

**LAW N° 038/2021 OF 28/07/2021  
AMENDING LAW N° 75/2019 OF  
01/01/2020 ON PREVENTION AND  
PUNISHMENT OF MONEY  
LAUNDERING, FINANCING OF  
TERRORISM AND FINANCING OF  
PROLIFERATION OF WEAPONS OF  
MASS DESTRUCTION**

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**AW N° 038/2021 OF 28/07/2021  
MENDING LAW N° 75/2019 OF  
0/01/2020 ON PREVENTION AND  
UNISHMENT OF MONEY  
LAUNDERING, FINANCING OF  
TERRORISM AND FINANCING OF  
PROLIFERATION OF WEAPONS OF  
MASS DESTRUCTION**

**Ve, KAGAME Paul,**  
President of the Republic;

**THE PARLIAMENT HAS ADOPTED AND  
GIVEN SANCTION, PROMULGATE THE  
FOLLOWING LAW AND ORDER IT BE  
PUBLISHED IN THE OFFICIAL  
GAZETTE OF THE REPUBLIC OF  
RWANDA**

**THE PARLIAMENT:**

the Chamber of Deputies, in its sitting of 2 July  
2021;

pursuant to the Constitution of the Republic of  
Rwanda of 2003 revised in 2015, especially in  
articles 64, 69, 70, 88, 90, 91, 93, 106, 120, 122

and 176;

having reviewed Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction;

## **ADOPTS:**

### **Article One: Definitions**

Article 3 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

In this Law, the following terms have the following meanings:

**freezing or seizure:** temporarily prohibiting the transfer, conversion, disposition or movement of property or funds or temporarily assuming custody or control of property or funds on the basis of an order issued by a competent authority;

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**financing of the proliferation of weapons of mass destruction:**

- a. providing property or funds for the manufacture, production, possession, acquisition, stockpiling, development, transportation, sale, supply, transfer, import, export, transshipment or use of nuclear weapons, chemical weapons, biological weapons and such other materials, as may be prescribed, which are related to such weapons;
- b. providing technical training, property or funds, financial service, advice, service, brokering or assistance related to any of the activities specified under item a;

**financing of terrorism:**

- a. an act committed by a natural or legal person who by any means provides, collects or manages any property or funds whether from legitimate or illegitimate source, directly or indirectly, or attempts to do so, with the intention that they should be used or in
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the knowledge that they are to be used in whole or in part to carry out a terrorist act; or by a terrorist or by a terrorist organization;

- b. offering advice, financing of teaching or training in order to acquire skills and knowledge knowing that they may be used, or intended to be used for terrorism act and the financing of travelling of individuals who travel to States other than their States or their States of residence for the purpose of the perpetration, planning or preparation of, or participation in terrorist acts, or the providing or receiving of terrorist training;

**predicate offence:** any offence as a result of which proceeds have been generated that may be used to commit an offence;

**casino:** a place where various gambling games are played including table games, slot machines and other devices which may be added and others which require special knowledge in competition;

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**financial institution:** a legal person who conducts as a business one or more of the following activities or operations for or on behalf of a customer:

- a. acceptance of deposits or other repayable funds from the public;
- b. lending;
- c. financial leasing;
- d. money or value transfer services;
- e. issuing or managing means of payment;
- f. financial guarantees and commitments;
- g. trading in money market instruments, foreign exchange, interest rate and index instruments, transferable securities, commodity futures trading;

- h. participation in securities issues and the provision of financial services related to such issues;
- i. management of individual or collective property or funds;
- j. safekeeping and administration of cash or liquid securities on behalf of other persons;
- k. otherwise investing, administering or managing other properties or money on behalf of other persons;
- l. underwriting and placement of life insurance and other investment-related insurance as well as their intermediaries;
- m. money and currency changing;
- n. any other activity that the competent authority may determine;

**proceeds of crime:** property or funds derived from or obtained, directly or indirectly, through the commission of an

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offence;

**bearer negotiable instruments:** monetary instruments in bearer form such as traveller's cheques, negotiable instruments that are either in bearer form, endorsed without restriction, made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery; incomplete negotiable instruments signed but with the payee's name omitted;

**money laundering:**

- a. the conversion, transfer or handling of property or funds whose perpetrator knows or is likely to know that such property or funds is the proceeds of crime or it derives from an act of participation in such crime;
  - b. the concealment, disguise of the true nature, origin, location, movement, disposition, donation, disguise of the beneficial owner of the property or funds or the person having rights on it, knowing or likely to know that such a property or funds is proceeds of crime
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or from an act of participation in such crime;

- c. acquisition, possession or use of property or funds the author knows or is likely to know, at the time of reception, that such a property or funds is derived from proceeds of crime or from an act of participation in such crime;
- d. participation in, association with or conspiracy to commit, attempt to commit, aiding, inciting, abetting, facilitating or counselling the commission of any of the acts specified under items a, b and c.

Money laundering is committed even if the original acts leading to the acquisition, disposition or transfer of the property or funds to be laundered or the protection of the author, are carried out on the territory of a third State;

**0° Coordination Council:** a group responsible for preventing and fighting money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction;

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1° **Minister:** Minister in charge of finance;

2° **beneficial owner:** a natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or legal arrangement;

3° **client:** an individual or legal person who:

- a. opens an account or in the name of whom an account is opened;
  - b. has the power to sign on that account;
  - c. deposits, transfers or receives money on that account;
  - d. is authorised to conduct transactions on that account;
  - e. has business relations or occasional transaction with the reporting person.
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4° **politically exposed person:** any person who is or has been entrusted with prominent public functions in Rwanda or in other countries, including his or her family members or other persons who are his or her close associates or have business or financial relationships with him or her;

5° **legal entity:** company, cooperative, institution, national non-governmental organisation, international non-governmental organisation, foundation and faith-based organisation with legal personality;

6° **property or funds :** assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to or interest in such assets, including, bank credits, travellers' cheques, bank cheques, money orders, shares, securities, bonds, bank drafts, letters of credit;

7° **Centre:** Financial Intelligence Centre ;

8° **competent authority:** authority responsible for combating money laundering, financing of terrorism or financing of proliferation of weapons of mass destruction including:

- a. centre in charge of financial intelligence;
  - b. authority in charge of investigation;
  - c. authority in charge of prosecution;
  - d. authority receiving reports on cross-border transportation of currency and bearer negotiable instruments;
  - e. supervisory authority;
  - f. authority having the power to seize or freeze and confiscate offence-related property or funds;
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9° **supervisory authority:** the authority regulating, supervising, controlling or monitoring the functioning of reporting persons.”

## **Article 2: Reporting persons**

Article 7 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

In this Law, the reporting persons are the following:

- 1° the National Bank of Rwanda;
- 2° a financial institution;
- 3° a telecommunications company that provides money transfer services;
- 4° advocates, notaries and other independent legal professionals when they represent or assist their clients outside of a legal proceeding; in particular, within the framework of the following activities:
  - a. buying and selling of real estate;

- b. managing of client money, securities or other assets;
- c. managing bank current, savings or securities accounts;
- d. organisation of shares for the creation, operation or management of companies;
- e. creation, operation or management of legal persons or arrangements, and buying and selling of business entities;

5° an auditor, accountant and tax advisor;

6° a real estate agent;

7° a dealer in precious metals and a dealer in precious stones;

8° a natural person, an institution or a company involved in the business of distributing money;

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9° casino and national lotteries gaming halls;

10° national non-governmental organisations, international non-governmental organisations, foundations and faith-based organisations;

11° trust and company service provider;

12° motor vehicle dealer;

13° such other persons as may be determined by an Order of the Minister.

competent authority compels the reporting persons referred to in this Article to provide it with necessary documents and information.”

### **Article 3: Verification of client identification**

Article 9 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

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**Article 9: Client due diligence**

Reporting persons must identify the client and beneficial owner and verify their documents:

- 1° prior to establishing a business relationship;
  - 2° when they execute occasional transactions exceeding the threshold set by the Centre;
  - 3° when they receive a wire transfer that does not contain full information about the originator;
  - 4° when there is suspicion of money laundering and financing of terrorism;
  - 5° when they have doubts about the veracity or accuracy of the client's previously obtained identification data;
  - 6° dealers in precious metals and dealers in precious stones when they engage in any cash transaction with a client equal to or above the amount equal or exceeding the threshold set by the Centre;
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- 7° when real estate agents conclude transactions relating to the purchase or sale of immovable property with their clients;
- 8° when advocates, notaries, other private professional lawyers, accountants, auditors and tax advisors prepare or conduct for their clients acts relating to the following transactions:
- a. buying and selling of real estate;
  - b. managing of client money, securities or other assets;
  - c. management of bank, savings or securities accounts;
  - d. organisation of contributions for the creation, operation or management of companies;
  - e. creation, operation or management of legal persons or arrangements, and buying and selling of business entities;
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f. advise clients on tax issues;

9° when the trust and company service providers prepare for or carry out transactions for a client concerning the following activities:

a. to act as a formation agent of legal persons;

b. to act as a director or secretary of a company, a partner of a partnership or a similar position in relation to other legal persons;

c. to provide a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement;

d. to act as a trustee of an express trust or performing the equivalent function for

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another form of legal arrangement;

- e. to act as a nominee shareholder for another person.

reporting person is required to apply client due diligence measures to existing clients on the basis of materiality and risk, and to conduct due diligence on such existing relationships, taking into account whether and when client due diligence measures have previously been undertaken and the adequacy of data obtained.

reporting persons must conduct ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's knowledge of the client, their business and risk profile, including, where necessary, the source of property or funds.

#### **Article 4: Client identification**

Article 10 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money

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undering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

**Article 10: Client due diligence measures**

For an adequate due diligence, reporting persons must take the following measures:

- 1° identify the client and verify that client's identity using reliable, independent source documents, data or information;
- 2° identify the beneficial owner, and take reasonable measures to verify the identity of the beneficial owner, such that the Reporting person is satisfied that it knows who the beneficial owner is;
- 3° understand and, as appropriate, obtain information on the purpose and intended nature of the business relationship;
- 4° conduct ongoing due diligence on the business relationship and scrutiny of 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 client, their business and risk profile, including, where necessary, the source of funds.

the Centre may determine other measures, requirements and modalities for client and beneficial owner identification.”

**Article 5 : Due diligence on occasional client**

Article 11 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

The provisions of Articles 9 and 10 of this Law apply to identification of the occasional client and verification of that client's documents in case of transactions involving an amount equivalent to at least the threshold set by the Centre.

The identification of client and verification of documents are also requested for any transaction whose amount is less than the

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threshold referred to in Paragraph One of this article if it is part of set of transactions that are or seem to be linked and the total of which is less than, equal to or exceeds the threshold.

## **Article 6: Cross-border cash declaration**

Article 18 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

## **Article 18: Cross-border cash or bearer negotiable instruments declaration**

Any person who leaves or enters Rwanda transporting cash or bearer negotiable instruments of an amount above that of the threshold set by the Centre must declare them to the competent authority.

The Centre issues regulations determining modalities for cross border cash or bearer negotiable instruments declaration and administrative sanctions for failure to comply with the provisions of Paragraph One of this

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article.”

## **Article 7: Exchange of information**

Article 21 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

Competent authorities have obligation to share information on anti-money laundering countering, financing of terrorism and financing of proliferation of weapons of mass destruction on both domestic and international levels, based on the obligation of confidentiality by the receiving persons.

Without prejudice to the sharing information framework provided for by this Law, competent authorities may share information in accordance with provisions of bilateral or multilateral agreements or arrangements; or with requirements of international or regional organizations to which Rwanda is party.

Competent authorities ensure that information exchanged is used only for the purpose and by the authorities, for which the information was

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bought or provided, unless prior authorization has been given by the requested competent authority.”

**Article 8: Responsibilities of the supervisory authority**

Article 26 of Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is amended as follows:

The supervisory authority has the following responsibilities:

- 1° to ensure that a reporting person complies with the provisions of this Law;
  - 2° to determine administrative sanctions against any reporting person who does not fulfil his or her responsibilities as provided by this Law;
  - 3° to issue regulations on anti-money laundering, countering the financing of terrorism or the financing of proliferation of weapons of mass destruction in accordance with the provisions of this Law and recognised
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international principles.

**Article 9: Powers of the supervisory authority**

In Article 26 *bis*, worded as follows, is inserted to Law n° 75/2019 of 29/01/2020 on prevention and punishment of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction:

**Article 26 bis: Powers of the supervisory authority**

The supervisory authority has the following powers:

- 1° to conduct inquiries on behalf of foreign counterparts;
  - 2° to authorize and facilitate the ability of foreign counterparts to conduct inquiries where appropriate;
  - 3° to compel the production of or obtain access to all records, documents or information relevant to monitoring compliance to this Law and regulations.”
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**Article 10: Drafting, consideration and adoption of this Law**

This Law was drafted in English, considered and adopted in Kinyarwanda.

**Article 11: Repealing provision**

All prior legal provisions contrary to this Law are repealed.

**Article 12: Commencement**

This Law comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda.

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(sé)

**KAGAME Paul**

Perezida wa Repubulika  
President of the Republic  
Président de la République

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(sé)

**Dr NGIRENTE Edouard**

Minisitiri w'Intebe  
Prime Minister  
Premier Ministre

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**kandi bishyizweho Ikirango cya Repubulika**  
**and sealed with the Seal of the Republic:**  
**et scellé du Sceau de la République:**

(sé)

**BUSINGYE Johnston**

w'Ubutabera akaba n'Intumwa Nkuru ya Leta  
Minister of Justice and Attorney General  
ministre de la Justice et Garde des Sceaux

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