

BILLS SUPPLEMENT

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Bill No. 5 *Anti-Money Laundering (Amendment) Bill* **2019**

**THE ANTI-MONEY LAUNDERING (AMENDMENT)
BILL, 2019**

MEMORANDUM

Policy and principles

The policy behind the Bill is to amend section 38 of the Anti-Money Laundering Act, 2013 by repealing subsection (1)(b) in order to permit the unrestricted exchange of information by the Financial Intelligence Authority with other similar authorities outside Uganda.

Defects in existing law

At present, section 38(1)(b) of the Anti-Money Laundering Act does not permit the unrestricted sharing of information by the Financial Intelligence Authority with other similar authorities outside Uganda.

The repeal of section 38(1)(b) of the Act would also enable Uganda to satisfy the Financial Action Task Force (FATF) standards on sharing of information and conform to international best practices on sharing of information. According to the Financial Action Task Force (FATF), section 38(1)(b) of the Act is a hindrance to the fight against money laundering.

Remedies proposed in the Bill

The object of this Bill is to amend section 38 of the Anti-Money Laundering Act, 2013 by repealing subsection (1)(b).

MATIAKASAIJA (MP),
Minister of Finance, Planning and Economic Development.

**THE ANTI-MONEY LAUNDERING (AMENDMENT)
BILL, 2019**

ARRANGEMENT OF CLAUSES

Clause

1. Amendment of Section 38 of the Anti-Money Laundering Act, 2013.

A Bill for an Act

ENTITLED

**THE ANTI-MONEY LAUNDERING (AMENDMENT)
ACT, 2019**

An Act to amend section 38 of the Anti-Money Laundering Act, 2013 by repealing subsection (1)(b).

BE IT ENACTED by Parliament as follows:

- 1. Amendment of section 38 of Anti-Money Laundering Act, 2013.**

Section 38 of the Anti-Money Laundering Act, 2013 is amended by repealing subsection 1(b).



THE REPUBLIC OF UGANDA

**CERTIFICATE
OF
FINANCIAL IMPLICATIONS**

(Made under Section 76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the **Anti-Money Laundering Amendment Bill 2018**, have been examined as required under Section 76 of the Public Finance Management Act 2015 (as amended).

I wish to report as follows:

a) **Background**

In the Anti- Money Laundering Amendment Bill 2016, Parliament was supposed to repeal Section 38 (1) (b) of the Anti-Money Laundering Act, 2013, to remove restrictions on exchange of information between Uganda and other qualifying countries on, Money Laundering and Financing of Terrorism activities. However, instead of repealing the Section, Parliament inserted a new Section, 38A, on exchange of information by competent authorities. The fact that Section 38 (1) (b) was not repealed, means that it is still part of the law and therefore is inconsistent with the new Section 38A. This undermines the country's efforts towards fighting money laundering and financing of terrorism.

b) Objectives of the amendment

The Anti-Money Laundering (Amendment) Bill 2018 seeks to repeal Section 38 (1) (b) in order to remove legal restriction on exchange of information and to enable Uganda's admission to the Egmont group and avoid possible black listing.

c) The Expected Outputs from implementing the amendments

- i. Amending the current Act will remove restrictions in the law in relation to exchange of information between Uganda and other international authorities on Anti-Money Laundering and Financing of Terrorism.
- ii. The Amendments will also remove the current inconsistencies between Section 38 (A) and 38 (1) (b) with regards to information sharing.

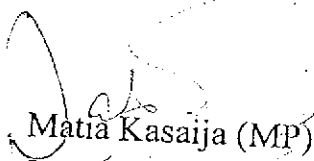
d) Funding and budgetary implications

There are no additional funding requirements on Government resulting from implementation of the proposed amendments to the Act. Any resulting activities will be implemented within the resources available to relevant Government institutions.

e) Expected savings and/or revenue to Government

Savings are likely to result from avoidance of the possible penalties and sanctions resulting from failure to comply with international standards.

Submitted to Parliament under my hand this day of 2018


Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by

Date