



Date: 16 June 2015

To: All Financial Institutions and Designated Non Financial Businesses and Professions (DNFBPs)

Directive in terms of section 30(5) and (6) of the Money Laundering and Proceeds of Crime Act [Chapter 9:24]

REQUIREMENTS FOR CASH TRANSACTION REPORTS FOR FINANCIAL INSTITUTIONS, AND DESIGNATED NON FINANCIAL BUSINESSES OR PROFESSIONS

Preliminary

- This directive applies to all “financial institutions” and “designated non financial businesses and professions” (“DNFBPs), as defined under section 13 of the Money Laundering and Proceeds of Crime Act [Chapter 9:24];
- For purposes of this directive, “Cash transaction” includes –
 - A cash deposit into an account held with a financial institution;
 - A cash withdrawal from an account held with a financial institution;

- A cash payment received by a financial institution or DNFBP from, or on behalf of a customer where the payment is not made through a local banking institution;
 - Any cash transaction handled by a financial institution or DNFBP, on behalf of any person.
- A “cash transaction” for purposes of this directive, does not include a transaction where funds are transferred from one local banking account to another, within the same banking institution or between different banking institutions. Such transactions, may, however, be reported as suspicious transactions if the facts and circumstances so warrant.

1. Cash Transaction Reports (Ref: Section 30(6) of the MLPC Act)

- 1.1. In line with the requirements of section 30(6) of the Money Laundering and Proceeds of Crime Act [Chapter 9:24], every financial institution and DNFBP is required to submit to the Bank Use Promotion & Suppression of Money Laundering Unit, (hereinafter referred to as “the Unit”) Cash Transaction Reports (CTRs) as follows –
- 1.2. With effect from 1 July 2015, every “financial institution”, and every “designated non financial business or profession” shall submit to the Unit, CTR returns giving details of every cash transaction conducted by or on behalf of a customer, equal to or exceeding US\$5,000 (five thousand United States dollars), in any currency, whether in one single transaction or in two or more transactions totaling at least US\$5,000, conducted within a time period of 24 hours.

- 1.2.1. Except for banks, all other institutions shall submit the CTR return to the Unit, on a monthly basis. The returns shall be submitted on or before the 10th of every month, of the preceding month.
- 1.3. Banks are required to submit the same CTR returns on a weekly basis. They shall, on or before the 2nd working day of the week, submit to the Unit, CTR returns for the preceding week.
- 1.4. The returns shall conform, as closely as possible to CTR Form 001 attached hereto as annexure “1”.
- 1.5. This directive replaces and supersedes the Weekly Cash Transaction Returns which banking institutions were required to submit before this directive.
- 1.6. Where there are reasonable grounds to suspect that a transaction or transactions has/have or is/are being spilt or otherwise structured by or on behalf of a customer in order to avoid or evade the CTR reporting threshold, such transaction or series of transactions shall be reported to the Unit as a suspicious transaction or suspicious transactions.

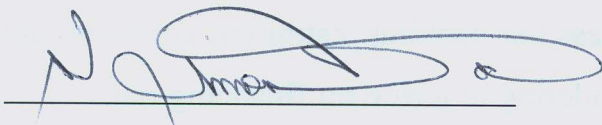
Categories of customers not subject to CTR reporting

- 1.7. In the case of banking institutions only, it shall not be necessary to submit CTRs for the following categories of customers, unless the banking institution considers any such customer to present a high money laundering or terrorism financing risk –
 - (a) Locally listed companies;
 - (b) Government ministries or departments or other institution owned by government; and

(c) Any statutory body.

2. Suspicious Transaction Reports (Ref: Section 30(5) of the MLPC Act)

- 2.1. All financial institutions, banks included, and Designated Non Financial Businesses and Professions (DNFBPs) shall continue to submit to the Unit, Suspicious Transaction Reports (STR) as required in terms of section 30(1) of the Money Laundering and Proceeds of Crime Act.
- 2.2. The obligation to report unusual or suspicious transactions exists regardless of the amount involved, including suspicious transactions below the above-stipulated threshold.
- 2.3. STRs are required to be reported immediately, but not later than 72 hours from the time the suspicion arose. Designated institutions are required to ensure that their employees are adequately trained to be able to identify transactions that are unusual or suspicious. This, in turn, requires a robust implementation of the Know Your Customer principle and an effective system of ongoing monitoring of transactions and account activity, using a Risk-Based Approach.
- 2.4. STRs shall continue to be submitted in a format that substantially complies with STR Form 001, hereto attached as annexure “2”.



M. E. Chiremba

Director: Bank Use Promotion and Suppression of Money Laundering Unit