



10 June 2019

Financial Intelligence Unit

Directive to Financial Institutions and Designated Non-Financial Businesses and Professions

(Issued under Statutory Instrument 56 of 2019)

Identification and freezing of assets of persons and entities designated by, or under authority of the United Nations Security Council for purposes of preventing, suppressing and disrupting proliferation of weapons of mass destruction and the financing thereof

Preamble

WHEREAS Zimbabwe is a member of the United Nations (UN) and, as such, is under obligation to implement resolutions of the United Nations Security Council (UNSC) issued under Chapter VII of the UN Charter;

WHEREAS the UNSC has passed various resolutions designating and listing entities and individuals involved in or connected with the proliferation of weapons of mass destruction programs of the Islamic Republic of Iran (Iran) (principally UNSCR 2231 of 2015 and its successor resolutions) and the Democratic People's Republic of Korea (DPRK) (principally UNSCR 1718 of 2006 and its successor resolutions);

WHEREAS the said resolutions require countries to, among other measures, identify and freeze the funds or other assets belonging to or otherwise connected with, any person or entity designated in terms of the said resolutions;

WHEREAS, the obligation to implement the said resolutions and its successor resolutions is further re-enforced by the Financial Action Task Force (FATF) Recommendations, more particularly Recommendation 7;

WHEREAS pursuant to the country's aforesaid international obligations, Zimbabwe has put in place legislative measures, in the form of Statutory Instrument 56 of 2019, providing for, among other things, the identification and freezing of funds or other assets belonging to or connected with the designated persons or entities; and

WHEREAS, in terms of Statutory Instrument 56 of 2019, the Financial Intelligence Unit (the Unit), is designated as the agency responsible for coordinating the implementation of the measures set out in the statutory instrument, including issuing directives and guidelines as necessary;

NOW THEREFORE, it is directed as follows:

1. Freezing of funds or other assets of designated persons / entities

1.1. The persons and entities listed in Annexure "A" to this directive, being persons and entities designated by, or under the authority of, the United Nations Security Council, are hereby declared to be designated for purposes of this directive.

1.2. Every financial institution and every designated non-financial business or profession (DNFBP), as defined in section 13 of the Money Laundering and Proceeds of Crime Act [Chapter 9:24], and every natural or legal person, who comes into possession or control of any funds, asset or other economic resource belonging to or controlled or held by, on behalf of, for the benefit of, or at the direction of, a designated person or entity, shall:

(a) **immediately and without delay**, freeze such funds or assets; and

(b) without delay, and in any case no later than 24 business hours of coming into such possession or control of such funds or assets, file a report with the Unit,

giving particulars, including the full names of the designated person and the nature and value of the funds or assets so frozen.

1.3. The funds or other assets frozen pursuant to this directive shall remain frozen until further written directions from the Unit, as guided by the UNSC.

2. Effect of asset freeze and permissible payments

2.1. An asset freeze pursuant to Statutory Instrument 56 of 2019 and under this directive, is to prohibit the transfer, conversion, disposition, alteration, use of or dealing with the frozen funds or assets;

2.2. In terms of the relevant UNSC resolutions and as provided for under Statutory Instrument 56 of 2019, certain expenses may be authorized from the frozen funds or assets. No such payments, however, may be made except with the prior written authorization of the Director General of the Unit, acting in line with the provisions of the statutory instrument and applicable resolutions.

2.3. More information concerning permissible payments and the procedure to be followed, shall be furnished by the Unit to any financial institution or DNFBP that will have reported having identified and frozen funds or assets under this directive.

3. Identification and freezing of funds or assets of other persons not on UNSC list

3.1. With respect to persons designated pursuant to UNSCR 1718 of 2006 and its successor resolutions (relating to the DPRK sanctions regime only) every financial institution and every DNFBP, shall take reasonable measures to identify and freeze funds or assets not only of the named designated persons or entities on the list, but also funds and other assets of –

- (a) any person or entity acting on behalf of, or at the direction of, a designated person or entity;
- (b) any legal person or entity owned or controlled by a designated person or entity; and

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- (c) any person or entity assisting a designated person or entity to evade the UNSC sanctions or to violate the relevant UNSCR provisions.

3.2. The FIU, acting in consultation with other competent authorities may also provide such guidance and further information as it may gather, to assist financial institutions and DNFBPs to identify persons and entities referred to in 3.1. (a), (b) and (c) above.

3.3. Any person or entity aggrieved by an asset freeze or other action effected in terms of this directive, shall have the right to make written representations to the United Nations Security Council, either directly, or through the Director-General of the Unit, or through the Minister of Home Affairs & Cultural Heritage.

3.4. Where a person or entity affected by action taken pursuant to this directive alleges that he / she / it has been mistakenly identified and is not the person or entity named in the UNSC list, such person or entity may make written representations to the Unit, giving sufficient information and evidence. If the Unit is satisfied that the person or entity is not the person or entity named on the UNSC list, the Unit shall, without delay, order the financial institution and / or DNFBP concerned, to unfreeze the funds or assets.

3.5. The Unit shall communicate, in writing, any updates to the lists of designated persons as published from time to time by or under the authority of the UNSC.

3.6. The UN sanctions lists specified under this directive, in respect of Iran and the DPRK are separate from the UN sanctions list pursuant to UNSC Resolution 1267 of 1999, dealt with under AML/CFT Directive No. 1 of 2013, which remains in force, subject to periodic updates by the UNSC as advised from time to time.

3.7. Notwithstanding the Unit's obligation to communicate any changes /updates to the UNSC sanctions lists, every financial institution and DNFBP has an obligation to, at all times, keep itself informed of, and act upon such changes as shall be published from time to time on the UN website, under the following links.

Sanctions List pursuant to UNSC 2231 of 2015 (in respect of Iran):

<https://www.un.org/securitycouncil/content/2231/list>

Sanctions List pursuant to UNSC 1718 of 2006 (in respect of DPRK):

<https://www.un.org/securitycouncil/sanctions/1718/materials>

UNSC Consolidated Sanctions List (in respect of all UN Sanction regimes):

<https://scsanctions.un.org/consolidated/>

4. Returns to the Unit

Existing customers:

- 4.1. Every financial institution and every DNFBP shall, immediately upon receipt of this directive, conduct a screening exercise in respect of all its existing customers in order to verify whether or not any customer is a sanctioned person or entity. In the event of a positive match, the financial institution or DNFBP shall, without delay but in any case no later than 24 hours, notify the Unit in writing, giving full particulars of the customer and of the transaction, funds or other asset involved.
- 4.2. In the event that there is no positive match, the financial institution or DNFBP shall notify the Unit in writing, within 48 hours of receipt of this directive, certifying that the financial institution has so conducted the screening and has found no positive match.

New and prospective customers:

- 4.3. For all new and prospective customers and for known counterparties to transactions involving customers, every financial institution and every DNFBP shall conduct sanctions screening and notify the Unit, in writing, immediately but no later than 24 hours, whenever there is a positive match.

You are directed accordingly



M E Chiremba

Director-General, Financial Intelligence Unit

