

BANK OF UGANDA

OFFICE OF
THE EXECUTIVE DIRECTOR
ADMINISTRATION



Date August 5, 2022

To **All Staff**

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MEMORANDUM

Anti-Money Laundering (AML) and Combatting Financing of Terrorism (CFT) Policy

At its Meeting No.358 held on July 4, 2022, the Board ratified the decision of the Strategy and Finance Committee of the Board Meeting No.81 to approve the BoU Anti-Money Laundering/Combatting the Financing of Terrorism Policy.

Objectives of the BoU AML/CFT Policy

The objectives of the BoU AML/CFT Policy include;

- To mitigate against money laundering and financing of terrorism activities during the execution of operations of the Bank.
- To foster the monitoring and reporting of suspicious transactions.
- To preserve the integrity of the international financial system as well as the relationship with Ministries, Departments and Agencies in combating the financing of terrorism.

Justification

In execution of its mandate as enshrined in Section 4 of the Bank of Uganda Act, 2000; to be a banker to Government and financial institutions, the Bank is exposed to Money Laundering (ML) and Terrorism Financing (TF) risks. The policy, therefore, aims at mitigating ML/TF risks by;

- Enhancing the identification of the proceeds of crime, combat money laundering and financing of terrorism;
- Increasing staff awareness and understanding of matters related to money laundering and terrorism financing;
- Facilitating the exchange of information with relevant stakeholders regarding money laundering and countering the financing of terrorism;
- Enabling BoU to comply with the requirements of the AML Act, 2013 and implementing regulations as well as international requirements set out by FATF/ESAAMLG and FATCA;
- Improving relationships with international customers (correspondent banks).

BoU AML/CFT Governance Framework

Management, through the Executive Director Operations shall be responsible for ensuring that BoU maintains an effective AML/CFT internal control structure, including suspicious transaction monitoring and reporting.

The AML/CFT Policy designates the Assistant/Deputy Director Quality Assurance in the Banking Department as the Money Laundering Control Officer (MLCO). This is in line with regulation (6)(1) of the Anti-Money Laundering Regulations, 2015 which requires that "every accountable person who maintains accounts for clients or customers shall appoint or designate a Money Laundering Control Officer".

Summary of Contents of the BoU AML/CFT Policy

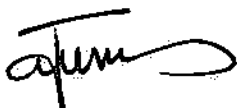
The Policy addresses matters relating to;

- Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) for; Trustees, Nominees and Fiduciary accounts, and introduced businesses;
- Correspondent banking relationships, suppliers, staff and Board;
- Transactions involving high risk countries;
- AML/CFT risk management in electronic funds transfers;
- Monitoring, Recognition, Prevention and Reporting of suspicious transactions;
- Records management;
- Confidentiality and prohibition on tipping off;
- Authority to investigate and issue corrective actions;

Enforceability

All staff of BoU have a responsibility to enforce and comply with the provisions of this AML/CFT Policy.

This is submitted for your information and attention.



John Chemonges
Executive Director Administration