

BILLS SUPPLEMENT

to The Uganda Gazette No. 50, Volume CXV, dated 15th August, 2022

Printed by UPPC, Entebbe, by Order of the Government.

Bill No. 22 *Anti-Money Laundering (Amendment) Bill* **2022**

ANTI-MONEY LAUNDERING (AMENDMENT) BILL, 2022**MEMORANDUM****1. Policy and principles of Bill**

The policy behind the Bill is to empower—

- (a) accountable persons to take appropriate steps to identify, assess and monitor its money laundering, terrorism financing and proliferation financing risks and
- (b) the Financial Intelligence Authority and supervisory authorities to levy administrative penalties for breach of the provisions of the Act.

2. Defects in existing law

Uganda's AML/CFT Mutual Evaluation Report (MER) was adopted in 2016. The MER contains an assessment of Uganda's AML/CFT legal and regulatory regime. The MER highlighted several matters that Uganda needs to address in its AML/CFT legal and regulatory framework for Uganda to be considered compliant with the FATF Recommendations.

The MER highlighted the inadequacy of the administrative sanctions regime in Uganda's AML/CFT legal and regulatory framework. The FATF Recommendations require countries to ensure that there is a range of effective, proportionate and dissuasive sanctions, whether

criminal, civil or administrative, available to deal with natural or legal persons who fail to comply with the AML/CFT requirements.

3. Remedies proposed in Bill

The intention of the Bill, therefore, is to amend sections 6A and 21A of the Anti-Money Laundering Act, 2013 to empower—

- (a) the Financial Intelligence Authority and supervisory authorities to levy administrative penalties for breach of the provisions of the Act;
- (b) accountable persons to take appropriate steps to identify, assess and monitor its money laundering, terrorism financing and proliferation financing risks and

Provisions of Bill

The Bill has two clauses.

Clause 1 seeks to amend section 6A of the Anti-Money Laundering Act, 2013 to require accountable person to take appropriate steps to identify, assess and monitor its money laundering, terrorism financing and proliferation financing risks.

Clause 2 seeks to amend section 21A of the Anti-Money Laundering Act, 2013 to empower the Financial Intelligence Authority and supervisory authorities to levy administrative penalties for breach of the provisions of the Act.

NORBERT MAO,
Minister of Justice and Constitutional Affairs.

A BILL for an Act

ENTITLED

**THE ANTI - MONEY LAUNDERING (AMENDMENT)
ACT, 2022**

An Act to amend the Anti-Money Laundering Act, 2013, to empower the Financial Intelligence Authority and supervisory authorities to levy administrative penalties for breach of the provisions of the Act; and for related matters.

BE IT ENACTED by Parliament as follows:

1. Amendment of section 6A of Anti-Money Laundering Act, 2013.

Section 6A of the Anti-Money Laundering Act, 2013, in this Act referred to as the “principal Act” is amended—

(a) by substituting for subsection (1) the following—

“(1) An accountable person shall take appropriate steps to identify, assess and monitor its money laundering, terrorism financing and proliferation financing risks.”

- (b) in subsection (2) by substituting for “money laundering or terrorism financing risks” the following—

“money laundering, terrorism financing and proliferation financing risks”

2. Amendment of section 21A of principal Act.

Section 21A of the principal Act is amended—

- (a) by substituting for subsection (4) the following—

“(4) Where an accountable person fails to comply with a directive issued under subsection (3), the Authority or the supervisory body, may impose—

- (a) an administrative sanction including a reprimand, warning; or
- (b) a fine not exceeding thirty-seven thousand five hundred currency points.

(4a) An administrative sanction or fine under subsection (4) may be imposed on an accountable person irrespective of whether the accountable person is charged with an offence for the same conduct or not.

(4b) An administrative sanction or fine under this section may be imposed on any officer, director, or agent of the accountable person who directed, authorised, assented to, acquiesced in or participated in the impugned conduct.

(4c) The Minister shall make regulations to provide for due process and other related procedures to guide the imposition of administrative sanctions and fines under subsection (4)”

- (b) by repealing subsection (5).