

LEGAL UPDATES ON THE ANTI MONEY LAUNDERING ACT 2022

The Anti-Money Laundering Act of 8th March, 2022 was enacted to amend the Anti-Money Laundering Act and to make consequential changes to other related laws. Under the new amendments of The Anti-Money Laundering Act (Amendment) Act, 2022 and the new Finance Bill of 2022, the following changes were made:

Filing Beneficial Ownership Information under The Anti-Money Laundering Act (Amendment) Act, 2022

1. Beneficial owner definition is changed to mean any natural person who ultimately owns or exercises ultimate effective control over a legal person or legal arrangement or beneficiary of an insurance policy or other investment linked insurance policy and includes:
 - A natural person with direct or indirect ownership or control of a company through majority shares, voting rights or ownership interest which also includes control of the board members or the senior management;
 - Holds shares of 5% or more in a company (directly or indirectly)
 - A senior managing official in circumstances of doubt in identifying a beneficial owner.
2. A politically exposed person has been defined to be a natural person who holds a prominent public function, prominent function in an international organization and their equivalents, and includes their family members or close associates.
3. The reporting persons are required to obtain and verify information on beneficial owners and relations to politically exposed person, as they undertake their due diligence measures.
4. Reporting persons are required to retain the prescribed records for a minimum period of ten years from the end of relationship with customer, last report or the date of the transactions.
5. Auditor and tax adviser are added as anti-money laundering reporting persons.
6. The Financial Intelligence Unit (FIU) is given the mandate to oversee all matters concerning money laundering and associated offences.

Note: Legal entities are required to disclose Beneficial Ownership information by 30th June 2022.

The Finance Bill 2022

The new Bill proposes to make the following amendments to the law:

1. The Company Act adopts the application of the new provisions under The Anti-Money Laundering Act (Amendment), 2022.
2. Imposition of a default fine of a penalty of Tsh. 100,000 and an addition of Tshs 10,000 for every day during which failure to file beneficial ownership information.
3. Failure to deliver annual return within 28 days of the return date will result to a penalty of Tshs 100,000 and an addition of Tshs 10,000 for each day the default continues.

Every person is required to comply with the law. Non-compliance will lead to imposition of penalties that may be detrimental to the bearer.

Disclaimer: This publication has been prepared as general information on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. We will not be liable for any loss or harm caused by unauthorized use of the information contained herein.

Burhani Associates & Co
Tel: - +255-22-2151079
Email: info@bac.co.tz
Website: www.bac.co.tz

© Burhani Associates & Co- 2022