



## **THE SIX NEW BILLS PASSED BY PARLIAMENT ADDRESSING THE FATF RECOMMENDATIONS.**



*Figure 1 Attorney General of Uganda Mr. Kiryowa Kiwanuka presenting the bills to parliament.*

An effective anti-money laundering (AML) regime is a critical tool to fight financial crime and protect the integrity of the capital markets and global financial system.

Uganda's AML/CFT Mutual Evaluation Report (MER) was adopted in 2016. The MER contains an assessment of Uganda's AML/CFT legal and regulatory regime and highlighted several matters that Uganda needs to address in its AML/CFT legal and regulatory framework for Uganda to be considered compliant with the international standards on anti-money laundering, countering the financing of terrorism and countering the financing of proliferation of weapons of mass destruction (FATF Recommendations).



Specifically, **Recommendations 24 and 25 of the FATF Recommendations** require countries to undertake robust legal reforms to address the deficiencies in the existing legal framework on beneficial ownership information of legal persons and arrangements. Furthermore, countries are required to enact provisions to strengthen and implement the system of sanctions for violations of beneficial ownership transparency obligations.

Recommendation 7 of the FATF requires countries to implement targeted financial sanctions to comply with UN Security Council Resolutions relating to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing.

In order to comply with the above international requirements, the Parliament of Uganda on 30<sup>th</sup> August, 2022 passed key legislations to address existing gaps in the law on beneficial ownership information and proliferation financing.

The Bills passed include the following:

**1. The Anti-Money Laundering (Amendment) Bill, 2022**

To empower the Financial Intelligence Authority (FIA) and other supervisory authorities to levy administrative penalties for breach of the provisions of the Act and for related matters.

**2. The Companies (Amendment) Bill, 2022**

To provide for the definition of beneficial ownership and to require all companies to keep a register of beneficial owners, which shall include all information prescribed in regulations relating to beneficial ownership, the role of the accountable persons and offences and sanctions. The rationale is to comply with Recommendation 24 of the FATF which requires countries to take measures aimed at preventing the misuse of legal persons for money laundering and terrorism financing.

**3. The Partnerships (Amendment) Bill, 2022**

To amend the Partnership Act to provide for the definition of beneficial owner, to provide for a register of beneficial owners which shall contain particulars of beneficial owners and other related matters including where the register is to be



kept and giving notice to the registrar of the place where the register is to be kept, to empower the Minister to make regulations to prescribe additional reporting requirements to be complied with by a partnership with beneficial owners.

#### **4. The Trustees Incorporation (Amendment) Bill, 2022**

To amend the Trustees Incorporation Act to widen the nature of trustees required to register with the Minister and to define beneficial owners in the context of trusts. The Bill also provides for a register of beneficial owners to be kept by a trustee or trustees which shall contain particulars of beneficial owners and other related matters. The Bill also empowers the Minister to prescribe additional reporting requirements to be complied with by a trustee or trustees with beneficial owners.

#### **5. The Cooperative Societies (Amendment) Bill, 2022**

To amend the Cooperative Societies Act by inserting a new section 12A dealing with beneficial owners for the purposes of cooperative societies, to require cooperative societies to keep a register of beneficial owners, and empower the Minister to make regulations for generally giving effect to the provisions on beneficial ownership and for related matters.

#### **6. The Anti-Terrorism (Amendment) Bill, 2022**

To amend the Anti-Terrorism Act to provide for the offence of proliferation financing and for related matters. Proliferation financing is defined as the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual use of goods for non-legitimate purposes), in contravention of national laws or where applicable, international obligations.