

**THE FINANCIAL INTELLIGENCE CENTRE
(AMENDMENT) BILL, 2020**

MEMORANDUM

An Act to amend the Financial Intelligence Centre Act, 2010 so
as to —

- (a) re-define the functions of the Centre;
- (b) revise the definition of high risk customers in accordance
with international standards;
- (c) provide for customer due diligence on wire transfers in
accordance with international standards;
- (d) provide a risk management framework for anti-money
laundering requirements;
- (e) expand the scope of reporting entities; and
- (f) provide for matters connected with or incidental to the
foregoing.

L. KALALUKA,
Attorney-General

N.A.B. 11, 2020
7th October, 2020

A BILL

ENTITLED

An Act to amend the Financial Intelligence Centre Act, 2010.

ENACTED by the Parliament of Zambia

Enactment

1. This Act may be cited as the Financial Intelligence Centre (Amendment) Act, 2020, and shall be read as one with the Financial Intelligence Centre Act, 2010, in this Act referred to as the principal Act.

Short title

Act No. 46 of 2010

2. Section 2 of the principal Act is amended by the—

Amendment of section 2

(a) deletion of the definition of “close associate”, “high risk customers”, and “immediate family member”;

10 (b) deletion of the definitions of “currency”, “designated non-financial business and profession”, “law enforcement agency”, “politically exposed person”, “reporting entity”, “supervisory authority”, “suspicious transactions report” and the substitution therefor of the following:

15 “currency ” means the legal tender of the Republic or of a foreign country that is customarily used and accepted as a medium of exchange and may be represented in coin, paper, electronic or virtual form;

“law enforcement agency ” means—

20 (a) the Zambia Police Service, established under the Constitution;

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- Act No. 6 of 2018 (b) the National Anti -Terrorism Centre established under the Anti-Terrorism and Non Proliferation Act, 2018;
- Act No. 18 of 2010 (c) the Immigration Department established under the Immigration and Deportation Act, 2010;
- Cap. 1 (d) the Drug Enforcement Commission, established under 5 the Constitution;
- Act No. 14 of 2001 (e) the Anti-Money Laundering Investigations Unit established under the Prohibition and Prevention of Money Laundering Act, 2001;
- Cap. 1 (f) the Anti-Corruption Commission established under 10 the Constitution;
- Cap. 321 (g) the Zambia Revenue Authority established under the Zambia Revenue Authority Act; and
- (h) any other investigative institution that the Minister may, on the recommendation of the Centre, 15 prescribe;

“prominent influential person ” means—

- (a) an individual who is or has, been entrusted with a prominent public function by a State or an international or local body or organisation but is 20 not of middle or junior ranking and includes—
- (i) a head of State or of Government;
 - (ii) a minister;
 - (iii) a member of an executive organ of a political party; 25
 - (iv) a magistrate, judge and other senior officials of quasi judicial bodies;
 - (v) a senior military official;
 - (vi) a senior government official; and
 - (vii) a member of the board or an official in 30 senior management of an administrative or supervisory body, or a state owned enterprise or statutory body;

- (b) an immediate family member of an individual under paragraph (a) and includes—
- (i) a spouse;
 - (ii) a sibling;
 - 5 (iii) children and their spouses; and
 - (iv) parents; and
- (c) a known close associate of an individual referred under paragraph (a) and includes
- 10 (i) any individual who is known to have joint beneficial ownership or control of a legal entity or legal arrangement, or any other close business relationship, with a an individual referred to in paragraph (a);
 - 15 (ii) any individual who has sole beneficial ownership or control of a legal entity or legal arrangement which is known to have been set up for the benefit of an individual referred to in sub paragraph (a); and
 - 20 (iii) any individual who is closely connected to an individual referred to under paragraph (a), either socially or professionally;
- “ reporting entity ” means an institution required to make reports under this Act which is regulated by a supervisory authority, and includes a financial service provider, a
- 25 designated non financial business or profession or a virtual asset service provider;
- “ supervisory authority ” means—
- (a) the Bank of Zambia established under the Constitution; Cap. 1
 - 30 (b) the Pensions and Insurance Authority established under the Pension Scheme Regulation Act, 1996; Act No. 28 of 1996
 - (c) the Securities and Exchange Commission established under the Securities Act, 2016; Act No. 41 of 2016
 - 35 (d) the licensing committee established under the Tourism and Hospitality Act, 2015; Act No. 13 of 2015