention of the Minister.

RISKS AND MITIGATION MEASURES

As in all strategic plans, apart from the development of unforeseen circumstances general risk arise that may impede the attainment of the set objectives. The identified general risks to successful implementation of the Plan are reflected in diagram 5 For each identified risk, anticipated mitigation measures have been outlined. Specific risks related to activities to be implemented will be covered under the Action Plan.

Diagram 5. Risks and mitigation measures.

Risk	Mitigating Measure
<p>Inadequate resources to support the full implementation of the Strategic Plan will negatively impact on annual work programmes and planned activities.</p>	<ul style="list-style-type: none"> The NTF and its immediate Stakeholders will identify and pursue funding options beyond the National Treasury on a project and/or programme specific basis. Some of these will include TA and T providers under FATF or ESAAMLG.

	<ul style="list-style-type: none"> • Initiatives by the NTF will be strictly based on readiness to absolve the assistance and the likelihood of the manifestation of significant result.
The skills and expertise required to deliver effectively on commitments may not all exist within the taskforce or in Zimbabwe specifically.	<ul style="list-style-type: none"> • Implementation of programs will be structured to be commensurate with the build-up of the required skills and resources. • Specifically, internal training within agencies, inward capacity building programs and the acquisition of skills amongst supervisors will precede engagements with external stakeholders
Inadequate commitment by some stakeholders and members of the public to participate in AML/CFT programs.	<ul style="list-style-type: none"> • The NTF will engage in policy dialogue with member States, awareness building and targeted technical assistance

CONCLUSION

Despite the various positive developments in Zimbabwe in the past decade specifically from June 2013 after the promulgation of the MLPC act, and the numerous commendable interventions by the all relevant stakeholders both within the public sector and those from the private sector with regard to AML/CFT, the needs of the country as captured in this Strategic Plan are still urgent.

The plan recognizes the threats and vulnerabilities inherent within the country and those being imported abroad and the risk that these continue to pose to the financial stability and integrity of the financial system. development in member States, and proposes structured, measurable responses. The Strategic Plan 2020-2025 therefore positions Zimbabwe to enhance its domestic capacity as a nation state to pre-empt and respond effectively to these challenges of ML/TF and its associated financial crimes and thereby locate the country on a positive trajectory of economic growth, peace and stability.

APPENDIX

STRATEGIC OBJECTIVE	MEASURE	REPORTING FREQUENCY	RESPONSIBILITY	STRATEGY BASELINE	1 ST STRATEGIC REVIEW DATE	2 ND STRATEGIC REVIEW DATE	3 RD STRATEGIC REVIEW DATE
1. AML/CFT Awareness and Capacity Building. <i>(Awareness should be focused on the general understanding of AML/CFT but with added specific emphasis to the understanding of risk as shown in the current NRA and the resultant mitigatory measures).</i>	(a) Number of guidelines issued, revised and updated for the relevant sector.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(b) Number of trends and typologies report developed and circulated.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(c) Number of sensitization meetings, public addresses, (print and audio), rallies, fliers, materials, bill boards.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(d) Number of workshops and meetings conducted for Designated Institutions.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(e) Joint workshops/meetings conducted with other Supervisors.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(f) Number of MOUs signed and other cooperative arrangements (domestic and international) initiated.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(g) Frequency of offsite monitoring Activities reports and follow up actions.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(h) Number of compliance enforcement directives issued.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023

	(i) Number of cases sector by sector sanctioned for noncompliance with AML/CFT obligations.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(j) Number and nature of trainings attended by Supervisory Staff.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(k) Value of Investments in ICT and other systems for AML/CFT automation, domestic PEP requirements and international Sanctions screening.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023
	(l) Expand scope of Designated Institutions and where relevant the Supervisory Authority for AML/CFT in line with the national Risk.	Biannually	FIU	Jan 2020	Dec 2020	June 2022	Dec 2023
The pursuit of parallel financial investigations.	(a) Number of workshops and meetings conducted for Law Enforcement Agencies.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
	(b) Number of STRs on ML disseminated to LEAs.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
	(c) Number of staff recruited and added for overall ML Investigations.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
	(d) Number of large complex cases on parallel financial investigation cases turned over for prosecution.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023

	(e) Number of joint operations conducted with other LEAs either domestically or on the international front on parallel financial investigations.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
	(f) Statistics on inter-agency cooperation domestically and internationally on parallel financial investigations.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
	(g) Value of hardware equipment and such other resources (other than manpower) acquired to assist in parallel financial investigations.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
Confiscation and Forfeiture of Criminal Proceeds.	(a) Number of staff trained on confiscation and forfeiture in line with the NRA results.	Biannually	LEAs, NPA and JSC	Jan 2020	Dec 2020	June 2022	Dec 2023
	(b) Number of cases on parallel financial investigation cases with successful convictions in court.	Biannually	NPA	Jan 2020	Dec 2020	June 2022	Dec 2023
	(c) Operationalisation of the Asset Recovery Fund as well as the regularity of receipts into the account.	Biannually	NPA	Jan 2020	Dec 2020	June 2022	Dec 2023
	(d) Number of cases from proceeds on ML confiscated or forfeited.	Biannually	ZIMRA and NPA	Jan 2020	Dec 2020	June 2022	Dec 2023
	(e) Amount of funds received into the Asset Recovered Fund originating	Biannually	NPA	Jan 2020	Dec 2020	June 2022	Dec 2023

	from Confiscation or Forfeitures.						
	(f) Statistics on International Cooperation leading to confiscation or forfeiture within Zimbabwe or abroad.	Biannually	NPA and ZIMRA	Jan 2020	Dec 2020	June 2022	Dec 2023
Beneficial Ownership Matters.	(a) Drawing up a risk assessment of legal persons and its regular review.	Biannually	MOJLPA	Jan 2020	Dec 2020	June 2022	Dec 2023
	(b) Number of training and awareness for stakeholder on Beneficial ownership.	Biannually	All stakeholders	Jan 2020	Dec 2020	June 2022	Dec 2023
	(c) The enactment of a Companies Act that is cognisant of AML/CFT risk and its regular update.	Biannually	Registrar of Deeds	Jan 2020	Dec 2020	June 2022	Dec 2023
	(d) Creation and capacitation of a beneficial ownership database registry.	Biannually	Registrar of Deeds	Jan 2020	Dec 2020	June 2022	Dec 2023
	(e) Number of third party verifications by the Registry	Biannually	All Stakeholders	Jan 2020	Dec 2020	June 2022	Dec 2023
	(f) Number of BO information requests by LEAs from the BO Registry.	Biannually	All LEAs	Jan 2020	Dec 2020	June 2022	Dec 2023
	(g) Statistics on mutual cooperation on Beneficial Ownership data with added emphasis to engagement leading to asset forfeiture and confiscations.	Biannually	All Supervisors	Jan 2020	Dec 2020	June 2022	Dec 2023