



**GUIDELINES FOR DESIGNATION OF THE ANTI-MONEY
LAUNDERING/COUNTERING THE FINANCING OF TERRORISM
(AML/CFT) COMPLIANCE OFFICER**

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1.0 INTRODUCTION

The Financial Intelligence Centre ('the FIC ') was established to receive suspicious transaction reports (STRs) from reporting entities, analyze and disseminate intelligence to Law Enforcement Agencies (LEAs), pursuant to the Financial Intelligence Centre Act No. 46 of 2010 ('the FIC Act')(as amended). This allows Zambia to deter money launderers and terrorist financiers from abusing the countries' financial and non-financial sectors.

Section 23 of the FIC Act, No. 46 of 2010 (as amended) requires a reporting entity to designate a Compliance Officer to be responsible for the implementation of the Act. The Compliance Officer is responsible for managing the Anti Money Laundering/ Countering the Financing of Terrorism (AML/CFT) matters including filing of Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs) to the Centre. The designated compliance officer must be vetted and approved by the Director General enable him/her carry out institutional AML/CFT mandate in line with the FIC requirements.

The purpose of these Guidelines is to assist reporting entities (Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBPs)) wishing to access the FIC portal for reporting of STRs and CTRs to understand the FIC requirements for compliance officer designation, as well as the vetting and clearance processes employed by the FIC. These Guidelines have been issued in accordance with section 56 of the FIC Act.

2.0 THE ROLE OF AN AML/CFT COMPLIANCE OFFICER

The AML/CFT Compliance Officer is responsible for managing the institutional AML/CFT matters including filing of STRs and CTRs to the Centre. The Compliance Officer should be equipped with the relevant competence, authority and independence to implement the institution's AML/CFT compliance programme. The Compliance Officer should have ready access to all the books, records and employees of the reporting entity necessary to fulfil the responsibilities under the FIC Act.

The duties of the Compliance Officer include but are not limited to the following:

- i. Developing an AML/CFT Compliance Programme;
- ii. Receiving and vetting suspicious transaction reports from staff;
- iii. Filing suspicious transaction reports with the Centre;

- iv. Ensuring that the reporting entities' compliance programme is implemented;
- v. Coordinating the training of staff in AML/CFT awareness, detection methods and reporting requirements; and
- vi. Serving both as a liaison officer with the Centre (a point-of-contact) for all employees on issues relating to money laundering and terrorist financing.

Every reporting entity should ensure that the Compliance Officer has access to other information that may be of assistance to him/her in consideration of a suspicious or unusual transaction.

3.0 QUALIFICATIONS OF AN AML/CFT COMPLIANCE OFFICER

The designated Compliance Officer as required under section 23 of the FIC Act, No. 46 of 2010 (as amended) at a minimum should meet the following qualifications:

- i. Should have more than two years work experience in Regulatory compliance and have the appropriate skills and experience to handle all regulatory compliance matters;
- ii. Should not have been convicted of any offence under the FIC Act or any other law;
- iii. Should be at Management Level to be able to undertake his/her responsibilities effectively and, in particular, to enable the Compliance Officer have direct access to the board with respect to AML/CFT matters;
- iv. Should possess sufficient independence to perform his/her role objectively;
- v. Should be an employee of the reporting entity or appointed by a reporting entity to conduct business on their behalf;
- vi. Must be resident in Zambia; and
- vii. Should have sufficient resources, including time, to perform the function of Compliance Officer independently and effectively.

4.0 VETTING AND APPROVAL OF THE AML/CFT COMPLIANCE OFFICER

The reporting entity should make a formal request for approval and clearance of the designated Compliance Officer through the office of the Director General attaching all necessary documents required. The following are the required documents for successful vetting and clearance of a compliance officer:

- I. Request letter of approval addressed to the Director General of FIC;
- II. A copy of a formal identification document for the designated officer, such as a National Registration Card (NRC) or passport and

- work permit for non-Zambians indicating the period of stay in Zambia;
- III. An updated Curriculum Vitae for the designated officer indicating their current position at the reporting entity and
 - IV. A dully filled and completed vetting approval criteria form. The vetting approval criteria form can be accessed on the FIC website (www.fic.gov.zm) under the heading 'Guidelines'.

4.1 NOTIFICATION OF CLEARANCE OUTCOME

Upon completion of the clearance and vetting process, the Director General (DG) of FIC will inform the reporting entity in writing notifying them of outcome of the vetting. In the case of disapproval, the reporting entity should immediately submit a new name to the FIC for appointment of AML/CFT Compliance Officer.

4.1.1 EXCEPTIONAL COMPLIANCE OFFICER APPROVALS

The DG may give exceptional approvals of Compliance Officers to reporting entities depending on the size and structure of the institution. For the purposes of regulatory compliance, a reporting entity may split the reporting and compliance functions and appoint other officers to assist the designated Compliance Officer. All appointed officers with ML/TF reporting responsibilities will be required to undergo vetting and clearance by the FIC as stated in Section 4.0 above including submission of the documents outlined in steps I – III.

While exceptions can be made in specific cases by the Director General, reporting entities should note that the minimum standards as provided in the FIC Act should be followed at all times.

It should be noted that, the Compliance Officer has ultimate responsibility for all reports made by employees of the reporting entity to the FIC

4.2 REAPPOINTMENT OF AN AML/CFT COMPLIANCE OFFICER

- I. If a Compliance Officer resigns from a reporting entity, the reporting entity shall write to the FIC, within three (3) days of the resignation of the compliance officer's resignation providing a formal statement of the reasons for the resignation.
- II. If a reporting entity terminates the appointment of its compliance officer, the reporting entity shall write to the FIC, within three (3)

days of the decision to terminate the appointment, providing a formal statement of the reasons for the termination.

- III. If a compliance officer has changed roles due to a promotion or otherwise that will not allow him or her to perform AML/CFT duties in the institution, the reporting entity shall write to the FIC, within three (3) days of the change, providing a formal statement notifying the FIC of the change.
- IV. If any of the above stated situations occur, the reporting entity shall immediately designate a new AML/CFT Compliance Officer and submit the name and the necessary documents to the FIC for vetting and clearance of the officer.

4.3 TIPPING OFF AND PROTECTION FROM LIABILITY

The FIC Act requires that employees of reporting entities should exercise the utmost confidentiality on issues related to money laundering and/or of the financing of terrorism. A person shall not disclose any information that could identify any person who has handled a transaction, in respect of which an STR has been made, prepared or any information contained in an STR [Section. 33 of the FIC Act].

No civil, criminal or disciplinary proceedings shall be taken against a reporting entity, its directors, principals, partners, professionals or employees acting in good faith or in compliance with directions given by the FIC pursuant to section 29 of the FIC Act [Section 35 of the FIC Act].

5.0 CONCLUSION

Appointing a Compliance Officer possessing the credibility, skills, knowledge and experience acts as one of the ML/TF preventive measures required to be implemented by all reporting entities.

Non-compliance with AML/CFT legal framework can expose reporting entities to significant regulatory and reputational damage. As such, effective anti-money laundering systems need to be implemented to allow for effective detection and prevention of money laundering by all reporting entities.

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