
CHAPTER 423

THE ANTI-MONEY LAUNDERING ACT

PRINCIPAL LEGISLATION

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CHAPTER 423

THE ANTI-MONEY LAUNDERING ACT

15th January, 2007

An Act to make better provisions for prevention and prohibition of money laundering, to provide for the disclosure of information on money laundering, to establish a Financial Intelligence Unit and the National Multi-Disciplinary Committee on Anti-Money Laundering and to provide for matters connected thereto.

Act No.12
of 2006

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PART I
PRELIMINARY PROVISIONS

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| Short title | 1. This Act may be cited as the Anti-Money Laundering Act. |
| Application | 2. This Act shall apply to Mainland Tanzania as well as to Tanzania Zanzibar. |
| Interpretation | 3. In this Act, unless the context requires otherwise:
“Act” means the Anti-Money Laundering Act;
“bank” has the meaning ascribed to it under the Banking and Financial Institutions Act;
“Bank” has the meaning ascribed to it under the Bank of Tanzania Act;
“cash dealer” means - <ul style="list-style-type: none">(a) a person who carries on a business of an insurer, an intermediary insurance broker, a securities dealer or broker;(b) a person who carries on a business of dealing in gold bullion, of issuing, selling or redeeming traveler’s cheques, money orders or similar instruments, or of collecting, holding and delivering or transmitting money;(c) an operator of a gaming activity;(d) a trustee or a manager of a Collective Investment Scheme; and |

- (e) an operator of a bureau de change;
- “Chairman” means the Chairman of the National Committee appointed under section 8;
- “Commissioner” means the Commissioner of the FIU appointed under section 5;
- “Comparable body” means an overseas Government agency with functions similar to those of the FIU;
- Cap.342 “financial institution” has the meaning ascribed to it under the Banking and Financial Institutions Act,
- Cap.256 “forfeiture” has the meaning ascribed to it under the Proceeds of Crime Act;
- “Government” means the Government of the United Republic and where appropriate includes the Revolutionary Government of Zanzibar;
- “Minister” means the Minister for the time being responsible for monetary affairs;
- “money laundering” means engagement of a person or persons, direct or indirectly in conversion, transfer, concealment, disguising, use or acquisition of money or property known to be of illicit origin and in which such engagement intends to avoid the legal consequence of such action and includes offences referred in section 12;
- “National Committee” means the National Multi-disciplinary Committee on Anti-Money Laundering Committee established by section 8;
- “politically exposed person” means a foreign individual entrusted with prominent public functions including heads of state or government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations or agencies;
- “predicate offence” means -
 - (a) any dealing which amounts to illicit drug trafficking under the law for the time being relating to narcotic drugs and psychotropic substances;
 - (b) terrorism, including terrorist financing;
 - (c) illicit arms trafficking;
 - (d) participating in an organized criminal group and racketeering;
 - (e) trafficking in human beings and smuggling immigrants;
 - (f) sexual exploitation, including sexual exploitation of children;
 - (g) illicit trafficking in stolen or other goods;
 - (h) corruption practice;
 - (i) counterfeiting;
 - (j) armed robbery;
 - (k) theft;
 - (l) kidnapping, illegal restraint and hostage taking;
 - (m) smuggling;
 - (n) extortion;
 - (o) forgery;
 - (p) piracy;
 - (q) hijacking;
 - (r) insider dealing and market manipulation;

- (s) illicit trafficking or dealing in human organs and tissues;
- (t) poaching;
- (u) tax evasion;
- (v) illegal fishing;
- (w) illegal mining;
- (x) environmental crimes; or
- (y) any other offence which the Minister may, by notice published in the Gazette, declare, whether committed within the national boundaries of the United republic or outside the country;

Cap.256 “property” has the meaning ascribed to it under the Proceeds of Crime Act;
 “regulator” includes the Bank of Tanzania, the Capital Markets and Securities Authority, the Insurance Supervisory Department, gaming Board or any other regulator who the Minister may, by Order published in the *Gazette*, specify;

“reporting person” means -

- (a) banks and financial institutions;
- (b) cash dealer;
- (c) an accountant, real estate agent, dealer in precious stones, work of arts or metals;
- (d) a regulator;
- (e) customs officer;
- (f) attorneys, notaries and other independent legal professionals when:

- (i) assisting clients in preparing or executing transactions involving:

- (aa) the purchase or sale of real property or commercial enterprises;
- (bb) management of funds, securities or other assets which belong to a client;
- (cc) the opening or management of bank accounts, saving accounts or portfolios;
- (dd) the organization of contributions required to create, manage or direct corporations or legal entities;
- (ee) the creation, management or direction of corporations or legal entities; and
- (ff) the buying or selling of business entities;

- (ii) acting on behalf of a client in any financial or real estate transaction;

- (g) auctioneers; and
- (h) any other person who the Minister may, by notice published in the gazette, specify;

“terrorist financing” means -

- (a) the provision of, or making available such financial or other related services to a terrorist, group or entity which is concerned with terrorist act; or
- (b) entering into or facilitating, directly or indirectly, any financial transaction related to a dealing in property owned or controlled by or on behalf of any terrorist or any entity owned or controlled by a terrorist.

PART II

THE FINANCIAL INTELLIGENCE UNIT AND THE NATIONAL COMMITTEE

Establishment
of the
Financial
Intelligence
Unit

4.-(1) There shall be established under the Ministry of Finance an Extra Ministerial Department to be known as a Financial Intelligence Unit also known by an acronym FIU.

(2) The FIU shall be responsible for receiving, analyzing and disseminating suspicious transaction reports and other information regarding potential money laundering or terrorist financing received from the reporting persons and other sources from within the outside the United Republic.

Appointment
of the
Commissioner

5.-(1) The President shall appoint a person who has adequate knowledge and experience in either economics, monetary affairs, finance, law financial crimes or any other field that is beneficial to the execution of this Act, to be the Commissioner of FIU.

(2) The Commissioner shall be responsible for the general administration of the FIU.

Powers and
duties of FIU

6. For the purposes of section 4, the Financial Intelligence Unit shall-

- (a) receive and analyze reports of suspicious transactions submitted by the reporting persons pursuant to section 17;
- (b) disseminate any such reports to the appropriate law enforcement agencies if, after having considered the report, FIU has reasonable grounds to suspect that, the transaction involves money laundering or any other predicate offence;
- (c) disseminate to the appropriate law enforcement agencies any information derived from an inspection carried out pursuant to paragraph (d), if it gives the FIU reasonable grounds to suspect that, a transaction involves the proceeds of crime or financing of terrorism;
- (d) instruct any reporting person to take such steps as may be appropriate to facilitate any inspection anticipated by the FIU;
- (e) compile statistics and records, disseminate information within the United Republic or elsewhere, make recommendations arising out of any information received and advise the