



# ANNUAL REPORT

2021<sup>1</sup>22

# Table of Contents

List of tables.....	iii
Acronyms.....	iv
About Financial Intelligence Authority.....	vi
Message from the Board Chairperson.....	x
Message from the Executive Director.....	xii
Corporate Governance .....	xvi
Legal mandate .....	xvi
The Board .....	xvi
Management and Staff.....	xvii
<b>Implementation of FIA Strategic Objectives. ....</b>	<b>1</b>
<b>Objective 1: Enhance the identification of proceeds of crime .....</b>	<b>2</b>
1.1 Enhance the performance of the goAML electronic system .....	3
1.2.Receipt of reports via goAML System.....	5
1.3.Risk Assessments.....	5
<b>Objective 2: Increasing compliance with the AML/CFT laws; .....</b>	<b>7</b>
2.1 AML/CFT Compliance Inspections .....	8
2.2 AML/CFT Awareness and Training .....	8
2.3 Compliance Advisory Role.....	11
2.4 Review of the different reports from Accountable Persons.....	11
2.5 Registration of Accountable Persons.....	13
2.6 Authentication of Certificates.....	14
2.7 Legal matters.....	15
<b>Objective 3: Improving collection and dissemination of information to Competent Authorities; .</b>	<b>17</b>
3.1 Receipt and Analysis of Reports .....	18
3.2 Sharing of Intelligence .....	20
3.2.1Dissemination of Intelligence Reports .....	20
3.2.2 Exchange of Intelligence with Foreign FIUs.....	20
3.2.3 Exchange of Information with Domestic LEAs and Competent Authorities:.....	21
<b>Objective 4: Strengthening International Cooperation;.....</b>	<b>23</b>
4.1Cooperation with Foreign FIUs .....	24
<b>Objective 5: Increasing public awareness and understanding of matters related to money laundering and terrorism financing.....</b>	<b>29</b>
5.1 Public Awareness and Outreach .....	30
5.2 Digital Media Support .....	34

<b>Objective 6: Strengthening the capacity of FIA to conduct financial due diligence .....</b>	<b>35</b>
6.1 Financial due diligence .....	36
<b>Objective 7: Enhancing the efficiency and effectiveness of FIA to execute its mandate.....</b>	<b>37</b>
7.1 Human Resources .....	38
7.1.1 FIA Staff Establishment.....	38
7.1.2 Staff Training .....	38
7.1.3 Restructuring of FIA's Organizational Structure.....	38
7.1.4 Reward and Sanctions Policy.....	38
7.2 Board Matters.....	38
7.3 Planning and Budgeting.....	40
7.3.1 FIA 2022/23 Budget Framework Paper (BFP).....	40
7.3.2 FIA 2022/23 Ministerial Policy Statement (MPS).....	41
7.3.3 Budget Performance .....	42
7.4 ICT Support Services .....	42
7.4.1 Egmont Secure Web Support .....	42
7.4.2 Electronic Document Management System (EDMS) Project .....	42
7.4.3 Web Application Firewall (WAF) .....	43
7.4.4 Web Application Firewall Licenses.....	43
7.4.5 IT security .....	44
7.4.6 FIA Alarm System overhaul.....	44
7.4.7 Automated ICT Asset Management and Tracking Solution.....	44
7.4.8 Unified Patch Management Solution - Proof of Concept (POC) .....	45
7.4.9 IT Information Security Awareness and Training Platform .....	45
7.4.10 Data Recovery and Restoration Simulation Exercise .....	46
7.4.11 Application Programming Interface (API) .....	46
7.4.12 Migration of the goAML Helpdesk System from Server to Cloud .....	46
7.4.13 Electric Power Backup Solution for the FIA Data Centre.....	47
7.4.14 Other ICT support activities .....	47
<b>Financial Statements .....</b>	<b>50</b>
Statement of Financial Performance .....	51
Statement of Financial Position.....	52
Statement of Changes in Equity (Net Worth) .....	53
Cash flow Statement for the year ended [Direct Method] .....	54
Statement of Appropriation Account [Based On Services Voted] .....	55
Statement of Appropriation Account [based on nature of expenditure].....	56
Reconciliation of movement of cash during the year .....	57

# List of tables

Table 1: Reports received through goAML platform in the FY 2021/22.....	5
Table 2: Annual compliance report submissions.....	12
Table 3: Status of Registration of Accountable Persons.....	13
Table 4: Certificates of Registration issued to Accountable Persons. . .	14
Table 5: STRs received Manually and Via goAML. ....	18
Table 6: STRs received on goAML by category of Accountable Persons. ....	18
Table 7: Suspicious activity reports.....	18
Table 8: LCTs received by category of Accountable Persons .....	19
Table 9: Financial Intelligence reports disseminated .....	20
Table 10: Requests from LEAs/Competent Authorities.....	22
Table 11: Recommendations on Partially Compliant.....	26
Table 12: Recommendations on Non-compliant.....	27
Table 13: Financial Due Diligence Requests Received in FY 2021/22 .....	36
Table 14: FY 2021/22 Budget Performance .....	42

## List of figures

Figure 1: Graphical presentation of FIA's achievements.....	xv
Figure 2: Organizational structure.....	xvii
Figure 3: Status of Analysis of STRs and Activity Reports (combined).....	18
Figure 4: Information reports exchanged with foreign FIUs.....	21



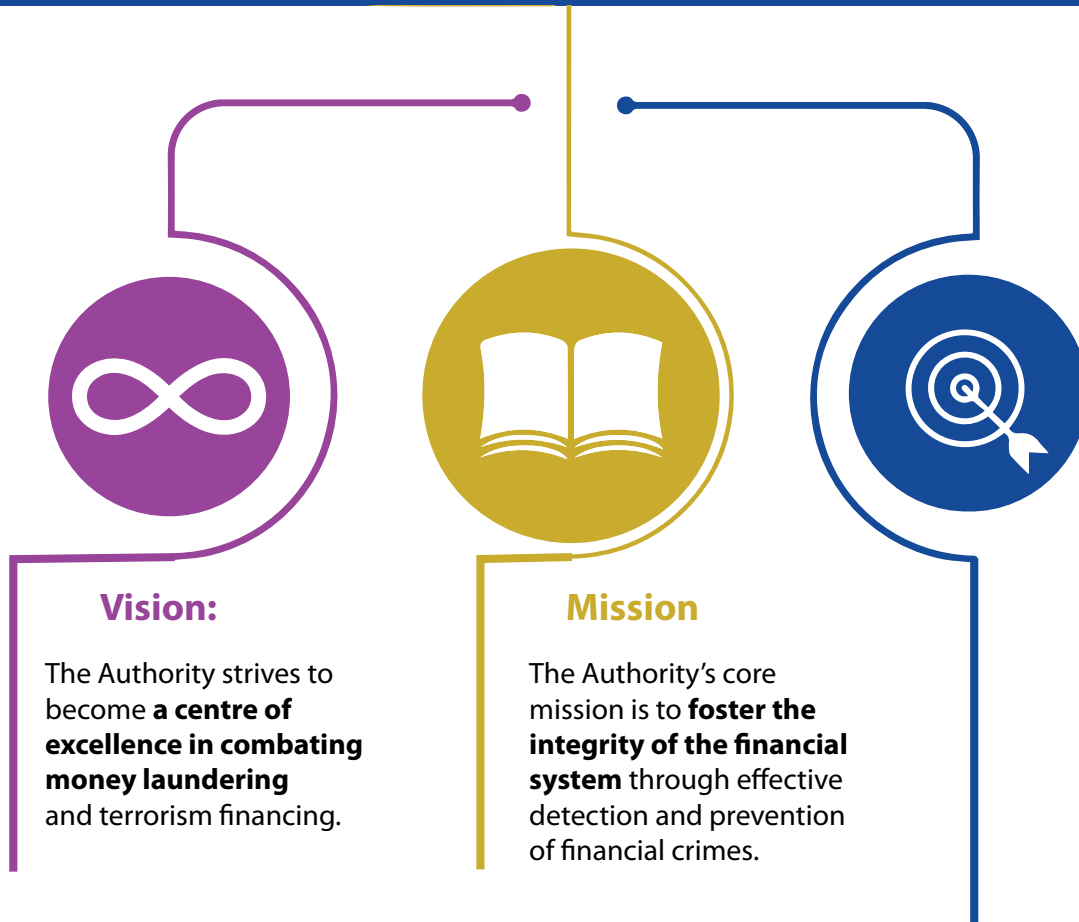
# Acronyms

AIF	Additional Information Requests
ALCTR	Aggregated Large Cash Transaction Reports
AMLA	Anti-Money Laundering Act
AML/CFT	Anti-Money Laundering/Countering Financing of Terrorism
BCC	Budget Call Circular
BFP	Budget Framework Paper
BOU	Bank of Uganda
CAMS	Certified Anti-Money Laundering Specialist
CBCRs	Cross Border Currency Reports
CID	Criminal Investigations Directorate
CFT	Countering/Combating Financing of Terrorism
CMA	Capital Markets Authority
CMI	Chieftaincy of Military Intelligence
CT	Counter Terrorism
CTRs	Cash Transaction Reports
DEI	Directorate of Ethics and Integrity
EDD	Enhanced Due Diligence
FATF	Financial Action Task Force
FDD	Financial Due Diligence
FIA	Financial Intelligence Authority
FIUs	Financial Intelligence Units
GIZ	The German Agency for International Cooperation
ICRG	International Cooperation Review Group
IG	Inspectorate of Government
IRA	Insurance Regulatory Authority
ISO	Internal Security Organization
IWTR	International Wire Transfer Reports
JSC	Judicial Service Commission
LCTRs	Large Cash Transaction Reports
LEAs	Law Enforcement Agencies
MDI	Microfinance Deposit Taking Institutions.
ML	Money Laundering

MLCO	Money Laundering Control Officer
ML/TF	Money Laundering/Terrorist Financing
MoFPED	Ministry of Finance, Planning and Economic Development
MPS	Ministerial Policy Statement
NBIs	Negotiable Bearer Instruments
NGO	Non-Governmental Organization
NPSP/Os	National Payment Service Providers/Operators
NRA	National Risk Assessment
NWCCTF	National Wildlife Crime Coordination Task Force
ODPP	Office of the Director of Public Prosecutions
PEPs	Politically Exposed Persons
PFMA	Public Finance Management Act
SARs	Suspicious Activity Reports
SH-ACU	State House Anti-Corruption Unit
SOPs	Standard Operating Procedures
STRs	Suspicious Transaction Reports
TF	Terrorism Financing
UCC	Uganda Communications Commission
UKAID	United Kingdom Agency for International Development
UMRA	Uganda Microfinance Regulatory Authority
UNGCP	United Nations Global Coordinated Programme on detecting, preventing and countering the financing of terrorism.
UNOCT	United Nations Office on Counter Terrorism
UNPCFT	United Nations Programme on Countering Financing of Terrorism
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority



# About **Financial Intelligence Authority**



## **Core Values**

**The Authority commits its staff to uphold the following values:**

- i) Integrity - aspiring to the highest ethical standards of honesty, reliability and dependability.
- ii) Professionalism - meeting high standards in execution of our mandate, while working together with accountable persons, partner agencies and others in a practical, diligent, timely, and rigorous result driven- manner.
- iii) Accountability -taking responsibility and explaining our actions to all our stakeholders.
- iv) Teamwork - working together within the Authority and with other stakeholders.
- v) Confidentiality - respecting the value and ownership of information which we receive, and taking measures not to disclose any information without the permission of the appropriate Authority.
- vi) Transparency – conducting ourselves with openness and honesty in all aspects of our work.

## Key Events - Pictorial



Swearing-in ceremony of the newly appointed Board Members at MoFPED.



Burundi delegation on a benchmarking visit



Meeting between FIA Staff and UNODC team.



Executive Director, FIA during the Citizens Baraza engagement at Capital FM radio Gardens Kisementi with members of other anti-corruption agencies



Executive Director, FIA Presenting to staff of IG on FIA'S effort in innovation and automation of its intelligence processing capacity



## THE BOARD



**Mr. Alinaffe Kalule**  
Chairman



**Ms. Rita Mitala Balaka**  
Member



**Mr. Charles Elem Ogwal**  
Member



**Mr. Odomaro Manyire**  
Member



**Mr Titus Mulindwa**  
Member



**Mr Sydney Asubo**  
Ex-Officio.

## MANAGEMENT



**Mr Sydney Asubo**  
Executive Director



**Mr Michael Olupot-Tukei**  
Deputy Executive Director



**Mr Lazarus Mukasa**  
Director, Analysis and Monitoring



**Mr Samuel Were Wandera**  
Director, Compliance and Training



**Mr Cyrus Barigye**  
Director, ICT Systems and Security

## Message from the Chairperson of the Board of Directors



The FIA is confident that Uganda will be a strong candidate for removal from the Grey List during the next financial year.

We are pleased to present the 8th Annual Report of the Financial Intelligence Authority. Since its establishment in 2014, the FIA has focused like a laser beam on its mandate of combating the crimes of money laundering and terrorism financing.

Those crimes are continuously increasing in volume, complexity, and impact. Thus, the FIA is relentless in harnessing the efforts of current and previous boards and staff as well as other national, regional, and international entities to thwart the adverse effects of those crimes on current and future generations of Ugandans and the rest of the world. And we are making significant and steady progress.

This Annual Report presents a review of the significant successes and challenges we have had during the financial year 2021/2022 in strengthening our AML/CFT framework. High on FIA's agenda during the year was to deepen inter-agency collaboration. This was to ensure that the lead role bestowed upon FIA accelerates the processes of removing Uganda from the FATF Grey List. Consequently, FIA has submitted, diligently and timely, the requisite quarterly progress reports to the International Cooperation Review Group (ICRG) Africa/Middle East Joint Group of the FATF.

There are still some outstanding strategic deficiencies to be addressed in the action plan agreed between the Government of Uganda and the ICRG-FATF. However, the collective determination and momentum, which has been exhibited during the year by key political stakeholders under the leadership of the Attorney General, is testimony to the accelerating pace of addressing those deficiencies. The FIA is therefore confident that Uganda will be a strong candidate for removal from the Grey List during the next financial year.

There are several laws that are lined up for amendment, that also serve as a key weapon in fighting corruption. For instance, the obligation to disclose beneficial ownership information will enhance transparency, which is an essential anti-corruption tool. Similarly, other amendments will provide a much needed basis on which FIA will seek to enhance the re-rating of the FATF Recommendations, wherein Uganda was rated Partially Compliant (PC) or Non-Compliant (NC).

Human capital is essential to our success. Sufficient funding is critical to the recruitment, refinement, and retention of capable and committed staff. Consequently, the commitment by the Hon. Minister of Finance and the decision of Parliament to enhance FIA's budget resources for the next financial year is deeply appreciated. We pledge to apply the additional resources to providing effective support to law enforcement agencies in preventing and fighting crimes that are inimical to strengthening and upholding the integrity of our financial system.

We are aware of the potency of technology in fighting money laundering and terrorism financing. Consequently, we were heartened by the decision of Parliament to enhance the budget allocation to IT infrastructure development and maintenance. We pledge to apply the budget enhancement to unleashing misery upon current and potential money launderers and terrorism financiers. Superior staff IT skills on top of cutting-edge hardware and software will be a key piece in the mosaic of our arsenal.

FIA's strategic plan for the period FY 2020/2021 to FY 2024/2025 will be subjected to a midterm review in the next financial year. The review will identify trends in our strengths, challenges, opportunities, and risks.

Those trends will be used in refining our deliverables, strategic initiatives, priorities, and resource allocations. We are confident of delivering increasingly effective and efficient solutions to current and future challenges.

Finally, we would like to thank all the entities that have supported and enabled us to make the progress that is detailed in this Annual Report. We have been energized by the progress and pledge to continue to build an AML/CFT/CPF framework, which facilitates the integrity of the financial system, a key element of our national development strategy as spelt out in NDP-3. We are particularly grateful to the Hon. Minister of Finance, Planning and Economic Development for the continuous guidance and support. Furthermore, we would like to thank the FIA staff for their commendable effort in implementing the FIA mandate. We are indeed a winning team.

For God and our country.



**Alinaffe Kalule**  
Chairperson of the Board







## Message from the Executive Director

**"82 intelligence reports were generated and disseminated to Law Enforcement Agencies (LEA's) and Competent Authorities for further investigation"**

The Financial Intelligence Authority's core mandate is to combat money laundering and terrorism financing along other financial crimes to protect the integrity of Uganda's financial system. The Authority plays a lead role in supporting the law enforcement agencies to identify proceeds of crime.

It provides financial intelligence which, is critical in undertaking effective criminal investigations and achieving successful prosecutions. During FY 22/2021, the FIA team met and exceeded many of its performance targets. Several activities were undertaken geared towards the achievement of key outputs as set at the beginning of the financial year. Among the achievements based on the strategic objectives include Receipt, analysis and dissemination of financial information. The Authority received and analyzed 2,434

Suspicious Transactions Reports, (STR's), 372 Suspicious Activity Reports (SAR) and 4,131 Large Cash Transactions (LCT) reports. As a result, 82 intelligence reports were generated and disseminated to law enforcement agencies and competent authorities for further investigation. Out of the cases whose investigations were complete, 5 cases were presented to the courts of law for prosecution and the process was ongoing by the end of the financial year.

The Authority also received 111 requests for information from different law enforcement agencies and competent authorities and responded to 109 of them by the end of the FY 22/2021. Out of the information we have been providing since 2017, URA was able to assess taxes that had been evaded, amounting to Sh.19,993,221,007 over which, Sh. 1,379,241,770 had been recovered and recoveries were continuing by the closure of the financial year.

In a similar vein, Inspectorate of Government was able to progress the "82 intelligence reports were generated and disseminated to Law Enforcement Agencies (LEA's) and Competent Authorities for further investigation" prosecution of their 7 corruption cases, of which money laundering charges were added to 2 cases.

FIA submitted to ESAAMLG Secretariat its 3rd request for the upgrades of ratings of 7 FATF Recommendations obtained on technical compliance during the mutual evaluation of 2016. Two Recommendations were approved by the ESAAMLG Task Force for upgrades from Partly Compliant to Largely Compliant.

During the year, FIA also submitted the 4th request for upgrades of ratings of 15 FATF Recommendations. Consideration and deliberations over this request will be undertaken by the Task Force at its meeting due to be held in September 2022 in Zambia.

A summary of the current ratings for Uganda as at end of the financial year depicts a steady improvement in compliance which, is presented in the table below.

**Reratings arising from the improvements.**

	Rating	2016	2018	2020	2021
1	Compliant (C)	4	12	14	14
2	Largely Compliant (LC)	1	1	5	7
3	Partially Compliant (PC)	14	19	13	11
4	Non Compliant (NC)	21	8	8	8
	<b>Total</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>

Although the deadlines in the action plan agreed between Uganda and the ICRG-FATF have all expired, with some action items still outstanding, FIA will continue submitting progress reports to the ICRG Africa/Middle East Joint Review Group. This is consistent with the high-level political commitment already provided by the government of Uganda to the FATF, in respect of the strategic deficiencies identified in our AML/CFT/CPF framework. FIA submitted Uganda's 5th progress report to the Joint Review Group in January 2022 which, was followed by a face-to-face meeting that took place on May 11, 2022 in Dakar, Senegal. The meeting discussed Uganda's ICRG progress report.

The reviewers acknowledged that all the deadlines in the action plan had expired and indicated that Uganda had made some progress but stated that more needed to be done to address the remaining Immediate Outcomes. Uganda was maintained on the Grey List and strongly urged to swiftly implement its action plan to address the strategic deficiencies as soon as possible. Uganda's next review is due in September 2022.

It has to be emphasized that some of the actions, in particular relating to the amendment of some laws intended to address Intermediate Outcomes will also go a long way in enhancing our technical compliances on the outstanding FATF Recommendations. With a renewed momentum and the energized stakeholder coordination, Uganda's prospects of being exited from the grey list next FY or immediately thereafter are now much stronger. FIA will also be in a much stronger position to request for upgrades of most of the FATF Recommendations on which Uganda is still rated Non or Partially Compliant. In an effort to strengthen and enhance the identification of proceeds of crime, FIA has updated the National ML/TF Risk Assessment, which, incorporated new modules that assessed; Environmental Crimes, Tax Crimes and a revised deeper assessment of terrorist financing.

In addition; the AML/CFT assessment report of the Legal Profession and Arrangements was done; a revised NPO Terrorism Financing Risk Assessment Report was updated; and a typology study on internal fraud in the financial sector commenced.

The goAML electronic platform continued to be our core IT infrastructure for receipt, dissemination and support analysis of financial information. It also provides for storage and generation of vital statistics and reports. During the year therefore, the Authority provided adequate resources to ensure that our IT infrastructure are protected and secured from cyber-attacks. This stance will be maintained in the coming financial years. The Financial Intelligence Authority participated in many public awareness engagements with the aim of improving public awareness and understanding on ML/TF matters. We have also leveraged on IT solutions to ensure effective outreach through social media, in addition to the traditional print and radio/tv platforms.

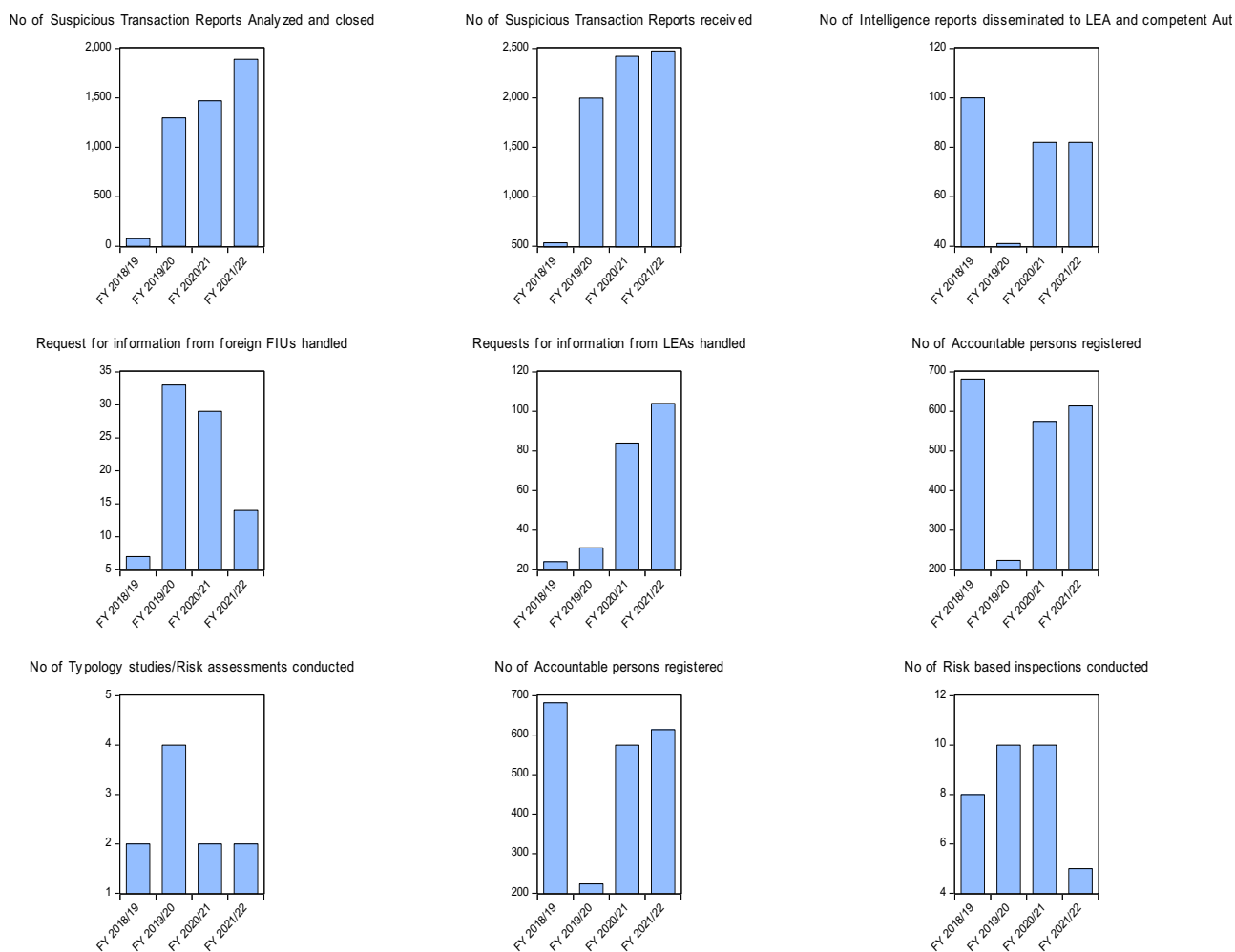
The outcomes are expected to increase public appreciation and participation in combating financial crime through active reporting of suspected cases. Our sustained outreach programs targeting our key stakeholders, in particular accountable persons has resulted in improvements in the levels of compliance in respect of; registration and filing of various reports with the FIA in accordance with the requirements of the law. We also intend to sustain efforts on public awareness next financial year.

Finally, I would like to thank the Board for its unwavering support and guidance and the Staff of FIA for their commitment and hard work towards fulfilling our mandate.



Sydney Asubo  
Executive Director

**Figure 1 Graphical presentation of FIA's key outputs over the last 4 years.**





# Corporate Governance

## Legal mandate

The Financial Intelligence Authority (FIA) as established by Section 18 of the Anti-Money Laundering Act 2013, under Section 18 is responsible for, among other functions, to detect and deter money laundering by collecting, analyzing and disseminating information related to financial transactions to support investigations and prosecutions of money laundering and terrorist financing offences.

## FIA performs the following functions;

- i) Receive, process, analyze and interpret information disclosed to it and obtained by it in terms of the Act;
- ii) Refer any matter or information derived from any report or information it receives to the appropriate law enforcement agency, if on the basis of its analysis and assessment, it has reasonable grounds to suspect that the transaction would be relevant to the investigation or prosecution of ML/TF offences or any serious offence;
- iii) Inform, advise and cooperate with other competent authorities;
- iv) Give guidance to accountable persons, competent authorities, and other persons regarding compliance with the Act;
- v) Retain the information disclosed and/or obtained by it in a prescribed manner for a period of at least ten years;
- vi) Impose administrative sanctions on accountable persons who fail to comply with directives, guidelines or requests issued by the Authority.
- vii) Collect fines adjudicated under the Act;
- viii) Issue guidelines to accountable persons not under the jurisdiction of supervisory authorities, in relation to customer identification, record keeping, reporting obligations and the identification of suspicious transactions;
- ix) May provide training programs for accountable institutions in relations to customer identification, record keeping, reporting obligations and the identification of suspicious transactions, and;
- x) Register, and keep a register of all accountable persons.

## The Board

FIA is governed by a Board of Directors appointed by the Minister of Finance, Planning and Economic Development and approved by Parliament in accordance with section 2)25) of the Anti-money Laundering Act 2013. The Board comprises of 6 members, including the Executive Director as an Ex-Officio. Membership of the board is drawn from persons with diverse and relevant experiences in the legal, financial and law enforcement fields. The Board serves for a period of 3 years and may be reappointed for one more term.

## Functions of the Board.

- i) Policy making organ for the Authority.
- ii) Give direction to the Executive Director in connection with the management, performance, operational policies and implementation of the policies of the Authority.
- iii) On the recommendation of the Executive Director, approve organizational structures, terms and conditions of service.
- iv) Prescribe administrative measures as may be required to safe guard the revenues of the Authority.
- v) Subject to sections 30 ,28 and 32 of the AMLA, 2013, appoint, remove and suspend the members of staff of the Authority.

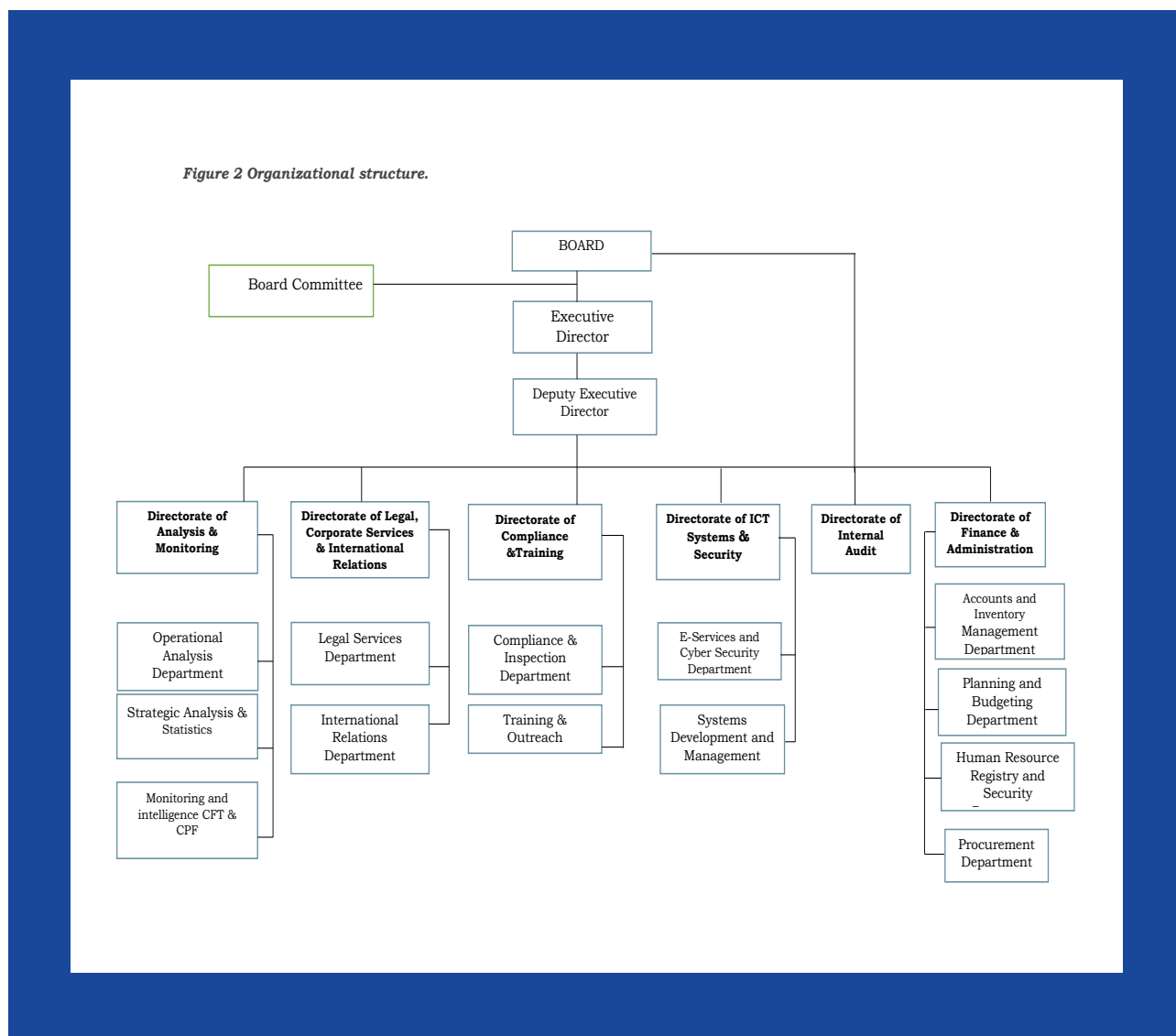
The Board has established two committees in accordance with S.27 (b) (iii) of AMLA. The Committees established are; Audit and Risk Committee; and Finance & Administration Committee.

## Management and Staff

The top management of the Authority consists of the Executive Director, who is also the accounting officer of the Authority (also the ex-officio member of the Board), Deputy Executive Director and six Directors. Top management is supported by Managers who are heads of respective Departments.

The organizational structure of the Authority is presented in figure 2 below.

**Figure 2 Organizational Structure.**





# Implementation of FIA Strategic Objectives.

The Financial Intelligence Authority has in place a Strategic Plan FY 2020/2021/2024/25 that provides it a strategic direction. The strategic plan has seven strategic objectives with clear annual performance targets for each of the objectives that are intended to deliver the vision of the Authority.

## The objectives are;



Enhancing the identification of proceeds of crime;



Increasing compliance with the AML/CFT laws;



Improving collection and dissemination of information to competent Authorities;



Strengthening international cooperation;



Increasing public awareness and understanding of matters related to money laundering and terrorism financing;



Strengthening the capacity of FIA to conduct financial due diligence;



Enhancing the efficiency and effectiveness of FIA to execute its mandate.

# Objective 1:

Enhance the identification of proceeds of crime.

## 1.1 Enhance the performance of the goAML electronic system

The Authority has in place a goAML system that enables Accountable Persons submit financial reports like Suspicious Transaction Reports (STR), Suspicious Activity Reports (SAR), Large Cash Transaction Reports (LCTR), Aggregated Large Cash Transaction Reports (ALCTR) and International Wire Transfers (IWTR) to FIA as required by the AMLA, 2013.

The goAML system is an integrated software solution developed specifically for use by Financial Intelligence Units (FIU's) across the World by the United Nations Office on Drugs and Crime (UNODC). The goAML is designed to meet data collection, management, analysis, document management, workflow and statistical needs of FIUs. FIA acquired the goAML electronic system in the FY 18/2017, and by the end of the FY 22/2021, it was in the production phase. The following activities were accomplished in the FY 22/2021:

- i) Support activities. These activities include; technical online support using the goAML Helpdesk System were carried out to ensure accurate report submissions; implementation of large cash transaction reporting via XML; implementation of international wire transfer reporting via XML; complete registration on the goAML system; and prompt response to the platform queries raised by the accountable persons, regulators, law enforcement agencies and competent authorities.
- ii) goAML user support was provided to ensure the timely resolution of system queries thus leading to the continued efficient operation of the goAML system in support of the analysis, quality checks on submitted reports, information exchanges, dissemination processes as well as commencement of automated registration of Accountable Persons and issuance of digital registration certificates using the goAML System.
- iii) Capacity building on the usage of the goAML system. FIA staff received training on features of the goAML Web System, such as registration procedures for an individual or entity, user account approvals and reporting statistics. A goAML System introductory session was held to enable FIA staff commence on the use of the goAML System for Strategic and Trends analysis.
- iv) Pilot goAML on-boarding Webinar. FIA conducted a pilot goAML on-boarding webinar for 30 staff from 15 Forex Bureaus from the 7th to 9th September 2021. The webinar focused on: system registration, user rights management, report submissions, information request submissions, message-board use, customer due diligence (CDD) processes, system FAQs and the helpdesk platform. The queries raised were addressed, training materials shared and a training event report was prepared. As a result, 17 new users were registered on goAML.



### Pilot goAML on-boarding Webinar

- v) Hosted a 2nd goAML learning mission from the Financial Reporting Centre (FRC) of Somalia. The learning mission was hosted from 11th to 13th October, 2021. The purpose of the mission was to acquire technical training and assistance as they prepare to roll out the goAML system in Somalia.





Second FRC Somalia goAML Learning Mission

- vi) goAML SSL certificate was renewed to ensure continued secure access to the system and protection from external breaches.
- vii) Conducted a compliance training and on-boarding of 10 National Payment Service Providers/ Operators (NPSP/Os) onto the goAML system.



Compliance training & goAML on boarding for 10 NPSP/Os

- viii) Upgrade of the goAML system was undertaken, from version 4.9 to 5.0 which, is the latest release.

## 1.2. Receipt of reports via goAML System

A total of 12,790 reports were received from various accountable persons via the goAML platform during the FY 22/2021. The reports relate to transactions such as STRs, SARs, LCTR and IWTR. Table 1 below presents the numbers of the reports received:

**Table 1: Various reports received through goAML platform during the FY 22/2021**

		No of Reports received						
	Accountable Person	AIF	ALCTR	IWTR	LCTR4	SAR	STR	TOTAL
1	Commercial Banks	1331	2,659	1,547	2,352	288	250	8,427
2	Forex Bureaus	1	42	115	1,346	12	2123	3,639
3	Payment system providers	45	1	0	39	78	0	163
4	Credit Institutions	72	61	26	171	2	3	335
5	Micro finance Deposit taking Institution	6	42	0	171	0	7	226
	<b>Total</b>	<b>1455</b>	<b>2,805</b>	<b>1,688</b>	<b>4,079</b>	<b>380</b>	<b>2383</b>	<b>12,790</b>

## 1.3. Risk Assessments

FIA conducts risk assessments to understand the money laundering and terrorist financing-related risks, emerging vulnerabilities, trends and methods used by criminals to launder proceeds of crime. During the period under review, FIA conducted risk assessments as highlighted below;

### Completion of the National ML/TF Risk Assessment Draft Report.

FIA prepared the final draft of the ML/TF National Risk Assessment (NRA) Report 2021 for Uganda. The exercise was coordinated by FIA on behalf of the National AML/CFT Task Force. The final report was submitted to the Honorable Minister of Finance, Planning and Economic Development for further management, including as appropriate, submission to Cabinet for consideration. The report, among others, will guide the application of a risk-based approach to supervision by various AML/CFT actors.

### Review of the NPO Terrorism Financing Risk Assessment Report 2021.

FIA reviewed and completed the NPO Terrorism Financing Risk Assessment (TFRA) report with technical assistance from ESAAMLG Secretariat.

The revised NPO TFRA 2021 was submitted to the National AML/CFT Taskforce on June 2022 ,28, for onward submission to the Minister of Finance, Planning, and Economic Development for consideration. This risk assessment and its accompanying action plan for high-risk NPOs, was one of the key action items on Uganda's action plan agreed with FATF under the FATF-ICRG monitoring process and a key reference document for the regulation of the NPO sector for AML/CFT purposes.

The final report and its findings will be shared with the relevant supervisory, regulatory, and the general public in the next financial year 2023/2022.

### NRA Tax Crimes ML/TF Risk Assessment.

FIA in collaboration with URA launched the ML/TF NRA in respect of tax crimes. The assessment is being carried out by FIA in collaboration with the Uganda Revenue Authority with technical assistance from the World Bank. Several preparatory engagements with the World Bank and other stakeholders involved in the NRA Tax



Crimes Assessment were held. Tax Crimes is a new module that has been developed by the World Bank to help countries understand risks and exposure they face in relation to tax evasion, money laundering and the facilitation thereof. This assessment aims at assessing the scale, relative incidence, and proceeds of tax crimes, the nature of tax crimes and common typologies, and their relevance to money laundering.

The data collection stage of assessment was completed and was at data analysis stage by the end of the FY 22/2021 and is expected to be completed in the first quarter of the next financial year 23/2022.

### **Typology of Internal Fraud in the Financial Sector.**

FIA completed the data collection for a typology study on internal fraud in the financial sector. A working group was constituted to carry out this exercise, with 10 financial institutions (8 commercial banks, 1 credit institution, 1 MDI); regulatory bodies and other stakeholders namely; Bank of Uganda, Uganda Bankers Association, Agent Banking Company of Uganda, FIA and Uganda Police CID. The working group held 3 meetings during the FY 22/2021 and was drafting the typology report by the end of the reporting period.

The purpose of the typology study is to identify money laundering trends, patterns, and fraud-related issues to come up with measures to help sector players mitigate against identified risks. The outcome of the study will help to strengthen the financial institutions' internal control environment and guide the formulation of anti-fraud policies.

### **Dissemination of the Legal Persons and Arrangements Risk Assessment Report.**

FIA disseminated the final report of the ML/TF risk assessment of legal persons and arrangements in Uganda. The dissemination was done using FIA's social media handles and website. The report highlights the ML/TF threats and vulnerabilities of legal persons and arrangements and proposes mitigation measures which the various stakeholders need to adopt in the fight against ML/TF. This was conducted in line with the Uganda - FATF ICRG action plan that requires the FIA to demonstrate that the findings of this assessment are brought to the attention of policy makers and other stakeholders.

### **Completion of the NPO TF Risk Assessment Action Plan.**

FIA in collaboration with the National Bureau for NGOs undertook a TF risk assessment of the Non-Profit Organizations (NPOs) sector in Uganda in line with FATF Recommendation 8 that requires countries to review the adequacy of laws and regulations that relate to NPOs which, the country has identified as being vulnerable to TF abuse and apply proportionate measures to protect them from TF abuse.

FIA finalized the report and submitted it to FATF ICRG-Africa & Middle East Joint Group for consideration. This risk assessment identifies high risk NPOs and together with the accompanying action plan for its dissemination is another action item that Uganda agreed with FATF under the FATF-ICRG monitoring process and a key reference document for the regulation of the NPO sector for AML/CFT purposes. The final report was shared with the relevant supervisory and regulatory agencies.

# Objective 2:

Increasing compliance with the AML/CFT laws;

## 2.1 AML/CFT Compliance Inspections

S.19(b) of AMLA requires FIA to ensure compliance with the Act. In order to enforce compliance, FIA conducted on-site thematic and other follow up inspections. During the period under review, the FIA team conducted On-Site inspections on 5 accountable persons; 2 forex bureaus, 1 bank, 1 real estate dealer and one law firm. FIA also supported officers from Capital Markets Authority and participated in a joint AML/CFT inspection of 1 Investment Manager and subsequently, a draft report was prepared and issued to its management.

In the same period, an Inspection Report for one forex bureau was finalized and submitted to its management. The first draft report for the bank inspected was prepared and circulated to its management and subsequently, the exit meeting to mark the end of the On-Site inspection of this bank was conducted on the June 2022 ,28.

During the same period, FIA prepared and shared the follow-up and thematic inspection reports with six commercial banks for comments and final signatures.

### AML/CFT compliance spot-checks

AML/CFT compliance spot-checks were carried out on ten (forex bureaus) accountable persons; 6 in the Western, 1 in Eastern and 3 in Northern region.

## 2.2 AML/CFT Awareness and Training

During the period under review, FIA conducted a number of engagements with the different stakeholders as mentioned below;

### Engagements held

- (i) an engagement with the CEO of Vitcoin Investments in order to appreciate Vitcoin's business before registering the entity as an accountable person under the Virtual Asset Service Providers category with FIA
- (ii) an engagement with a team from Smith & Bolton to discuss the risk-based approach to independent AML/CFT audits.
- (iii) an engagement with Wave Transfers Ltd in order to appreciate their operations and also inform them of their obligations as an accountable person under the AMLA, 2013 (as amended).
- (iv) FIA officers had an engagement with the supervisory bodies of the casinos, insurance and securities sectors on the planned independent audits of their supervisees.
- (v) In order to sensitize accountable persons on their compliance obligation, guidance notes on compliance with the AML/CFT legislation were drafted and up-loaded on to the FIA website.
- (vi) AML/CFT print-material was drafted to be printed on brochures for AML/CFT awareness and outreach.
- (vii) A TV and radio mass media message on the role of the Financial Intelligence Authority in combatting Money Laundering and Terrorist Financing was prepared.

### Workshops facilitated

#### FIA officers;

- (i) Participated and made a presentation in the MLCOs Quarterly engagement with Banks, Credit

Institutions, Micro financing Deposit Taking institutions and Forex Bureaus/Money Remitters.

- (ii) Facilitated at a training of 30 Regional Police Commanders who were undergoing the Institutional Leadership and Management Course at the Police Senior Command and Staff College, Bwebajja on "Money Laundering, Terrorism Financing, Proliferation Financing, Legislation, and Insights into Financial Intelligence and Investigations".
- (iii) Delivered a lecture on AML/CFT to 131 Crime Intelligence officers who were formerly in Flying Squad and were attending a Basic Crime Intelligence Course at Police Training School, Kabalye on the topic of Anti-Money Laundering, Combating Terrorism Financing and Insights into Financial Intelligence and Investigations.
- (iv) Conducted an AML/CFT training of 170 Senior Police Officers at Police Counter Terrorism School, Olilim, Katakwi District on; Anti-Money Laundering, Combating Terrorism and Proliferation Financing, FATF and Uganda's AML/CFT Legal Framework and Insights into Financial Investigations and role of the Financial Intelligence Authority.
- (v) Participated in a -2day workshop on AML/CFT Risk Based Supervision of DNFBPs, that was organized by the ESAAMLG Secretariat and funded by GIZ.
- (vi) Facilitated a training at the Police Training School in Kabalye, Masindi District, for 299 Probation Police Constables comprising of 90 female and 209 male participants. The FIA Officer made a presentation on "Overview of Money Laundering, Terrorism Financing, Proliferation Financing, Legal framework, and Insights into Financial Intelligence and Investigations". Also in attendance were 198 Learner Assistant Inspectors of Police comprising 29 female and 159 male officers.
- (vii) Made a presentation in a training at CID Training School, Kibuli in which 55 officers (at the rank of Assistant Superintendent of Police) were attending an Induction Course on Criminal Investigations. The presentation was on the "Overview of Money Laundering/Terrorism Financing and Legislation: The Role of FIA in fighting Money Laundering/Terrorism Financing, and Insights into Financial Intelligence and Investigation".
- (viii) Facilitated a workshop on the second phase pertaining to how to conduct an independent audit of the Casinos, Securities & Insurance sector players that was held at Kabira Country Club.



FIA ED (center with a microphone) on a panel discussion with industry leaders and regulators on awareness workshop on independent audits for accountable persons in securities.



- (ix) Facilitated a one-day Anti-Money Laundering/Countering Financing of Terrorism Training for the Board and Management of Pride Micro Finance – a Deposit taking Institution (MDI).
- (x) Participated in a workshop to validate the draft Standard Operating Procedures for Investigating and Prosecuting Trafficking in Persons in Uganda – in accordance with the Uganda Prevention of Trafficking in Persons Act 2009 and Regulations 2019 organized for the Uganda Police Force and Office of the Directorate of Public Prosecutions (ODPP).

The workshop was held at Imperial Botanical Gardens from 22nd 25-th November, 2021 and was facilitated by United Nations Office on Drugs and Crime (UNODC) and CIVIPOL of the Government of France. Participants were drawn from the Office of ODPP, Uganda Police Force, Ministry of Internal Affairs and Foreign Affairs, Representatives from NGO's and civil

- (xi) Participated in the AML/CFT and goAML Training for National Payment Service Providers and Operators.

Trainings delivered:

- (i) City forex bureau staff on their AML/CFT obligations & goAML submissions.
- (ii) Senior Management team of Post bank (U) Ltd on AML/CFT matters.
- (iii) Members of the Insurance Brokers Association of Uganda (IBAU) on AML/CFT matters.
- (iv) Members of ICPAU on the role of the Accountants in AML/CFT Compliance Regime.
- (v) 33 participants from banks, credit institution and MDIs in the national training on AML/CFT Compliance Standards, obligations and measures for Uganda Financial Institutions conducted by FIA. The training was facilitated by the EU AML-THB Project for the Greater Horn of Africa.
- (vi) Staff of Uganda Microfinance Regulatory Authority on Risk Based Supervision.
- (vii) Staff of Insurance Regulatory Authority on Risk Based Supervision.
- (viii) Insurance market players, conducted in the Insurance College, on their AML/CFT obligations and suspicious transactions indicators in the insurance sector.
- (ix) Members of Postbank Board of Directors on their role in ensuring compliance with AML/CFT obligations.
- (x) Staff of Uganda Retirement Benefits Regulatory Authority on risk-based supervision.

## 2.3 Compliance Advisory Role.

The legal department of FIA issued;

- (i) Legal opinions/guidance and clarifications were prepared and issued to 7 commercial banks, several companies from the insurance sector, casinos and securities sector, Agency Banking Company (U) Ltd and Mobile Network Operators.
- (ii) Templates for risk assessments for financial institutions were drafted.
- (iii) Guidance notes on risk factors to be considered by financial institutions were drafted.
- (iv) Guidelines in relation to high-risk countries were drafted and a circular on the updated list of high-risk jurisdictions was sent out to 3 financial sector regulators and all financial institutions.
- (v) Drafted the risk-based supervisory manual for DNFBP supervisors commenced.
- (vi) Guidelines to accountable persons on enhanced due diligence measures were drafted.

## 2.4 Review of the different reports from Accountable Persons.

### Annual Compliance Reports.

Regulation 1(45) of the Anti-Money Laundering Regulations, 2015 requires every accountable person to submit to the Authority a compliance report setting out the level of compliance with the Act and Regulations and the internal Anti-Money Laundering and Combating Terrorist Financing policy at the end of each calendar year.

During the review period, 280 annual compliance reports were submitted by different accountable persons as illustrated in the table below. During the period under review, 100 reports were reviewed while review of the rest were still ongoing by the end of the reporting period and is expected to be completed by July 2022, 30.



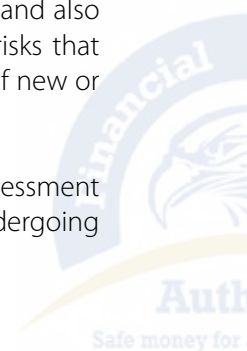
**Table 2: Annual compliance report submissions**

S.N	Accountable Persons	Total
1	Commercial banks	24
2	MDIs	4
3	Forex Bureaus	21
4	CMA Licensees	6
5	NGOs	183
6	Insurance Cos	14
7	Credit Institutions	3
8	Insurance Brokers	5
9	Accountants / Accountancy Firms	10
10	Advocates / Law firms	1
11	Real Estate Agents / Brokers	0
12	Licensing Authorities	0
13	Casinos	0
14	Churches	1
15	Dealers in Precious metals and Gems	1
16	Registrars of Land	0
17	Uganda Investment Authority	0
18	Registrars of Land	0
19	NSSF	1
20	Microfinance	2
21	Money Lenders	1
22	Money Remittance	0
23	Virtual Assets	1
24	Payment System providers / Operators	2
	<b>Total</b>	<b>280</b>

### Risk Assessment reports

Section 6A of the Anti-Money laundering Act, 2013 (as amended) requires an accountable person to take appropriate steps to identify, assess and monitor its money laundering and terrorism financing risks and also take appropriate measures to manage and mitigate the money laundering or terrorism financing risks that may arise in relation to the development of new products and new business practices and the use of new or developing technologies for both new and pre-existing products.

In line with the above, during the period under review, 59 accountable persons submitted their risk assessment reports. 11 reports were reviewed and feedback given to the respective entities, and the rest were still undergoing review by the end of the reporting period.



## 2.5 Registration of Accountable Persons.

Registration and issuance of certificates.

FIA compliance team attended to clients (walk-ins, email and via phone calls) and provided guidance on the registration requirements. Below is the summary:

- A total of 614 accountable persons were registered during the period under review.
  - 692 certificates were issued while 655 were picked by the respective accountable persons.
- The register of accountable persons was continually updated.

**Table 3: Status of Registration of Accountable Persons**

No.	Accountable Persons	Total Number	No. Registered as of 30 June, 2021	Total Registered in FY 22/2021
1	Commercial banks	25	25	0
2	MDIs	4	4	0
3	Forex Bureaus	227	216	11
4	CMA Licensees	28	22	6
5	NGOs	1,389	919	470
6	Insurance Cos	37	36	1
7	Credit Institutions	5	5	0
8	Insurance Brokers	40	38	2
9	Accountants / Accountancy Firms	118	101	17
10	Advocates / Law firms	31	25	6
11	Mobile Money Service Providers	4	4	0
12	Real Estate Agents / Brokers	19	19	0
13	Licensing Authorities	8	8	0
14	Casinos	24	13	11
15	Churches	82	23	59
16	Dealers in Precious metals and Gems	11	6	5
17	Registrars of Land	-	0	0
18	Uganda Investment Authority	1	1	0
19	Registrars of Land	-	0	0
20	NSSF	1	1	0
21	Microfinance	8	5	3
22	Money Lenders	5	3	2
23	Money Remittance	3	1	2
24	Virtual Assets	11	5	6
25	Payment System providers / Operators	10	0	10
26	Trustees	2	0	2
27	SACCOs	1	0	1
	<b>Total</b>	<b>2,094</b>	<b>1,480</b>	<b>614</b>



**Table 4: Status of Issuance of Certificates of Registration to Accountable Persons**

No.	Accountable Persons	Total No. of Accountable Persons 24	No. Issued with Cert. as of 30 June, 2021	Total No. Issued with Cert. in FY 22/2021
1	Commercial banks	24	24	2
2	MDIs	4	4	-
3	Forex Bureaus	228	220	10
4	CMA Licensees	16	14	9
5	NGOs	1,233	785	560
6	Insurance Cos	35	35	6
7	Credit Institutions	4	4	-
8	Insurance Brokers	38	38	2
9	Accountants / Accountancy Firms	96	92	15
10	Advocates / Law firms	30	26	7
11	Mobile Money Service Providers	3	3	-
12	Real Estate Agents / Brokers	1	1	-
13	Licensing Authorities	5	5	-
14	Casinos	21	13	8
15	Churches	41	9	39
16	Dealers in Precious metals and Gems	7	5	3
17	Registrars of Land	-	-	-
18	Uganda Investment Authority	-	-	-
19	Registrars of Land	-	-	-
20	NSSF	1	1	-
21	Microfinance	6	4	5
22	Money Lenders	4	3	2
23	Money Remittance	2	-	2
24	Virtual Assets	5	4	6
25	Payment System providers / Operators	9	-	12
26	Trustees	1	-	3
27	SACCOs	-	-	1
	<b>Total</b>	<b>1,815</b>	<b>1,291</b>	<b>692</b>

## 2.6 Authentication of Certificates

During the period under review, 385 accountable persons, inclusive of 34 churches and 1 Accounting firm requested for authentication of their certificates of registration.



## 2.7 Legal matters

### Concluded Cases against FIA

**a) KARITAS Mission Fund Uganda -V- FIA HCMS (Civil Division) NO. 2020 /355**

This was an application for judicial review of the alleged unlawful freeze of the applicant's bank accounts for money laundering. The matter came up for hearing on April 2022, 14 before His Lordship Justice Emmanuel Baguma and was dismissed for want of prosecution.

**b) YSB Holdings Ltd & Yahaya Sserundajja -V –FIA HCMA (Civil Division) NO. 2020/318**

This was an application for Judicial Review for the alleged unlawful freeze of the applicant's bank accounts for money laundering. The matter was withdrawn by consent of the parties.

**c) Nakalya Agnes & others V Dunamiscoins Resource Limited & FIA Civil Suit No. 430 of 2021**

The plaintiffs' claim against the defendants jointly and severally was for recovery of UGX. 253,510,000/= arising out of breach of an agreement, interest thereon and costs of the suit. The plaintiffs' cause of action against FIA was that in December 2019, FIA in its statutory duty, froze all the 1st defendant's accounts rendering the plaintiffs unable to recover their deposits and earnings.

On September 2021, 3, a default judgement was entered against the 1st defendant in the sum of Ugx 253,510,000/= (Uganda Shillings Two Hundred Fifty-Three Million, Five Hundred Ten Thousand only) and was settled out of the funds in the frozen account maintained by the 1st defendant.

### Pending Cases

**d) Wondu Alemu -V- FIA & 5 Others HCCS NO. 2019 /300**

This is a suit of negligence against FIA for lifting halting instructions that led to releasing of earlier frozen funds allegedly belonging to the plaintiff. This matter has never been fixed for hearing.

**e) Musujja Ssemanda Godfrey V Dunamiscoins Ltd, BOU, FIA HCCS NO. 977 OF 2020**

This is a suit praying for release of earlier frozen funds, allegedly belonging to the plaintiff. FIA filed its defence but the matter has never been fixed for hearing.

**f) UWONET & Uganda National NGO Forum –V- FIA & Attorney General**

### Miscellaneous Cause No. 23 Of 2021

This is an application for judicial review for the alleged unlawful freeze of the applicant's bank accounts on grounds of terrorism financing. The parties filed their written submissions in court and the matter is pending ruling. The ruling is expected on notice.

### D9 Verification Committee meetings

In Smart Protus Magara v FIA Misc. Cause No. 215 of 2018, court ordered that the victims of D9 Club shall be paid by the Official Receiver at URSB. During the period under review, three (3) verification meetings were held; on May 2022, 10, May 2022, 27 and June 2022, 6 to consider and verify claims of victims of D9 Clubs.

## Status on Amendment of Laws

- a) The Anti-Money Laundering (Amendment) Regulations, 2022 (to include EDD measures for domestic PEPs) were signed by the Minister of Finance, Planning and Economic Development.
- b) Amendment of the Anti-Terrorism Act 2002 to provide for Proliferation Financing. The principles for amendment of this Act were considered and approved by Cabinet on June 2022 ,13.
- c) The Anti-Money Laundering (Administrative Sanctions) Regulations were submitted to the First Parliamentary Council (FPC) for consideration.

FIA also participated in the drafting of the regulatory impact assessment for the real estates' agent bill at source of the Nile hotel in Jinja, from June 2022 ,17-13. The bill is being spearheaded by the Ministry of Lands, Housing and Urban Development.

## Preparation of Guidelines

During the period under review, FIA prepared guidelines and issued to accountable persons on;

- High-risk countries
- Cross-border Movement of Cash and BNIs.



# Objective 3:

Improving collection and dissemination of information to competent Authorities;

## 3.1 Receipt and Analysis of Reports

### Suspicious Transaction Reports

During the period under review, FIA received a total of 2,475 suspicious transaction reports from Accountable Persons. Of the 2,475 reports received, 114 were received manually while 2,361 reports were received through the goAML system. The table below shows the comparison of STRs received manually with those received through goAML in the FY 22/2021.

**Table 5: Number of STRs received Manually and Via goAML.**

SN	Mode of Receipt	Q1	Q2	Q3	Q4	TOTAL
1	STR s Received Manually	41	30	20	23	114
2	STRs Received through goAML	591	645	500	625	2361
	<b>TOTAL</b>	<b>632</b>	<b>675</b>	<b>520</b>	<b>648</b>	<b>2,475</b>

**Table 6: Number of STRs received through goAML system per category of Accountable Persons.**

		No of STRs				
	Accountable Person	Q1	Q2	Q3	Q4	TOTAL
1	Commercial Banks	103	51	49	48	251
2	Forex Bureaus	485	593	448	572	2,101
3	MDIs	1	1	3	2	7
4	Credit Institutions	2	0	0	0	2
5	Payment systemss Operators	0	0	0	0	-
	<b>Total</b>	<b>591</b>	<b>645</b>	<b>500</b>	<b>625</b>	<b>2,361</b>

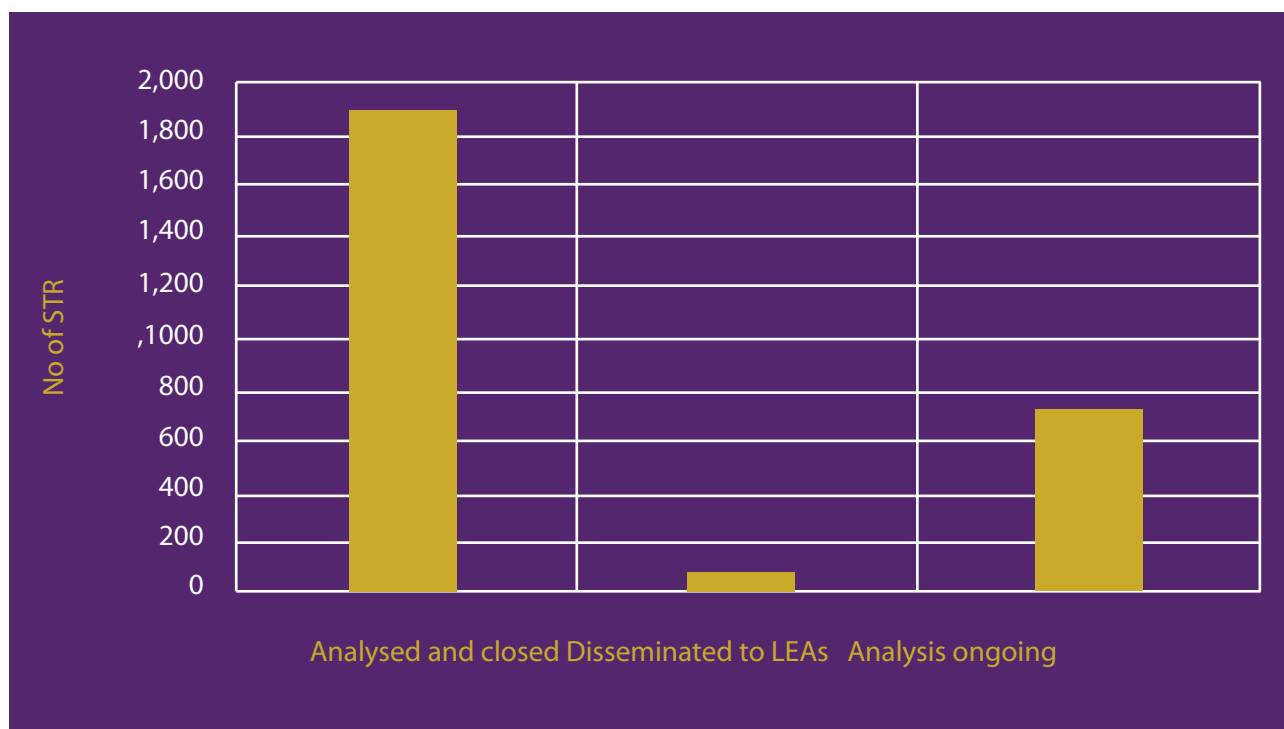
### Suspicious Activity Reports

During the period under review, FIA received a total of 390 suspicious activity reports from accountable persons through the goAML system. Of the 390 reports received, 281 were submitted by commercial banks, 38 by payment system operators, 12 from forex and money transfer services and 1 from credit institutions as presented in the table below;

**Table: 7 Suspicious activity reports**

	Accountable Person	Q1	Q2	Q3	Q4	TOTAL
1	Commercial Banks	60	57	75	89	281
2	Forex Bureaus	4	3	0	5	12
3	MDIs	40	18	0	0	58
4	Credit Institutions	0	0	0	1	1
5	Payment systemss Operators	0	18	12	8	38
	<b>Total</b>	<b>104</b>	<b>96</b>	<b>87</b>	<b>103</b>	<b>390</b>

**Figure 3: Status of Analysis on Suspicious Transaction and Activity Reports (Combined).**



### Large Cash and/or Monetary Transaction Reports

During the period under review, the FIA received 4,079 LCTRs from 61 accountable persons through the goAML system. These reports contained 3,427,986 transactions with a total value of UGX 550,350,154,696,462.

**Table 8: Number of Large Cash Transactions submitted by various categories of Accountable Persons during the FY 22/2021.**

	Accountable Person	No. of LCTR	Transactions	Transactions
1	Commercial Banks	2,352	3,362,815	538,602,840,626,316
2	MDIs	171	14,101	725,598,490,207
3	Credit institutions	171	32,337	10,011,846,163,773
4	Payment Service Providers	39	2,206	164,707,942,411
5	Transfer Services	1,346	16,527	845,161,473,755
	<b>Total</b>	<b>4,079</b>	<b>3,427,986</b>	<b>550,350,154,696,462</b>

### Cross Border Movements of Currency and Negotiable BIs (NBIs)

Section 10 of the Anti-Money Laundering Act 2013 (as amended), provides that:

- 1) **A person-**
  - a) Entering or leaving Uganda and carrying cash or bearer negotiable instruments exceeding 1500 currency points (Ugx.30 million), or the equivalent in a foreign currency; or

- b) Arranging for the transfer of cash or bearer negotiable instruments exceeding 1500 currency points or the equivalent value in foreign currency into or out of Uganda by mail, shipping service or any other means, Shall declare that amount to URA in the manner prescribed by the regulations.

S.3) 10) provides that, URA shall without delay, forward to the Authority any form completed under the requirement of this section.

During the period under review, Uganda Revenue Authority filed 12 declarations of currency or negotiable bearer with a total value of USD 4,408,500.

## 3.2 Sharing of Intelligence

### 3.2.1 Dissemination of Intelligence Reports

82 intelligence reports were disseminated to Law Enforcement Agencies (LEA) and other Competent Authorities during the FY 22/2021 as indicated in the table below.

**Table 9: Financial Intelligence reports disseminated**

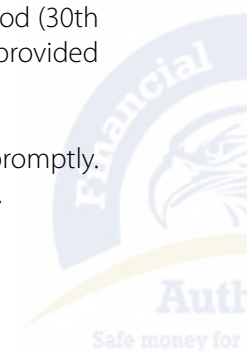
S/N	Law enforcement agency	Q1	Q2	Q3	Q4	TOTAL
1	CID	11	6	8	15	40
2	URA	3	8	6	12	29
3	NDA	0	1	0	0	1
4	IG	0	0	4	1	5
5	CT (Police)	1	0	1	0	2
6	NGO Bureau	1	0	1	0	2
7	ISO	1	0	0	0	1
8	ESO	1	0	0	0	1
9	Ministry of Gender, Labour and social development	0	0	0	1	1
	<b>Total</b>	<b>18</b>	<b>15</b>	<b>20</b>	<b>29</b>	<b>82</b>

### 3.2.2 Exchange of Intelligence with Foreign FIUs

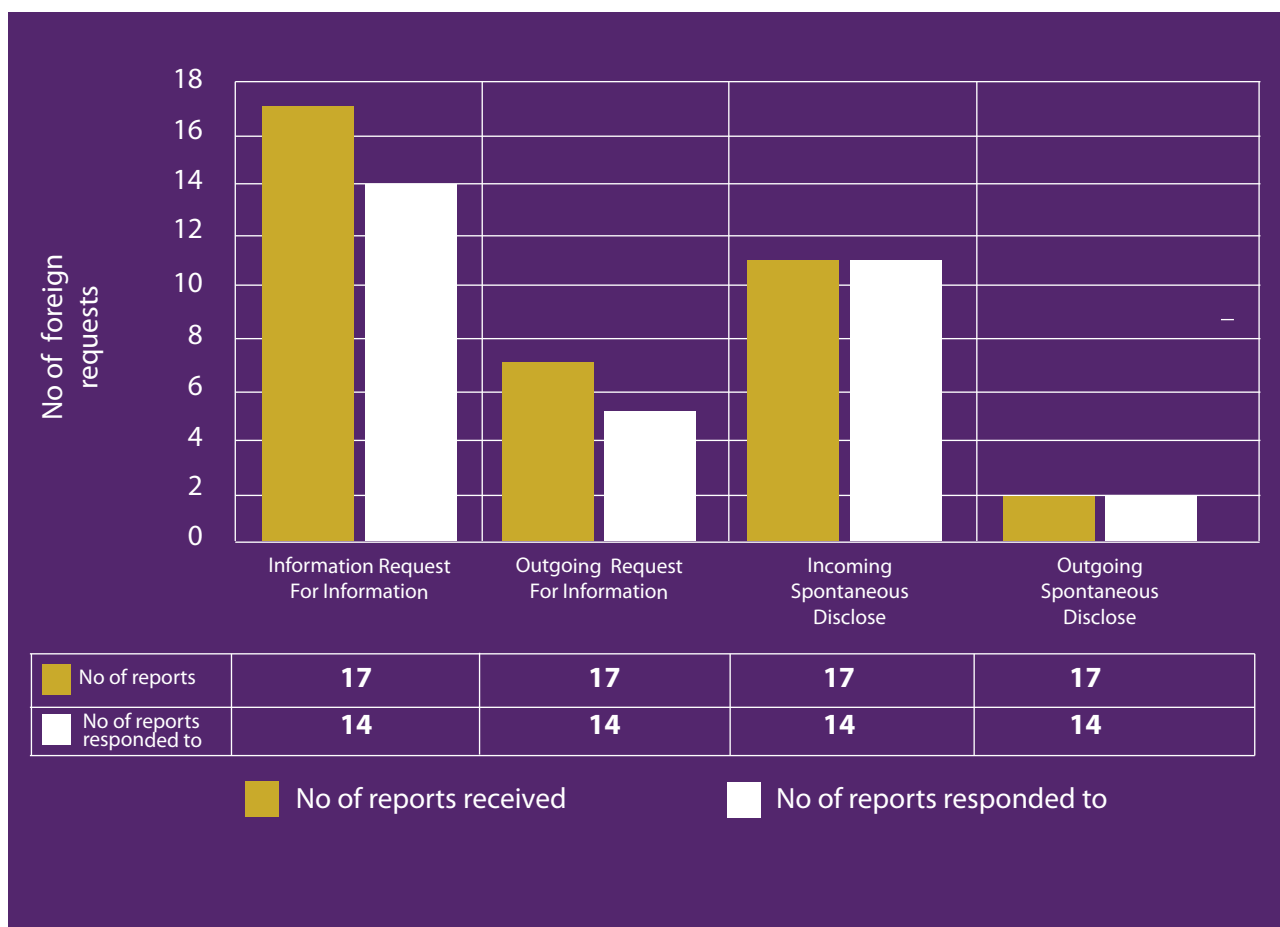
The FIA cooperates with a network of FIUs, as well as a number of international organizations in the global effort to counter ML/TF. This is intended to establish a wide and efficient information sharing network which is of great importance, considering the transnational scope of ML/TF activities.

During the period under review, FIA received; 17 requests for information from foreign FIUs (incoming requests) out of which 14 were responded to, while 3 were still outstanding as at the end of this reporting period (30th June); 11 incoming spontaneous disclosures were received and acknowledgements of receipt were provided to all FIUs for their disseminations.

FIA also sent 7 requests for information (outgoing requests) to one foreign FIU and received feedback promptly. In addition, 2 spontaneous disclosures were sent by FIA to foreign FIUs during the period under review.



**Figure 4: Information reports exchanged with foreign FIUs**



### 3.2.3 Exchange of Information with Domestic Law Enforcement Agencies and Competent Authorities:

FIA cooperates with a number of domestic Competent Authorities which include, but not limited to, Uganda Revenue Authority (URA), Inspectorate of Government (IG), Uganda Police Force, Uganda Wildlife Authority, National Drug Authority, Bank of Uganda, Insurance Regulatory Authority, Uganda Registration Services Bureau and National NGO Bureau, among others.

During the period under review, the FIA received 108 requests for information from different domestic law enforcement agencies and partners/regulators. FIA responded to a total of 104 requests and 4 were still outstanding by the end of the financial year, pending receipt of information from various sources such as financial institutions. The table below summarizes the requests received from the different Agencies/Authorities.



**Table 10: Requests from LEAs/Competent Authorities**

	LEA	Requests Received	TOTAL
1	CID	50	50
2	IG	10	7
3	URA	26	26
4	MoFA	3	3
5	Solicitor general	1	1
6	ISO	12	11
7	UWA	2	2
8	ODPP	2	2
9	JSC	1	1
10	MoED	1	1
	<b>Total</b>	<b>108</b>	<b>104</b>

# Objective 4:

Strengthening International Cooperation;

## 4.1 Cooperation with Foreign FIUs.

In accordance with the FATF standards and in fulfilment of its international obligations, FIA exchanged information with some foreign FIUs during the period under review, including spontaneous sharing of information via the Egmont secure web as indicated in section 3.2.2 above.

### Engagement with the Burundi FIU

FIA hosted a 4-person delegation from Burundi for a period of 5 days. Burundi was undertaking a benchmarking visit as they are seeking to join ESAAMLG as a member country. Heads of Department made presentations to the delegation on operational and policy issues relating to establishing and operating a functional FIU and operationalizing a robust AML/CFT regime.



FIA staff and Burundi FIU delegates - Benchmarking visit

### Engagements with FATF

FIA attended all the FATF working Group meetings and Plenary (October 2021, February 2022 and June 2022) held virtually. ICRG A/ME JG Virtual Face to Face Meeting with Uganda Delegation (5th ICRG Progress Report).

The meeting between Ugandan delegation and the Africa/Middle East Joint Group of the ICRG-FATF took place on May 2022, 11 in Dakar, Senegal. The meeting discussed Uganda's ICRG progress report. The reviewers indicated that Uganda had made some progress but stated that more needs to be done to address the remaining Immediate Outcomes. Uganda was maintained on the Grey List and strongly urged to swiftly implement its action plan to address the remaining strategic deficiencies as soon as possible, as all deadlines have now expired. Uganda's next review is to be held in September 2022.



Uganda's delegation at the ICRG A/ME JG meeting in Dakar, Senegal

## Uganda's 3rd ICRG Progress Report

On behalf of Uganda, FIA submitted the third progress report following its identification for monitoring by the ICRG of the FATF. It was discussed at the virtual meeting which took place on September 2021 ,8. The Reviewers noted that the country is still in the early stages of developing and implementing the structures and processes necessary to address the action items in the Action Plan. There are a number of not addressed (NA) and partially addressed (PA) action items that were due in May and September 2021, and NA action items that will be due in January 2022. The Joint Group strongly encouraged Uganda to address these strategic deficiencies without delay.

## Uganda's 4th ICRG Progress Report

On December 2021 ,1, Uganda submitted its 4th ICRG progress report to the Africa/Middle East Joint Group of ICRG of the FATF. This report was discussed at the face-to-face meeting with the Africa/Middle East Joint Group of the FATF that took place virtually on Friday January 2022 ,21 from 4pm to 6pm.

## Engagements with Egmont Group

FIA attended the Egmont Working Group and Plenary meetings (February 2022) that were held virtually. In addition, FIA filed the Egmont Biennial Census (2021) forms using the Egmont secure web within the set deadline.

## Engagements with ESAAMLG

FIA attended all ESAAMLG meetings that had been scheduled during the period under review (August/ September 2021 and April 2022).

## Uganda's Mutual Evaluation Progress Report 2022

In February 2022, Uganda's Mutual Evaluation progress report was submitted to the ESAAMLG secretariat and was discussed by the task force at its meeting in Arusha, Tanzania.

### Addressing mutual evaluation deficiencies.

In order to address the deficiencies that were identified by the mutual evaluation report, FIA set up an internal task force comprising of a team of officers across all the key technical departments in FIA led by the Deputy Executive Director to handle the matters relating to FATF Recommendations with technical deficiencies and rated Non-Compliant (NC) and Partially Compliant (PC). The team reviewed the recommendations on which Uganda is rated PC & NC in preparation to seek Technical Compliance Re-Ratings at the August/September, 2022 plenary meetings.

As a result, on January 2022 ,21, Uganda notified the ESAAMLG Secretariat of its intention to seek Technical Compliance Re-ratings at the August/September 2022 plenary meetings. The request for re-ratings report was submitted to the ESAAMLG secretariat on February 2022 ,28. Uganda applied for re-ratings for 15 Recommendations as indicated in the table below.

**Table 11: Recommendations on Partially Compliant**

	Rec. No.	Narration of Recommendation	Proposed Re-Rating
1	R.12	Politically Exposed Persons (PEPS)	Largely Compliant (LC)
2	R.19	High Risk Countries	Largely Compliant (LC)
3	R.22	DNFBPs (Customer due Diligence)	Largely Compliant (LC)
4	R.27	Powers of Supervisors	Largely Compliant (LC)
5	R.30	Responsibilities of Law Enforcement & Investigative Authorities	Largely Compliant (LC)
6	R.34	Guidance and feedback	Largely Compliant (LC)
7	R.37	Mutual Legal Assistance (MLA).	Largely Compliant (LC)
8	R.38	Mutual Legal Assistance (freezing & Confiscation)	Largely Compliant (LC)
9	R.40	Other forms of International Cooperation	Largely Compliant (LC)



**Table 12 Recommendations on Non-compliant**

	Rec. No.	Narration of Recommendation	Proposed Re-Rating
1	R.8	Non -Profit Organisations	Largely Compliant (LC)
2	R.24	Transparency & Beneficial ownership of Legal Persons	Largely Compliant (LC)
3	R.26	Regulation & Supervision of Financial Institutions	Largely Compliant (LC)
5	R.28	Regulations & Supervision of DNVEBPs	Largely Compliant (LC)
6	R.33	Statistics	Largely Compliant (LC)
7	R.37	Extradition	Largely Compliant (LC)

### Scoping Mission

In January 2022, a project supported by the EU (EU AML/THB) conducted a scoping mission to establish the support that can be extended to Uganda to support in addressing the deficiencies outstanding in her AML/CFT framework. The National AML/CFT taskforce members held interviews with the team to discuss the deficiencies and areas for support. The team submitted a report for the mission which contained recommendations and a proposed action plan.

### 42nd ESAAMLG Task Force of Senior Officials and 21st Council of Ministers Virtual Meetings

The 42nd ESAAMLG meetings of senior officials took place virtually from Thursday August 2021 ,26 to Monday September 2021 ,6. The Council of Ministers' meeting was held on Tuesday September 2021 ,7 where the Minister of Finance, Planning and economic Development Hon. Matia Kasaija handed over Presidency of the Council of Ministers to the Minister of Finance of the Republic of Zambia.

The Task Force Plenary meeting was preceded by meetings of established Review Groups for monitoring the Post Evaluation implementation of the FATF standards in ESAAMLG member countries. These Working Groups are; the Evaluations and Compliance Group (ECG); Risk, Trends and Methods Group (RTMG); the Budget, Finance and Audit Committee (BFAF); the Heads of FIUs (HofFIUs) meeting, the Working Group on Risk, Compliance and Financial Inclusion (RC&FI) and Ad hoc Contact Group for Eritrea.

### Request for Re-rating

The Task Force considered Uganda's 7th Follow-up Report together with a request for technical compliance re-rating on Recommendations 2 and 14. In addition, the Task Force considered Uganda's compliance with the new requirements of Recommendations 15 ,8 and 21 which were revised after the adoption of its MER and the 6th Follow-Up Report. Based on the information provided, the Task Force upgraded the ratings of Recommendations 2 and 14 to Largely Compliant. The Compliant rating of Recommendation 21 was maintained. However, Uganda has not sufficiently addressed the new requirements of Recommendations 8 and 15 and therefore the ratings were maintained as non-compliant and partially compliant, respectively.

## Uganda's 7th Follow-Up Report (FUR)

Uganda submitted its 7th FUR for discussion. The Task Force noted with concern that Uganda had only made progress in addressing identified deficiencies pertaining to Recommendations 2 and 14, and that it had not addressed the outstanding deficiencies related to Recommendations 30, 28, 27, 26, 25, 24, 22, 19, 15, 12, 8, 7, 1, 39, 38, 37, 34, 33 and 40. In view of this, the Task Force recommended that the President of Council writes a letter to Authorities in Uganda expressing ESAAMLG's concerns over the slow progress with which the Authorities are making in addressing the outstanding deficiencies. Further, Uganda was urged to expeditiously address its outstanding deficiencies.

As a result, on January 2022, 21, Uganda notified the ESAAMLG Secretariat of its intention to seek Technical Compliance Re-ratings at the August/September 2022 plenary meetings. The request for re-ratings report was submitted to the ESAAMLG secretariat on February 2022, 28. Uganda applied for re-ratings for 15 Recommendations as indicated in the table below.





# Objective 5:

Increasing public awareness and understanding of matters related to money laundering and terrorism financing.

## 5.1 Public Awareness and Outreach

In order to increase public awareness and understanding of ML/TF matters, FIA participated in different engagements that include;

- a) The Ag. PR Manager completed the pilot production and airing of awareness messages on Dembe FM and KFM radio stations. The English and Luganda messages ran for one month up to August 2, 2021. The PR officer undertook an internal review of the above campaign to assess its effectiveness and advised management on the way forward.
- b) Participation in the Banking and Financial Services Awareness Month. During the months of October and November 2021, FIA participated in the virtual sports gala and annual banking and financial services awareness month organized by the Uganda Institute of Banking and Financial Services in collaboration with Uganda Bankers Association. Participation by FIA helped to sensitize financial sector players, other participants and the general public on the mandate of FIA and the role that banks/financial institutions and their clients play in the fight against ML/TF.
- c) Participation in the Citizens' Baraza Interactive Meetings. FIA in collaboration with the State House Anti-Corruption Unit (SH-ACU) participated in the Citizens' Interactive meetings/Baraza. The meetings were organized by SH-ACU as one of the activities to educate members of the public on the dangers of corruption and how to fight the vice in their own communities.

The ED FIA participated in this meeting that was held on November 2021 ,27 alongside other stakeholders under the Inter-agency Forum against Corruption with the theme "My fight, Your Fight, Corruption must fail".



ED, FIA Mr. Sydney Asubo (Seated -second Row with Blue Mask) and other Heads of Anti-Corruption Agencies during the Citizens Baraza at Capital Gardens Kisementi on November 27th, 2021

d) Participation in the Anti-Corruption Week Activities.

FIA participated in the annual Anti- Corruption week activities organized by interagency forum on corruption under the Ministry of Ethics and Integrity (in President's Office) to commemorate the World Anti-Corruption Day that is marked every 9th December of the year since the passage of the United Nations Convention against Corruption on October 2003 ,31 to raise public awareness for anti-corruption.

The purpose of the anti- corruption week in Uganda was to support and popularize government's policy of zero tolerance to Corruption. The week ended with a meeting at State House, organized by the First Lady that was attended by the ED FIA. Other online engagement activities were also held to sensitize the public on the role anti-corruption agencies like FIA play in combating the vice as indicated in the photo below

**Participation in the Anti-Corruption Week Activities Pictorial**



ED FIA (With Blue Mask) alongside ED PPDA & Head SH-ACU (Centre) during the online Citizens engagement under the theme #UgAgainstCorruption



The ED FIA, presenting in an online citizens engagement



- e) FIA produced an article on the Role of Banks in the fight against Money Laundering and Terrorism Financing. This article was published in the 12th edition of The Uganda Institute of Banking and Financial Services Magazine in December 2021 under the theme “My Steps My Wealth”. The magazine is a product of the Banking and Financial Services Awareness Month (BFSAM) in which FIA participated-in during the month of November 2021. The article highlighted the role of banks and their clientele in identifying and reporting suspicious activities.
- f) FIA participated in the production of Independence Day messages for the celebrations held on October 2021 ,9. Two Articles were published in the New Vision and Daily Monitor on the role of FIA in fostering socio-Economic transformation of Uganda and how the public can join the fight against illicit proceeds in order to protect the integrity of our financial system.
- g) FIA published an article in the end of year new vision newspaper magazine on December 2021 ,31 under the theme “Closing porous border points will reduce illicit finance in the country”. The purpose of the end of year message was to sensitize the general public on the dangers of porous border points in facilitating crime.
- h) Participation in the 2021 e-Government Expo. FIA through the Directorate of ICT Systems & Security participated at the 2021 e-Government Expo held on Friday December 2021 ,3. The expo was organized by the National Information Technology Authority, Uganda (NITA-U). FIA as an exhibitor of digital services show-cased the goAML Electronic Reporting System to promote public awareness of its core mandate.

The goAML Electronic Reporting System qualified to be shortlisted (though eventually was not successful) for the award of the E-Service of the Year, as a system that exemplifies digital transformation, communication and improved efficiencies in Government.



FIA Stall at the E-Government Expo 2021

- i. The Executive Director FIA held a media briefing to inform the public about the outcome of the meeting held in Senegal. The meeting was attended by 15 media houses. ED, FIA revealed to the media that Uganda had not been blacklisted and allayed fears and rumors that Uganda had been blacklisted by the Financial Action Task Force (FATF). The press conference focused on why Uganda was placed on the FATF grey list, the progress Uganda has registered and subsequent steps being taken to exit the grey list.



FIA ED (center) Briefing the media



Representatives from media houses covering the FIA media briefing.

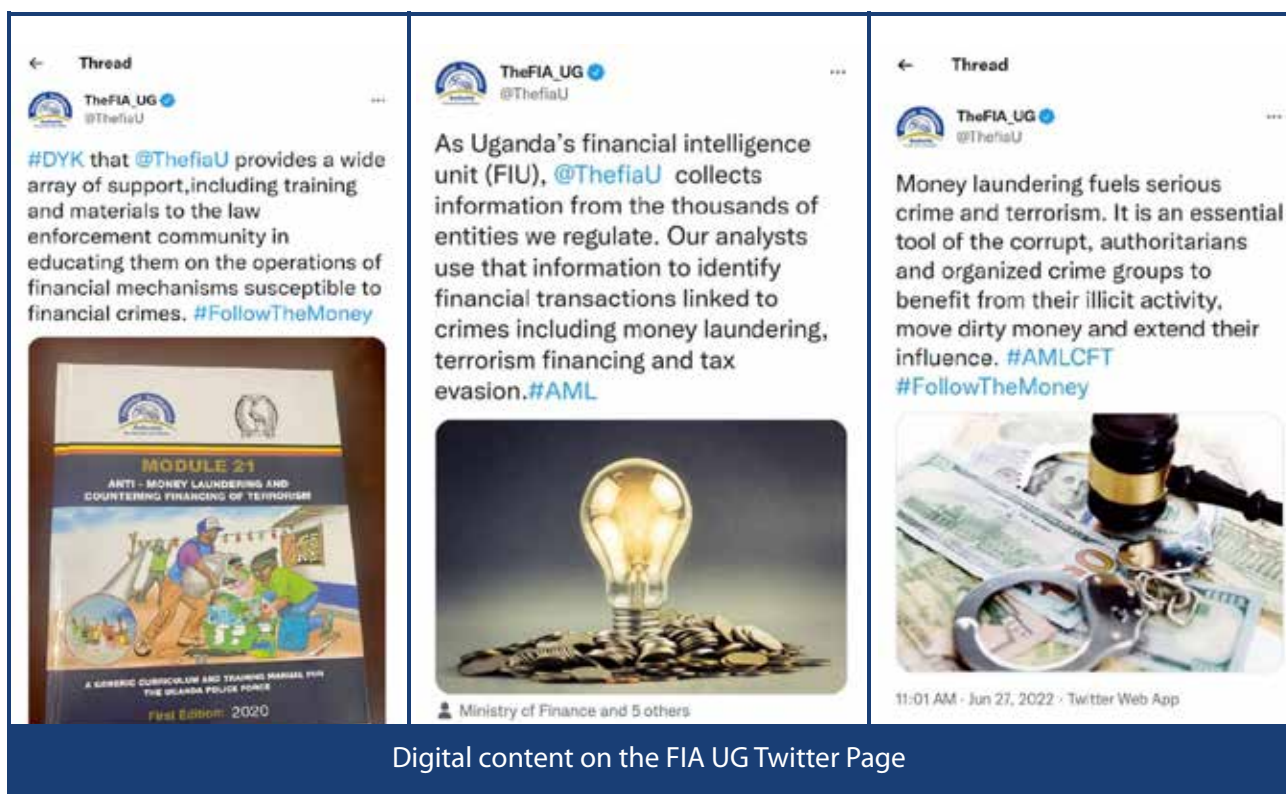


## 5.2 Digital Media Support

Relevant and engaging digital content/compelling infographics was created for publishing onto various FIA digital platforms i.e., Twitter and Facebook. These included; developing of digital media projects, monitoring the public's perspective on the FIA's services, timely sharing of significant press releases and analysing the data available to identify areas of improvement. This boosted FIA's outreach online.

### FIA Digital Communication Strategy

FIA Digital Communication Strategy was drafted. The purpose of the strategy is to enable the FIA improve and increase digital engagement with the private and public sector players.



# Objective 6:

Strengthening the capacity of FIA to conduct financial due diligence.



## 6.1 Financial due diligence

FIA is mandated to conduct financial due diligence on behalf of the Government of Uganda on any entity intending to partner with the government to undertake key investment projects. This is conducted on individuals and entities upon a request from other government ministries, departments, or agencies (MDAs).

During the period under review, FIA received 11 requests to conduct financial and integrity due diligence from the Ministry of Finance, Planning and Economic Development. Of the 11 requests received, 10 were completed and reports provided while the remaining were still ongoing by the end of the reporting period.

**Table 13: Financial Due Diligence Requests Received in FY 22/2021**

No.	Requesting Entity	Company / Entity (Inquiry on)	Date of Receipt	DD Report Status
1	MoFPED	Shapoorji Pallonji And Company Private Limited	08/11/2021	Completed
2	MoFPED	World Sustainability Fund	20/12/2021	Completed
3	MoFPED	Al-Bader International Development Company W.L.L	25/10/2021	Completed
5	MoFPED	Ellipse Projects	23/12/2021	Completed
6	MoFPED	AMADEUS Group	05/01/2022	Completed
7	MoFPED	NMS Infrastructure Ltd (NMSI)	07/02/2022	Completed
8	MoFPED	Credinvest International Corporate Fiance Ltd	07/02/2022	Completed
9	MoFPED	Rowad Capital Commercial LLC (RCC)	21/02/2022	Completed
10	MoFPED	Moshanir Electrical Engineering Services Company	21/03/2022	Completed

# Objective 7:

Enhancing the efficiency and effectiveness of FIA to execute its mandate.

## **7.1 Human Resources.**

### **7.1.1 FIA Staff Establishment.**

During the period under review FIA recruited 2 new staff; the Planning and Budgeting Officer and the Procurement Officer whose appointments commenced on October 2021 ,1. This increased the staff numbers from 39 to 41. The staff capacity stood at %48 of the approved FIA structure of 86 staff by the end of the reporting period.

### **7.1.2 Staff Training**

#### **ACAMS Training**

During the period under review, 9 staff successfully completed the CAMS certification. This increased the total number of staff that completed the certification to 22 staff out of 28 who had registered, approximately %62.

### **7.1.3 Restructuring of FIA's Organizational Structure**

During the period under review, the implementation of the new approved structure came into effect on July ,1 2021 with an approved staff establishment of 86.

### **7.1.4 Reward and Sanctions Policy.**

As a means for staff motivation and in line with the Human Resource Manual the Reward and Sanctions policy was prepared and approved by FIA Board for implementation.

## **7.2 Board Matters**

During the period under review, 4 Members of the new and 3rd FIA Board were inaugurated by the Honorable Minister of Finance, Planning and Economic Development.

The Members are;

1. Mr. Alinaffe Kalule- Chairperson of the Board
2. Mr.Odomaro Manyire -Member
3. Mrs. Rita Mitala Balaka Member
4. Mr. Charles Elem Ogwal-Member







## Swearing in ceremony



Section 34 of the Anti-Money Laundering Act 2013 (as amended), requires all members of the Board to take oaths of allegiance and secrecy before assumption of duty. A swearing-in ceremony was organized for the new board members at the Ministry of Finance Planning and Economic Development on December 2021 ,2. The ceremony was presided over by the Honorable Minister of Finance, Planning and Economic Development.

Subsequently, the Board has held meetings during which the following reports were approved;

- i) FIA Recruitment proposal.
- ii) The report from the Chairperson of the Board Audit Committee.
- iii) FIA Budget Framework Paper and Budget estimates for the FY 2023/2022.
- iv) The Ministerial Policy Statement for FY 2023/2022.
- v) The Q2, Q3 and Q4 Performance reports.

### **7.3 Planning and Budgeting.**

FIA undertook a number of activities under the planning and budgeting function in compliance with the PFMA, 2015 and other government of Uganda regulatory requirements.

#### **7.3.1 FIA 23/2022 Budget Framework Paper (BFP).**

Following the issuance of the 1st budget call circular by the PS/ST, on September 2021 ,15, FIA commenced its budgeting process to prepare the BFP. The process was successfully completed in the review period and a BFP was submitted within the stipulated timelines. FIA presented the BFP to Parliament on January 20,2022.



FIA officials Presenting the BFP FY 23/2022 to Parliament. L-R Executive Director, Deputy Executive Director, Director ICT systems and security, Manager Accounts and Inventory



### 7.3.2 FIA 23/2022 Ministerial Policy Statement (MPS).

FIA successfully prepared the Ministerial Policy Statement for the FY 23/2022 and submitted it to MoFPED, EOC, NPA and Parliament. The FIA MPS received a certificate of conformity from EOC certifying that gender and equity considerations were adequately addressed.

FIA successfully presented the MPS FY 23/2022 to Parliament. The budget estimates presented were approved with an additional allocation of Ugx 11.2 Billion to FIA.

The total approved budget estimate for FIA for the FY 2023/2022 is Ugx 26.651 Billion of which Ugx 9.594 Billion is wage, UGX 16.928 Billion Non-wage and Ugx 0.129 Billion for Development.



L-R The Minister of state for Planning Hon Amos Lugolobi, Minister of state for General Duties Hon Henry Musasizi and the ED FIA presenting the FIA MPS FY 23/2022 to Parliament committee on Finance, Planning and Economic Development.



### 7.3.3 Budget Performance

**Table 14: FY 22/2021 Budget Performance**

		Approved Budget	Released by end of Q4	Spent by end of Q4	% of budget released	% of budget spent	% of budget spent
<b>Recurrent</b>	<b>Wage</b>	4.574	4.574	4.574	100%	100%	100%
	<b>Non - Wage</b>	12.343	12.343	12.343	100%	100%	100%
<b>Development</b>		0.215	0.215	0.215	100%	100%	100%
<b>Total</b>		<b>17.133</b>	<b>17.133</b>	<b>17.133</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

As can be seen in the table above, the approved budget for the FY 22/2021 was 17.133 billion that included 4.574 billion for wage, 12.343 billion for non-wage and 0.215 billion for development. By the end of Q4, 100% of the approved budget was released and 100% was spent in line with the approved annual workplan.

#### 7.4 ICT Support Services.

##### 7.4.1 Egmont Secure Web Support

Technical support was provided and diagnosis issued for the Egmont Secure Web (ESW) system to ensure uninterrupted communication between FIA and the operational divisions of member FIUs. Technical feedback on the system was also shared with the Egmont System support team.

##### 7.4.2 Electronic Document Management System (EDMS) Project

The EDMS Project is part of the IT Disaster Recovery and Business Continuity Plan whereby key document workflow processes are automated/digitized and hard-copy documents are stored in an electronic form that can be accessed and shared by only authorized staff. The following EDMS Project activities were successfully completed in FY 2022/2021:

- (i) EDMS installation
- (ii) EDMS requirements sign-off
- (iii) EDMS customizations and configurations:
  - EDMS Demo to the Directorate of ICT Systems & Security on August 2021, 10 and to the FIA Top Management on August 2021, 18
  - EDMS User Acceptance Tests (UATs) for all FIA Directorates / Departments
  - EDMS further customizations and configurations based on the User feedback from the Demos and UATs
- (iv) Administrator Training;
- (v) End User Training;
- (vi) Production of Administrator Manual; Production of End User Manual;
- (vii) Production of Project Completion report; and
- (viii) System launched by the ED - FIA at the Top Management meeting held on October 2021, 6.
- (ix) Digitization of the hardcopy documents in the Directorate of ICT Systems & Security.
- (x) EDMS fine tuning and performance management through the maintenance agreement.
- (xi) Configuration of folders on the respective staff computers to allow for fast direct scanning from the heavy-duty printers. The scan to folder option provides a faster and easier EDMS digitization process compared to the previous scan to email option.
- (xii) EDMS refresher training and technical support for the respective departmental focal persons.





Electronic Document Management System Dashboard

### 7.4.3 Web Application Firewall (WAF)

The Barracuda WAF appliance was successfully installed in FIA Data Centre and the system configured as per the requirements. The WAF filters, monitors and blocks traffic to and from web services such as the goAML Web System and the Atlassian Help-desk system that are accessible externally. WAF adds a layer of security that protects FIA web services against potential cyber-attacks.



Barracuda Web Application Firewall

### 7.4.4 Web Application Firewall Licenses

The Web Application Firewall (WAF) was installed at the FIA Data Centre in July 2021 and it monitors and provides security against cyber-attacks on the goAML web system. In June 2022, the web security provided by WAF was further enhanced through the procurement and activation of licenses for active Distributed Denial of Service (DDoS) prevention and advanced Bot protection.

The active DDoS enhanced protection of the goAML web system against distributed denial-of-service and the advanced Bot protection enhanced protection against automated malicious attacks that could overwhelm the system thus preventing authentic Accountable Persons from accessing the system for report and information submissions.

Subscription Status			Refresh	Help
Energize Updates:	✓ Current	(Expires: 2023-02-26)		
Instant Replacement:	✓ Current	(Expires: 2023-02-26)		
Active DDoS Prevention:	✗ Not Purchased			
Advanced Bot Protection:	✗ Not Purchased			

Inactive DDoS Prevention and Bot Protection licenses

Subscription Status			Refresh	Help
Energize Updates:	✓ Current	(Expires: 2023-02-26)		
Instant Replacement:	✓ Current	(Expires: 2023-02-26)		
Active DDoS Prevention:	✓ Current	(Expires: 2023-05-25)		
Advanced Bot Protection:	✓ Current	(Expires: 2023-05-25)		

Activated DDoS Prevention and Bot Protection licenses

#### 7.4.5 IT security

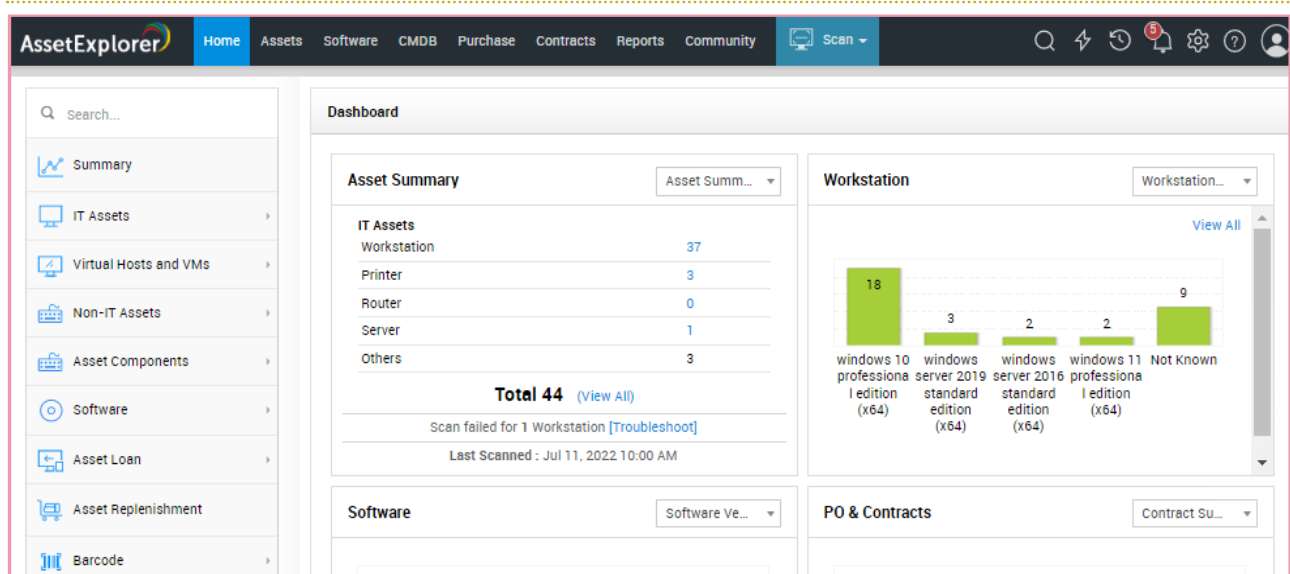
- Weekly security awareness email alerts on areas such as spear phishing, windows patch management, Kaspersky malware detections and vulnerabilities, threat intelligence metrics, proactive and preventive cyber security measures, incidents and intrusion attempts, among others were addressed.
- Hardware upgrades. Successfully applied firmware updates to the two Cisco Wireless Access Points to ensure their continued optimum secure performance.
- FIA domain renewal. The FIA domain, fia.go.ug expired on June 2021 ,30 and was renewed effective July 2021 ,1 thus ensuring uninterrupted access to online services such as the FIA emails, website and sub-domain services, such as the goAML Web system and the Online Appointment Management System.

#### 7.4.6 FIA Alarm System overhaul

FIA Alarm System was successfully overhauled by the contracted vendor, Securex Agencies (U) Ltd. The overhaul activity included installation of the latest control panel, backup batteries, keypad at the reception area, magnetic contact for the Wing B emergency exit and a GSM module for SMS event notifications. The benefits of a functional alarm system include: arming of all exits after office hours, 7/24 monitoring of the emergency exits and intruder alerts.

#### 7.4.7 Automated ICT Asset Management and Tracking Solution

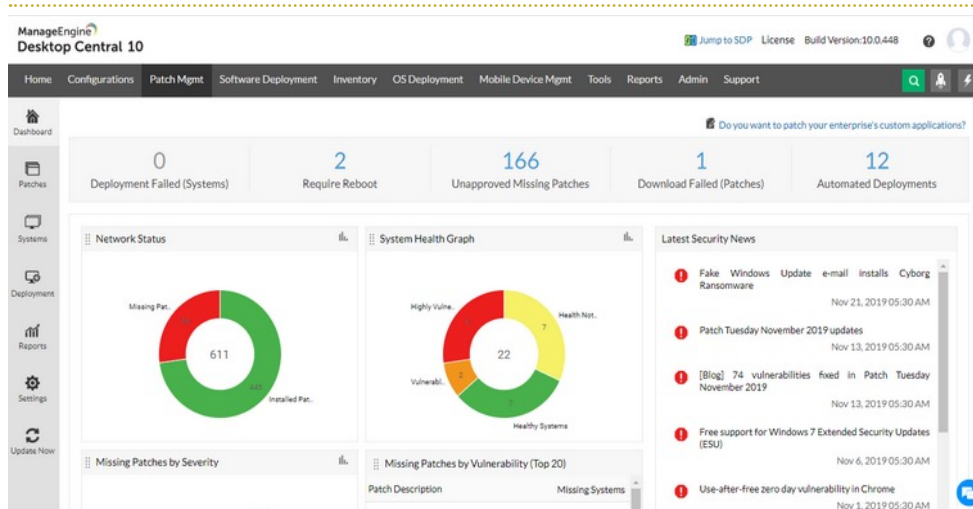
The automated ICT Asset Management and Tracking Solution was setup, configured and successfully implemented by June 2022 ,20. The web-based solution electronically tracks and manages all FIA ICT equipment detail including the asset information, assigned staff, allocated department, maintenance activity, asset transfer/ movement, attached peripherals, provides centralised asset records, on-demand asset reports and ensures software license compliance.



Automated ICT Asset Management and Tracking Solution

## 7.4.8 Unified Patch Management Solution – Desktop Central Proof of Concept (POC)

- i. The POC for the Patch Management Solution commenced in October 2021 for a period of two (2) months. On March 2022, 17, the FIA received the annual license for the Unified Patch Management Solution – Desktop Central, from the contracted supplier, Cyber Base Ltd after successfully running a -2months Proof of Concept (POC) period. The Unified End-point Patch Management Solution performs the patch management function which involves the distribution and applying of updates to software.
- ii. These updates are often necessary to correct errors (also referred to as “vulnerabilities” or “bugs”) in the Authority’s software such as operating systems, applications, and embedded systems (like network equipment). This ensures that FIA’s IT assets are protected from exploitation.



## 7.4.9 Automated Information Security Awareness and Training Platform - Knowbe4

KnowBe4 is an automated information security awareness and training platform that strengthens information security defence amongst Staff thus establishing a culture of information security within an organization. The platform includes security awareness training and simulated phishing attacks that will help FIA create a “human firewall” through training staff on how to spot and report malicious emails.

The successful implementation of the Knowbe4 platform addresses the risk of inadequate end-user information security awareness and training that was identified by the April 2021, NITA-U National Information Security Framework (NISF) assessment.

### 7.4.9 Automated Information Security Awareness and Training

Platform - Knowbe4

KnowBe4 is an automated information security awareness and training platform that strengthens information security defence amongst Staff thus establishing a culture of information security within an organization. The platform includes security awareness training and simulated phishing attacks that will help FIA create a “human firewall” through training staff on how to spot and report malicious emails. The successful implementation of the Knowbe4 platform addresses the risk of inadequate end-user information security awareness and training that was identified by the April 2021, NITA-U National Information Security Framework (NISF) assessment.



Knowbe4 Platform Dashboard

#### 7.4.10 Data Recovery and Restoration Simulation Exercise

The Data recovery & simulation was successfully carried out in February 2022. The exercise involved key external parties namely: Sybyl Limited, the Commvault Solution vendors and the NITA-U National Data Centre team. The simulation exercise was to ensure that:

- The Data backup and recovery plans / procedures detailed in the ICT Policy, Disaster Recovery and Business Continuity Plan, Incident Response Plan and the Incident Management Plan are practically tested and continue to align with the FIA Operations.
- The Commvault data backup and recovery solution does accurately replicate & restore data, services and applications from the FIA Data Centre to the National Data Centre (NDC) and any data corruption or failure gaps are identified and rectified accordingly.
- The Staff in the Directorate of ICT Systems and Security are technically able to perform data recovery and restoration of critical applications/operations/infrastructure after an interruption of services or loss of data within a well-defined timeframe.

#### 7.4.11 Application Programming Interface (API) Specifications and Operation Consultancy

The demand to share data securely at a national or even regional level between and across Government Ministries, Departments and Agencies (MDAs) has grown exponentially overtime. To this end, FIA procured the services of a consultant, Pegasus Technologies Limited (Pegasus) to prepare a detailed report on specifications and operation of the FIA API for system-to-system secure data sharing and Integration across MDAs.

An inception meeting was held on June 2022, 10 between the FIA representatives across Departments and the Pegasus team to discuss the assignment timelines, scope, milestones, identification of key roles and relevant stakeholders. The Consultancy Inception Report was approved on June 2022, 20.

#### 7.4.12 Migration of the goAML Helpdesk System from Server to Cloud

The goAML helpdesk system automates the tracking of goAML user support issues, requests, follow-ups, support statistics overtime and also provides a knowledge base for the registered Accountable Persons. In February 2021, ATLASSIAN, the goAML Helpdesk System Developers ceased new feature development for on-premise server products and recommended that clients migrate to the cloud products.

FIA successfully migrated the goAML Helpdesk System from server to cloud. The benefits of cloud deployments include automated upgrades, scalability, enhanced data security and quality control.

#### **7.4.13 Electric Power Backup Solution for the FIA Data Centre**

The ICT hardware upgrades and purchases overtime led to the Data Centre UPS's inability to maintain the existing power load for more than five (5) minutes in the event of a power outage thus posing a high risk to FIA's equipment, applications and critical services. An electric power backup solution was installed to ensure a minimum backup time of 2 hours and uninterrupted power supply at the Data Centre thus addressing the high risk that was posed to the equipment, applications and critical services.



#### **7.4.14 Other ICT support activities**

##### **Virtual Collaborations Training**

On July 2021 ,30, the Directorate of ICT Systems & Security conducted a refresher/further training on the virtual collaboration platforms i.e Zoom and Microsoft Teams due to their improved use and reliance at both national and international collaboration events.

The refresher training was aimed at achieving the objectives below:

- i) Scheduling of meetings on the collaboration platforms with limited/no dependence on the ICT Team.
- ii) Ensuring meeting etiquette is adhered to during meetings e.g muting of microphones when not speaking, signalling when one has a comment/response, etc.
- iii) Performing tasks of a meeting host e.g. admitting invitees to a meeting, screen sharing of key documents during a meeting, extracting member attendance, etc.
- iv) To allow the ICT team dedicate more time and effort on technical support for the collaboration platforms and not be privy to all virtual meetings including the deliberations unless when expressly required.



## Website Maintenance

The FIA website was successfully revamped and enhanced. The Website features are greatly improved, including the user experience; especially on mobile devices, information flow/display, integration with the latest technologies, adoption of the recommended cyber security best practices and the addition of new requirements like the Whistle blowing form and coded lists of registered accountable persons, among others.

The maintenance activities also involved updates of content, news, press releases and statistics; key document uploads such as the updated goAML system manuals for the registered accountable persons, ESAAMLG September 2021 enhanced follow-up report, updated sanction lists; and the establishment of a gallery section with pictorials of FIA engagements and achievements.

## FIA Gallery



## IT Governance Documents

In a bid to streamline operations and keep in line with latest best practices in the technology space, additional governance documents were prepared, reviewed, updated and presented to Top Management for approval.

These documents include:

- Incident Management Plan (Approved).
- Incident Response Plan (Approved).
- IT Strategic Plan (Awaiting Approval).

## IT support for end-users

The following end-user support activities were accomplished in the period under review;

- i. Continued support, troubleshooting and capacity building of Users with regards to printing, software applications, hardware failures and general computer use.
- ii. The Complete servicing and maintenance of the FIA Data Centre (switches, PABX, routers, firewalls, servers, racks) including cable management was carried out to ensure continued optimum operations.
- iii. Concentrated user support efforts on the Unified Messaging and Collaboration Services (UMCS Email) with regards to the creation of requested mailing groups, managing frequent email spam, numerous failed email deliveries, resolving email service downtime and critical emails being categorized as junk. Security advisories have also been shared with Staff to mitigate spam and bouncing of emails.
- iv. Technical support was provided to Staff involved in online meetings. The support included but was not limited to: creating meeting links, joining scheduled meetings, sharing presentations on the platform, and down-loading attendance schedules among others.
- v. Continued support, troubleshooting and capacity building of Users with regards to printing, software applications, hardware failures and general computer use.
- vi. The Complete servicing and maintenance of all ICT equipment i.e., Laptops, Desktops, Printers, Shredders and UPS to ensure their continued optimum operations in order to meet the user requirements.
- vii. Set-up of laptops, user accounts, security profiles, desk phones, network points, power points, software and required systems for the two new FIA staff i.e., the Procurement Officer and the Planning & Budgeting Officer who reported on 4th October 2021. This enabled them to commence their respective duties effectively and efficiently.



# Financial Statements

## Statement of Financial Performance

[Based on classification of expenditures by nature]

## FINANCIAL STATEMENTS

### Statement of Financial Performance

[Based on classification of expenditures by nature]

	Note	Actual 30 <sup>th</sup> June 2022 (Shs)	Actual 30 <sup>th</sup> June 2021 (Shs)
<b>OPERATING REVENUE</b>			
Taxes	<b>2</b>	0	0
External Assistance	<b>3</b>	0	0
Transfers received from Treasury-UCF	<b>4</b>	17,132,831,539	15,710,362,725
Transfers received from Other Government units	<b>5</b>	0	0
Non Tax revenue	<b>6</b>	12,900,001	2,300,000
<b>Total operating revenue</b>		17,145,731,540	15,712,662,725
<b>OPERATING EXPENSES</b>			
Employee costs	<b>7</b>	6,692,760,000	5,808,360,000
Goods and services consumed	<b>8</b>	10,225,071,539	9,355,476,308
Consumption of property, plant & equipment	<b>9</b>	215,000,000	214,181,032
Subsidies	<b>10</b>	0	0
Transfers to other Organisations	<b>11</b>	0	0
Social benefits	<b>12</b>	0	0
Other operating expenses	<b>13</b>	0	0
<b>Total operating expenses</b>		17,132,831,539	15,378,017,340
<b>Excess of revenue over expenditure from operating activities</b>		12,900,001	334,645,385
Foreign exchange loss /Gain	<b>14</b>	0	0
Finance costs	<b>15</b>	0	0
Transfers to Treasury	<b>16(a)</b>	-12,900,001	-2,300,000
<b>Excess of Revenue over expenditure for the year</b>		0	332,345,385



Accounting Officer [Sydney Asubo]

### Statement of Financial Position

	Notes	30th June 2022 (Shs)	30th June 2021 (Shs)
<b>ASSETS</b>			
Cash and cash equivalents	17	0	0
Receivables	18	0	0
Inventories	19	0	0
Investments	20	0	0
Non Produced Assets	21	0	0
<b>Total Assets</b>		<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
Borrowings	22	0	0
Payables	23	0	0
Deposits	24	0	0
Pension Liability	25	0	0
<b>Total Liabilities</b>		<b>0</b>	<b>0</b>
<b>Net assets (liabilities)</b>		<b>0</b>	<b>0</b>
<b>REPRESENTED BY:-</b>			
Net Worth		0	0

### Statement of Changes in Equity (Net Worth)

	Schedule	30th June 2022 (Shs)	30th June 2021 (Shs)
At 1 July - Net worth Last Year (B/F)		<b>0</b>	<b>334,645,385</b>
Less: Transfers to the UCF account	Note 16(b)	0	000
+/- Balance sheet adjustments	Note 26	0	0
Revaluation reserves		0	0
Add: Excess of revenue over expenditure for the Year		<b>0</b>	-334,645,385
<b>Closing Net Financial Worth</b>		<b>0</b>	<b>0</b>



Accounting Officer [Sydney Asubo]

### Cash flow Statement for the year ended [Direct Method]

	30th June 2022 (Shs)	30th June 2021 (Shs)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Revenue from Operating activities (see below)</b>	17,132,831,539	15,710,362,725
<b>PAYMENTS FOR OPERATING EXPENSES:</b>		
Employee costs	6,692,760,000	8,808,360,000
Goods and services consumed	10,225,071,539	9,355,467,308
Subsidies	0	0
Transfers to Other Organisations	0	0
Social benefits	0	0
Other expenses	0	0
Foreign exchange loss/gain	0	0
Net Advances paid	0	0
Domestic arrears paid during the year	0	332,345,385
Deposits paid	0	0
Pension Arrears paid during the Year	0	0
Losses of cash	0	0
Letters of Credit receivable	0	0
<b>Total payments for operating activities</b>	16,917,831,539	15,496,181,693
<b>Net cash inflows/(outflows) from operating activities</b>	215,000,000	214,181,032
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	215,000,000	214,181,032
Purchase of non-produced assets	0	0
Proceeds from sale of property, plant and equipment	0	0
Purchase of investments	0	0
Proceeds from sale of investments	0	0
<b>Net cash inflows/(outflows) from investing activities</b>	215,000,000	214,181,032
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from external borrowings	0	0
Repayments of external borrowings	0	0
Proceeds from other domestic borrowings	0	0
Repayments of other domestic borrowings	0	0
<b>Net cash flows from financing activities</b>	0	0
<b>Net increase (decrease) in cash and cash equivalents</b>	0	0



Accounting Officer [Sydney Asubo]

### Cash flow Statement for the year ended (continued)

For cash flow purposes receipts from revenue comprise

	Notes	30th June 2022 Shs.	30th June 2021 (Shs)
<b>Total Revenue as per Statement of Financial Performance</b>		17,132,831,539	15,710,362,725
Add : Advances recovered during the year		0	0
: Revenue receivable collected during the period		12,900,001	2,300,000
: Deposits received		0	0
<b>Total Revenue</b>		17,145,731,540	15,712,662,725
Less: Grants received in Kind		0	0
Revenue in Kind (Tax waivers)		0	0
Transfers to Treasury (16a)		12,900,001	2,300,000
Revenue Receivable for the reporting period		0	0
<b>Total revenue received for Cash flow statement purposes</b>		17,132,831,539	15,710,362,725

### Reconciliation of movement of cash during the year

	Notes	30th June 2022 (Shs)	30th June 2021 (Shs)
At the beginning of the year		0	0
Less: Transfers to the UCF account ( Previous Year Balances)	16(b)	0	0
Add/ (Less) : Adjustments in cash and cash equivalents	26	0	0
Net increase (decrease) of cash from the <b><u>Cash flow Statement</u></b>		0	0
At the end of the year		0	0

For purposes of the cash flow statement, cash and cash equivalents comprise

	Notes	30th June 2022 (Shs)	30th June 2021 (Shs)
Cash and cash equivalents	17	0	0
Cash and bank balances		0	0



Accounting Officer [Sydney Asubo]

**Statement of Appropriation Account [Based on Services Voted]**

	Initial Approved Budget 1 <sup>st</sup> July 2021 (Shs) (a)	Revised Approved Budget 1 <sup>st</sup> July 2021 2021 (Shs) (b)	Warrants 30th June 2022 (Shs) c)	Actual 30th June 2022 (Shs) (d)	Variance Revised Vs Actual 30th June 2022 (Shs) (b-d)	Variance Warrants Vs Actual 30th June 2022 (Shs) (c-d)
<b>RECEIPTS</b>						
Taxes						
External Assistance						
Transfers received from Treasury-UCF	17,132,831,540	17,132,831,540	17,132,831,540	17,132,831,539	1	1
Transfers received from Other Government units	0	0	0	0	0	0
Non Tax revenue	0	0	0	129,000,011	-12,900,001	-12,900,001
Total receipts	17,132,831,540	17,132,831,540	17,132,831,540	17,261,831,550	-12,900,001	-12,900,001
<b>EXPENDITURE- by services as per appropriation</b>						
Legal, Inspection and Compliance	1,292,000,000	1,292,000,000	1,292,000,000	1,292,000,000	0	0
International Relations and S	400,000,000	400,000,000	400,000,000	400,000,000	0	0
Finance and Administration	9,691,431,540	9,691,431,540	9,691,431,540	9,691,431,540	0	0
Internal Audit	80,000,000	80,000,000	80,000,000	80,000,000	1	1
AML Systems and ICT Management	880,000,000	880,000,000	880,000,000	880,000,000	0	0
Human Resource management Ser	4,574,400,000	4,574,400,000	4,574,400,000	4,574,400,000	0	0
Development Expenditure	215,000,000	215,000,000	215,000,000	215,000,000	0	0
<b>Total Expenditure</b>	17,132,831,540	17,132,831,540	17,132,831,540	17,132,831,539	1	1
NTR transferred to the UCF Account (16a)	0	0	0	12,900,001	-12,900,001	-12,900,001
<b>Net Receipts/Payments</b>	0	0	0	0	0	0

Accounting Officer [Sydney Asubo]

Statement of Appropriation Account [based on nature of expenditure]

	Initial Approved Budget 1 <sup>st</sup> July 2021 (Shs) (a)	Revised Approved Budget 1 <sup>st</sup> July 2021 (Shs) (b)	Warrants 30th June 2022 (Shs) (c)	Actual 30th June 2022 (Shs) (d)	Variance Revised Vs Actual 30th June 2022 (Shs) (b-d)	Variance Warrants Vs Actual 30th June 2022 (Shs) (c-d)
<b>RECEIPTS</b>						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	17,132,831,540	17,132,831,540	17,132,831,540	17,132,831,539	1	1
Transfers received from Other Government units	0	0	0	0	0	0
Non Tax revenue	0	0	0	12,900,001	-12,900,001	-12,900,001
<b>Total receipts</b>	<b>17,132,831,540</b>	<b>17,132,831,540</b>	<b>17,132,831,540</b>	<b>17,261,831,550</b>	<b>-12,900,001</b>	<b>-12,900,001</b>
<b>EXPENDITURE-by nature of expenditure</b>						
Employee costs	6,692,760,000	6,692,760,000	6,692,760,000	6,692,760,000	0	0
Goods and services consumed	10,225,071,540	10,225,071,540	10,225,071,540	10,225,071,539	1	1
Consumption of property, plant & equipment	215,000,000	215,000,000	215,000,000	215,000,000	0	0
Subsidies	0	0	0	0	0	0
Transfers to other Organisations	0	0	0	0	0	0
Social benefits	0	0	0	0	0	0
Other expenses	0	0	0	0	0	0
Domestic arrears paid	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0
<b>Total expenditure</b>	<b>17,132,831,540</b>	<b>15,711,181,693</b>	<b>17,132,831,540</b>	<b>17,132,831,539</b>	<b>1</b>	<b>1</b>
NTR transferred to the UCF Account((16a)	0	0	0	0	-12,900,001	-12,900,001
<b>Net Receipts/Payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Accounting Officer [Sydney Asubo]



**Reconciliation between total expenditure per Appropriation Accounts  
and per Statement of Financial Performance**

	<b>Actual</b> <b>30th June 2022</b> (Shs)	<b>Actual</b> <b>30th June 2021</b> (Shs)
<b>Total expenditure per Appropriation Account</b>	17,132,831,539	15,378,017,340
<b>Add:</b>		
Letters of credit receivable prior year but delivered during the year	0	0
Accrued expenditure	0	0
Prepayments performed	0	0
<i>Less:</i>		
Letters of credit receivable at year-end		
Domestic Arrears paid	0	0
Non produced assets for the period	0	0
Prepayments for the period	0	0
<b>Total Expenditure per Statement of Financial Performance</b>	17,132,831,539	15,378,017,340



Accounting Officer [Sydney Asubo]



Financial Intelligence Authority  
**Rwenzori Towers - Wing B**  
Plot 6, Nakasero Road  
P.O Box 9853 Kampala - Uganda  
[www.fia.go.ug](http://www.fia.go.ug)