



**EASTERN AND SOUTHERN AFRICA
ANTI-MONEY LAUNDERING GROUP**

REPUBLIC OF MALAWI

**ANTI –MONEY LAUNDERING &
COMBATING THE FINANCING OF TERRORISM
MUTUAL EVALUATION REPORT
EXECUTIVE SUMMARY**

AUGUST 2008

The AML/CFT Assessment of Republic of Malawi was undertaken by the World Bank under the Financial Sector Assessment Program (FSAP). In line with the ESAAMLG Mutual Evaluations Procedures the Detailed AML/CFT Report and the Executive Summary were discussed and adopted by the Task Force of Senior Officials and approved by the Council of Ministers in August 2008.

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Introduction

1. This report summarises the anti-money laundering (AML)/combating the financing of terrorism (CFT) measures in place in the Republic of Malawi as of the time of the on-site visit from 25 February to 11 March 2008 and shortly thereafter. The report describes and analyses those measures and provides recommendations on how certain aspects of the system could be strengthened. This Report sets out the levels of compliance of Malawi with the Financial Action Task Force (FATF) 40+9 Recommendations (see the attached table on the Ratings of Compliance with the FATF Recommendations).

2. The views expressed in this document are those of the assessment team and do not necessarily reflect the views of the Government of Malawi or the Boards of the International Monetary Fund (IMF) and the World Bank.

Information and methodology used for the assessment

3. In preparing the detailed assessment, World Bank staff reviewed the institutional framework, the laws, regulations, guidelines and other requirements, and the regulatory and other systems in place as of May 11, 2008, to deter money laundering (ML) and the financing of terrorism (TF) through financial institutions and designated non-financial businesses and professions (DNFBPs), as well as examined the capacity, the implementation and the effectiveness of all these systems.

Main findings

4. The government of Malawi has demonstrated a high level of commitment to establishing a strong AML/CFT framework. This commitment is reflected by the enactment of the Money Laundering Proceeds of Serious Crime and Terrorist Financing Act in August 2006 (ML & TF Act) and the beginnings of an implementation program. This Act addresses key fundamental requirements by imposing AML/CFT obligations on all financial institutions and designated non-financial businesses and professions covered by international standards, except for life insurance companies. DNFBPs are included within the definition of financial institution under the ML & TF Act.

5. The criminalization of ML and TF broadly meets international standards, the legal framework for the financial intelligence unit is comprehensive, preventative measures for financial and non-financial sectors is extensive and the framework for international cooperation is such that Malawi can provide the widest possible assistance to other jurisdictions. Beginning in July 2007, the authorities set up an operational financial intelligence unit (FIU) as the main driver of the implementation process, created a National AML/CFT Committee to enhance domestic cooperation and

adopted a phased approach to implementing the ML & TF Act beginning with the banking sector.

6. However, despite these efforts, there is concern with respect to the cash transaction reporting, due to the volume being received as a result of an objective standard with a low threshold and which has generated a large volume of reports and threatens to undermine the FIU's core function of receiving, analyzing and disseminating suspicious transaction reports. The authorities should re-consider the utility of such a system at this time and should concentrate on efforts to build an effective and efficient suspicious transaction reporting regime.

7. Furthermore, with respect to implementation in the financial sector, banks are already complying with many of the preventative measures of the ML & TF Act; however, they are the only financial institutions to have begun any efforts to satisfy the requirements of the statute. Moreover, life insurance companies are not covered at all under the statute. The basis for much of the compliance has been the 2005 Customer Due Diligence (CDD) Directive of the Reserve Bank of Malawi (RBM). The foreign banks are also complying with their home country/head office requirements. In addition, the FIU has met with the banks to inform them of the requirements of the new law.

8. Foreign exchange bureaus are another matter of particular concern. Due to an injunction regarding the licensing and registration of forex bureaus, non-bank affiliated bureaus have not had their licenses renewed and their supervision is virtually nonexistent. The authorities are of the view that the matter under the Exchange Control Act, will not be resolved until final determination by the courts. In any event, the FIU has communicated with forex bureaus informing them of their coverage under the ML & TF Act.

9. While the authorities have criminalized TF, there is neither a regulatory nor an administrative framework for implementing the United Nations Security Council Resolutions 1267 and 1373. Malawi should expedite the setting up of appropriate regulatory or administrative processes to implement the resolutions.

10. In the short term, the priority for the authorities should be to strengthen the capacity of the National AML/CFT Committee to enable its decisions to have a binding effect on all parties/stakeholders as well as the ability to formulate AML/CFT policy. An aggressive awareness raising campaign in the non-banking private sector and the general public should be immediately pursued. The FIU should develop a clear action plan with realizable benchmarks for the next 12-18 months. Finally, in order to ensure the effective implementation of the ML & TF framework, building the technical AML capacity/knowledge of law enforcement agencies, the public prosecutors and the judiciary will be critical.

General Situation of Money Laundering and Financing of Terrorism

11. The biggest crime challenge facing Malawi at present is the production and trade in Cannabis Sativa (Indian Hemp). Cannabis Sativa is extensively cultivated in the remotest parts of the country and its production is steadily increasing. It is reported that the trade is worth millions of dollars. It's unlikely the situation can be reversed in

the short term.¹ Anecdotal evidence indicates that Malawi is a transshipment point for other forms of narcotics trafficking, due to its porous borders. Very little is known about the proceeds generated or laundered from the trade in Cannabis sativa.

12. Law enforcement agencies have paid a great deal of attention to human trafficking. Malawi was recently commended on its efforts in this regard in a report published by the United States Department of State. Billboards along streets and highways of towns in Malawi were evidence of these efforts.

Overview of the Financial Sector and Designated Non-Financial Businesses and Professions (DNFBPs)

13. The financial sector consists of nine commercial banks, 23 foreign exchange bureaus, two money transmitters, three life insurance companies, eight general insurance companies, one investment company, one investment trust, eight fund/portfolio managers, three securities firms/brokers and one leasing company (which is part of a commercial bank). Each type of financial institution is licensed pursuant to its respective acts. Each of these statutes is under review for updating. The insurance law, for example, is from 1957. All of the financial sector entities are supervised by the RBM. The foreign exchange bureaus are a matter of particular concern due to a court injunction that brings into question the authority of the RBM to license foreign exchange bureaus and to require that each becomes attached to a commercial bank. Thus, as stated in paragraph 11 above, their licenses have not been renewed and there are virtually unsupervised.

14. The DNFBP sector includes accountants, lawyers, real estate agents, casinos, and dealers in precious metals and stones. Each of the international "Big Four" accounting firms operate in Malawi, together with two regional firms and seven purely local firms, many of which are sole practitioners. Under the Society of Accountants, only about 40 individuals are authorized to sign financial statements out of a total of approximately 400 individuals registered with the society. With respect to lawyers, these are mainly sole practitioners. Lawyers are sometimes involved in arranging the purchase and sale of real estate. They are also involved in the incorporation of companies.

15. There are two casinos, one of which is situated in Blantyre and the other in Lilongwe. Each is licensed, according to certain terms and conditions, by the Malawi Gaming Board under the Gaming Act. One of these casinos has been given permission by the Gaming Board to operate an internet casino.

16. With respect to dealers in precious metals and stones, the Minerals and Mines Act stipulates that no person may hold, store or trade in gemstones without a license. Such licenses are issued by the Department of Mines, under the Ministry of Energy and Mines.

¹ Government of Malawi, "*Results of a cannabis survey in Malawi*", Ministry of Home Affairs and Internal Security Inter-Ministerial Committee on Drug Control, p. 3 (2004).

17. There is no regulation or oversight of the real estate sector.

Legal System and Related Institutional Measures

18. **The Money laundering Proceeds of Serious Crime and Terrorist Financing Act, 2006 (ML & TF Act) enacted in August 2006 criminalizes money laundering in Malawi consistent with the Vienna and Palermo Conventions, which Malawi has ratified.** All serious crimes – i.e. punishable by imprisonment of not less than one year - are predicate offences for money laundering. The list of predicate offences includes all the designated offences itemized in the FATF Recommendations. Although the legislation was consented to on 25 August 2006, the notice making the law effective was only issued on 17 July 2007. Despite the short period since the ML & TF Act has come into operation, there are currently 7 cases under investigation that may lead to prosecution under the ML & TF Act.²

19. **Malawi has criminalized TF and ratified the United Nations Convention on the Suppression of the Financing of Terrorism.** Furthermore, Malawi does not have a legislative or regulatory framework to implement United Nations Security Council Resolutions (UNSCR) 1267 and 1373. Additionally, the authorities are not disseminating the UNSCR 1267 lists to financial institutions. However, there are a few provisions under the ML & TF Act that can be utilized to freeze terrorist assets although this would require a longer judicial process to effect. This is not consistent with the UNSCR requirement to freeze the assets without delay. The authorities should establish an appropriate legislative or regulatory framework for the freezing of terrorist assets.

20. **The ML & TF Act, the Criminal Procedure and Evidence Code (CPEC) and the Police Act adequately provide a framework for Malawi's confiscation regime.** Confiscation is conviction-based, with freezing, seizing and restraining orders being provided for under these Acts. Adequate powers are available to identify and trace property. The Malawi Police Service and the Anti-Corruption Bureau have previously utilized existing legislation to confiscate property used in the commission of an offence.

21. **Malawi has designated the Financial Intelligence Unit as the national central agency for the receiving, analyzing and disseminating of suspicious transaction reports.** The FIU has issued guidance and reporting forms to the banking sector. The FIU has adequate powers to request information in order to properly undertake its core functions. However, the authorities should review the implementation of the cash transaction reporting requirement at this time, which has elicited a large volume of reports and threatens to undermine the FIU's core function of receiving, analyzing and disseminating suspicious transaction reports.

22. **There has been no law enforcement agency specifically designated as having primary responsibility for ensuring that ML and TF offences are properly investigated.** However, the ACB and the MPS have already begun to consider aspects of ML as part of their day to day investigations. Moreover, the FIU can disseminate

² The Anti-Corruption Bureau and the Malawi Police Service are investigating 4 and 3 cases respectively.

reports to any law enforcement agency, and the MPS has identified a liaison officer to facilitate this.

23. **Although the legislative framework for monitoring the cross-border physical transportation of currency is adequate, Malawi has not established a system to implement the provisions of the ML & TF Act to do so.** Currently monitoring of cross border movement of currency is applied in an ad hoc fashion, and only covers exchange control requirements. The FIU has drafted MOUs and reporting forms that will be sent to the MRA and the police/immigration to facilitate implementation of section 38 of the ML & TF Act. In addition, the FIU has secured funding from the US Treasury (under the millennium challenge account) in order to procure software that will facilitate the electronic submission of reports from the borders and the creation of a database of cross border reports.

Preventive Measures – Financial Institutions

24. **Banks are the only financial institutions complying with any of the ML&TF Act's provisions.** As a result of a phased-in approach, no other financial institutions are satisfying the requirements of the ML & TF Act. The non-bank financial institutions state that they are waiting for some government entity, probably the FIU, to inform them of their compliance obligations. Banks already comply with many of the statute's requirements due to the RBM's CDD Directive, which addresses many of the international standards.

25. **Insurance companies are not covered by the ML&TF Act.** While the legislators dutifully copied the definition of financial institution in the FATF 40 into the definition of financial institution in the statute, the "underwriting and placement of life insurance and other investment related insurance" was omitted. Thus, the statute does not cover all of the types of financial institutions that should be covered. In order to comply with international standards, insurance companies should be covered.

26. **Certain anonymous accounts permitted to be offered to customers.** The Companies Act prohibits the issuance of bearer shares. The ML&TF Act prohibits anonymous accounts to be established or maintained at financial institutions. Despite this prohibition in the ML&TF Act, at least one bank offered bearer certificates of deposit at the time of the on-site mission. To remedy this anomaly, the RBM issued a draft Directive to all banks that would prohibit the issuance of bearer certificates after May 31, 2008, and would require that customer identification and verification be conducted on such existing certificates by the same date. Since the on-site mission, the RBM stated that it has issued a new Directive effective April 9, 2008, prohibiting such bearer certificates and that the bank involved has no such bearer certificates outstanding. Without challenging the veracity of such statements, such information could not be verified by the assessors by the May11, 2008 cut-off date. Furthermore, the RBM stated that it had not verified the assertions of the bank involved by such cut-off date.

27. **Banking secrecy is not an impediment to the fight against money laundering.** Information is accessible to relevant authorities and financial institutions can exchange information in so far as it relates to financial crime such as fraud or money laundering.

28. **The requirement for suspicious transactions reporting (STR) is laid out in the ML & TF Act.** To date, only banks have been reporting, and the number of STRs is relatively low, given the size and diversity of the financial sector. Other private sector entities have not yet begun to make reports even though they are required to do so under the ML & TF Act.

29. **Adequate provisions that forbid tipping-off and that protect the reporting agents and entities against civil and criminal proceedings are provided for in the ML & TF Act.**

30. **There is no general feed-back (beyond acknowledgement of the receipt of the report) on STRs.** Specific feedback on progress of what has been done with the STRs needs to be provided to reporting entities.

31. **There is no statutory or regulatory framework dealing with shell banks.** While the current licensing approach does not authorize shell banks, such licensing is discretionary. The authorities should consider specifically prohibiting the establishment of shell banks.

Preventive Measures – Designated Non-Financial Businesses and Professions (DNFBPs)

32. **All categories of DNFBPs are covered under the ML & TF Act.** They are categorized as financial institutions and subjected to all the same requirements as other financial institutions. However, none of the requirements under the ML & TF Act are being implemented by any of the DNFBPs.

Legal Persons and Arrangements and Non-Profit Organizations

33. **Companies are registered under the Companies Act in Malawi. In order to register, companies must provide information on their directors and shareholdings.** However, this information is not updated and records cannot be considered adequate, accurate and current, as they are maintained manually. Additionally, no information on beneficial ownership is required or collected. It should however, be noted that the Registrar General's office is undergoing a computerization program to computerize its database.

34. **There are two types of trusts that can be created in Malawi.** Public trusts utilized by charities and other related non-profit organizations are created under the Trustee Incorporation Act. Private trusts are created under Common Law, by either a trust deed or a will. Public trusts are required to be registered, similar to a company under the Companies Act, but there is no registration requirement for private trusts. No information is collected on beneficial owners of such private trusts.

35. **There is no mandated legal structure for non-profit organizations. Most of these organizations are set up as associations, charities, churches, clubs, cooperatives, societies and unions.** They are required to be registered with either the Ministry of Women, or Ministry of Justice depending on whether they are an international or national organization. This registration entails collection of information on office bearers of the NPO, although this does not amount to a fit and proper test.

There are no requirements regarding the transparency of financial resources or funding activities of NPOs. Malawi has not undertaken a review of its NPO sector to assess its vulnerability to abuse for the financing of terrorism.

National and International Cooperation

36. **National coordination of AML/CFT matters is spearheaded by the AML/CFT committee. Inter-agency cooperation appears to be fairly robust in Malawi and it is expected that this will extend to areas in relation to AML/CFT issues.** However, national coordination could be strengthened at the policy level by enabling the AML/CFT Committee's decisions to have a binding effect on all parties/stakeholders as well as the ability to formulate AML/CFT policy. It is further recommended that this Committee consider developing a comprehensive AML/CFT strategy of Malawi.

37. **Malawi has a strong legislative framework for the provision of mutual legal assistance and extradition that is not unduly restrictive.** It has ratified the international Conventions relevant to money laundering and terrorism. However, none of this legislative framework is being used in practice, and cooperation occurs in an ad hoc and informal manner. It is recommended that Malawi establish processes and procedures to regularize international cooperation, including recording statistics in relation thereto.

Other Issues

38. All relevant government agencies expressed concern about the general lack of human resources, funding, vehicles, and technical resources to meet their requirements.

39. The delayed implementation of a national identification system has posed a continued challenge in respect of Malawi's ability to monitor the movement of people, enable financial institutions to conduct CDD requirements and effectively facilitate international cooperation. However, the banking sector has been innovative in adopting mechanisms to identify and verify their clients, for example, the use of reference letters from traditional chiefs as well as using biometrics technology.

Priorities for recommended plan of action

40. In the short term, the priority for the authorities should be to –

- Strengthen the capacity of the National AML/CFT Committee to enable its decisions to have a binding effect on all parties/stakeholders as well as the ability to formulate AML/CFT policy;
- Conduct an aggressive awareness raising campaign in the non-banking private sector and the general public;
- Develop a clear Action Plan by the FIU with realizable benchmarks for the next 12-18 months and communicated to all stakeholders; and

- Build the technical AML capacity/knowledge of law enforcement agencies, the public prosecutors and the judiciary.

Table: Ratings of Compliance with the FATF Recommendations

The rating of compliance vis-à-vis the FATF Recommendations are made according to the four levels of compliance mentioned in the 2004 Methodology (Compliant (C), Largely Compliant (LC), Partially Compliant (PC), Non-Compliant (NC)), or could, in exceptional cases, be marked as not applicable (NA).

Forty Recommendations	Rating	Summary of factors underlying rating
Legal systems		
1. ML offence	LC	<ul style="list-style-type: none"> No provision for laundering of ones own illicit funds. Too early to make an assessment of effective implementation.
2. ML offence–mental element and corporate liability	LC	<ul style="list-style-type: none"> Too early to make an assessment of effective implementation.
3. Confiscation and provisional measures	LC	<ul style="list-style-type: none"> No implementation of the ML & TF Act. No statistics are maintained.
Preventive measures		
4. Secrecy laws consistent with the Recommendations	C	The criteria are fully met.
5. Customer due diligence	PC	<ul style="list-style-type: none"> Only banks comply with most of this requirement.
6. Politically exposed persons	PC	<ul style="list-style-type: none"> The determination of beneficial ownership and source of wealth are significant deficiencies. Only banks comply with this requirement.
7. Correspondent banking	LC	<ul style="list-style-type: none"> Financial institutions are not required to determine if an institution has been subject to a ML or TF investigation or regulatory action or ascertain whether controls at respondent institution are adequate and effective.
8. New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> There is no statutory or regulatory requirement.
9. Third parties and introducers	PC	<ul style="list-style-type: none"> Only banks comply with this requirement.
10. Record keeping	LC	<ul style="list-style-type: none"> The record keeping requirements, while complete in terms of satisfying the criteria, do not apply to insurance companies and there has been no implementation with respect to covered entities other than banks.
11. Unusual transactions	PC	<ul style="list-style-type: none"> Only banks observe any part of this

		recommendation.
12. DNFBP-R.5, 6, 8-11	NC	<ul style="list-style-type: none"> AML/CFT preventive measures under the ML & TF Act are not being implemented by any of the DNFBPs as required under FATF Recommendations 5-11.
13. Suspicious transaction reporting	PC	<ul style="list-style-type: none"> Only banks are filing STRs. It is unclear whether attempted suspicious transactions are required to be reported.
14. Protection & no tipping-off	LC	<ul style="list-style-type: none"> No protection for Directors from possible liability for STRs.
15. Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> The statute is generally consistent with international standards, but banks are the only financial institutions that are complying with the ML & TF Act's requirements and they are doing so based upon the CDD Directive.
16. DNFBP-R.13-15 & 21	NC	<ul style="list-style-type: none"> No implementation of the reporting requirement. No implementation of the internal controls obligation.
17. Sanctions	PC	<ul style="list-style-type: none"> The sanctions are not likely to be effective, if imposed, because there is no discretion and loss of business authority is mandated in almost every case for corporations.
18. Shell banks	PC	<ul style="list-style-type: none"> While the RBM does not charter shell banks and none operate in Malawi, there is no statutory or regulatory prohibition against the use of shell banks as correspondent banks or against correspondent banks using shell banks.
19. Other forms of reporting	C	
20. Other NFBP & secure transaction techniques	LC	<ul style="list-style-type: none"> No assessment on whether other DNFBPs' are vulnerable to ML & TF.
21. Special attention for higher risk countries	PC	<ul style="list-style-type: none"> Only banks observe any part of this recommendation. There are no measures to inform financial institutions about specific country concerns and no countermeasure efforts in place to address such concerns.
22. Foreign branches & subsidiaries	N/A	<ul style="list-style-type: none"> There are no Malawian local banks with foreign branches and subsidiaries.
23. Regulation, supervision and monitoring	PC	<ul style="list-style-type: none"> Banks are the only financial institutions implementing the statute's requirements. Many foreign exchange bureaus are unlicensed.
24. DNFBP - regulation, supervision and	NC	<ul style="list-style-type: none"> No implementation of AML/CFT requirements across all DNFBPs

monitoring		
25. Guidelines & Feedback	NC	<ul style="list-style-type: none"> • Only limited guidelines have been issued and there has been no meaningful feedback to the banks that have filed STRs.
Institutional and other measures		
26. The FIU	PC	<ul style="list-style-type: none"> • There are shortcomings in the application of the legislation in relation to guidance notes and in the application of the reporting forms. • MOUs are not in place to share information with competent authorities domestically. • Due to the fact that the FIU has not been in operation for a year yet, it has not publicly released any reports in relation to its activities. • At the time of the mission, the FIU was still in the process of establishing control over its offices and IT systems in order to adequately to protect its information. • The legislation has not been fully implemented due to short time that the FIU has been established and effectiveness in some areas could not be established.
27. Law enforcement authorities	PC	<ul style="list-style-type: none"> • Lack of implementation of the legislation. • No evidence found of measures taken by authorities to waive or postpone arrests of suspected persons or the seizure of money for the purpose of identifying persons involved in money laundering activities or for gathering evidence.
28. Powers of competent authorities	C	
29. Supervisors	PC	<ul style="list-style-type: none"> • The authority to inspect and compel production of records is satisfactory, but there is virtually no supervision in the foreign exchange area of those that are (were) licensed, and absolutely no supervision of unlicensed ones.
30. Resources, integrity and training	NC	<ul style="list-style-type: none"> • Insufficient resources for law enforcement and prosecution agencies. • Insufficient training in investigation of ML & TF cases for law enforcement and prosecution agencies.

		<ul style="list-style-type: none"> • Outside the banking regulator, insufficient training has been provided to other government regulatory agencies in AML/CFT.
31. National co-operation	LC	<ul style="list-style-type: none"> • Too early to assess effectiveness.
32. Statistics	NC	<ul style="list-style-type: none"> • There is no systematic collection of detailed statistics with respect to : <ul style="list-style-type: none"> a. Investigation, prosecution and conviction of ML cases, b. Freezing, seizure and confiscation of proceeds of crime, c. Mutual Legal Assistance Requests, d. Extradition requests, e. Other forms of international cooperation, f. No detailed review has been conducted on the effectiveness of the AML/CFT regime in Malawi, g. Discrepancies in FIU statistics, h. RBM inspections performed, i. Sanctions for non-compliance, j. Training of supervisors, or k. MOUs in place and requests/exchange of information,
33. Legal persons–beneficial owners	PC	<ul style="list-style-type: none"> • Information is not kept in an updated manner • No beneficial ownership information.
34. Legal arrangements – beneficial owners	PC	<ul style="list-style-type: none"> • Information not kept in an updated manner on public trusts. • No beneficial ownership information on private trusts.
International Cooperation		
35. Conventions	LC	<ul style="list-style-type: none"> • No provision for special investigation techniques. • No asset sharing arrangements.
36. Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> • No clear and efficient processes for executing requests. • Insufficient implementation of MLA requests related to ML cases.
37. Dual criminality	C	
38. MLA on confiscation and freezing	LC	<ul style="list-style-type: none"> • Insufficient implementation of the provisions relating to ML cases. • No consideration for asset sharing.
39. Extradition	PC	<ul style="list-style-type: none"> • No explicit provision prohibiting the extradition of Malawi nationals.

		<ul style="list-style-type: none"> • No prosecution of Malawi nationals in lieu of extradition. • No clear processes for dealing with extradition cases.
40. Other forms of co-operation	PC	<ul style="list-style-type: none"> • The cooperation in the case of the police, DPP and Supervisor is informal. • No FIU to FIU cooperation as yet. • No records, procedures or processes available in order to test effectiveness. • Hard copy records may impede prompt provision of information.
Nine Special Recommendations	Rating	Summary of factors underlying rating
SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> • No implementation of UN Security Council Resolutions.
SR.II Criminalize terrorist financing	PC	<ul style="list-style-type: none"> • Need to strengthen the penalty for entering into an arrangement to facilitate terrorist financing activities. • The provisions related to the offence of terrorist financing have not been tested.
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> • Absence of a framework to implement the requirements on the freezing of funds used for terrorists financing.
SR.IV Suspicious transaction reporting	LC	<ul style="list-style-type: none"> • Only banks are filing STRs. • It is unclear whether attempted suspicious transactions are required to be reported.
SR.V International cooperation	PC	<ul style="list-style-type: none"> • No clear and efficient processes for executing requests. • Insufficient implementation of the provisions relating to TF cases. • No consideration for asset sharing.
SR.VI AML requirements for money/value transfer services	NC	<ul style="list-style-type: none"> • There has been no implementations effort with respect to money transmission service providers.
SR.VII Wire transfer rules	LC	<ul style="list-style-type: none"> • The statute addresses most but not all of the FATF requirements; there is no definition of what constitutes originator information and no provision for handling wire transfers that do not contain complete originator information.
SR.VIII Nonprofit organizations	NC	<ul style="list-style-type: none"> • No implementation of AML/CFT requirements in the NPO Sector. • No review of adequacy of NPO Act has been undertaken. • No monitoring of NPO sector for AML/CFT purposes.

SR.IX Cross Border Declaration & Disclosure	PC	<ul style="list-style-type: none">• Although the legislative basis exists, there is limited implementation of either a declaration or disclosure system and, as currently applied, only in relation to foreign exchange violations in Malawi when travelers are leaving the country. The provisions of the ML&TF Act have not been implemented.• Only one report has been made to the FIU.• The penalties are not dissuasive or effective.• No information or data is recorded by authorities.
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