



**MOU OF THE EASTERN AND SOUTHERN AFRICA ANTI-
MONEY LAUNDERING GROUP WITH AMENDMENTS
APPROVED BY THE COUNCIL OF MINISTERS IN SEPTEMBER
2021**



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**MEMORANDUM OF UNDERSTANDING AMONG MEMBER COUNTRIES OF
THE EASTERN AND SOUTHERN AFRICA ANTI MONEY LAUNDERING GROUP
(ESAAMLG)**

CONSIDERING the threat posed by the activities of money launderers and the financiers of terrorism and proliferation;

DETERMINED to preserve and maintain social, economic and political stability in the Region;

ACKNOWLEDGING the need for expertise and training to ensure the effective implementation of money laundering and terrorist and proliferation financing counter-measures and the support of non-member countries and international organisations in sustaining such training programmes;

ACKNOWLEDGING that regional and international co-operation is critical in the fight against money laundering and in combating the financing of terrorism and proliferation;

AFFIRMING the commitment given in various meetings, including those of Commonwealth Heads of Government, and Law and Finance Ministers, to adopt and implement the 40 Recommendations of the Financial Action Task Force (FATF);

ACKNOWLEDGING the need for the development and implementation of national anti- money laundering and counter terrorist and proliferation financing legislation in the respective countries in accordance with international anti-money laundering and countering terrorist and proliferation financing strategies;

ACKNOWLEDGING the need to cooperate with other States in combating money laundering and the financing of terrorism and proliferation by implementing international instruments relating to the combating of money laundering and the financing of terrorism and proliferation;

The Governments, party to this Memorandum of Understanding (Memorandum) have reached the following understanding:

ARTICLE I OBJECTIVES

Member countries of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) agree to:

- (a) Adopt and implement the FATF Standards including the FATF Recommendations, guidance and other policy as determined by the FATF for combating money laundering and financing of terrorism and proliferation;
- (b) Promote effective implementation of the FATF standards in their member jurisdictions through the conduct of systematic 'peer reviews' ('mutual evaluations') and follow-up processes using the agreed assessment methodology and procedures, and publish completed evaluations and progress or follow up reports;
- (c) Apply anti-money laundering measures to all the predicate crimes;
- (d) Implement measures to combat the financing of terrorism and proliferation; and
- (e) implement any other measures contained in multilateral agreements and initiatives to which they subscribe for the prevention and control of the laundering of the proceeds of all predicate crimes and the financing of terrorist and proliferation activities.

ARTICLE II MEMBERS

1. Member countries are:
 - (a) Those Commonwealth countries within the Eastern and Southern Africa Region (initial subscribers) which subscribed to this Memorandum either:
 - (i) by signing this Memorandum at the meeting held in Arusha, Tanzania on 27th August 1999; or
 - (ii) within six months thereafter.
 - (b) Any country within the region, other than the initial subscribers to this Memorandum, whose application for membership of the group is approved.

2. A country may apply to the Council of Ministers to become a member, provided that only applications made in writing and submitted at least three months prior to a meeting of the Council of Ministers will be considered at that meeting. Countries shall be admitted as Members and membership shall be effective upon approval of their application by three quarters of the Member countries and upon payment, within three months from the date of approval, of the initial subscription due in terms of this Memorandum.
3. Countries seeking membership of the ESAAMLG must:
 - (a) recognise the need to take action to combat money laundering and the financing of terrorism and proliferation;
 - (b) recognise the benefits to be gained through the sharing of knowledge and experience;
 - (c) take steps to establish and implement anti-money laundering and counter terrorist and proliferation financing legislation, financial intelligence units, national committees, and other measures based on internationally accepted standards;
 - (d) commit themselves to implementing the decisions of the ESAAMLG, subject to national laws and policies;
 - (e) agree to pay the initial subscription upon signing this Memorandum, and thereafter to pay annual subscriptions as determined by the Council of Ministers; and
 - (f) acknowledge the need to cooperate with other States in combating money laundering and the financing of terrorism and proliferation by implementing regional and international instruments relating to the combating of money laundering and the financing of terrorism and proliferation.

ARTICLE III

CO-OPERATING AND SUPPORTING NATIONS

1. Co-operating and Supporting Nations are countries which express their technical or financial support for the objectives of the ESAAMLG.
2. Co-operating and Supporting Nations are committed to the mutual evaluation

- of their progress in implementing the FATF Standards and will make such contributions to the work and/or resources of the ESAAMLG as are permitted by their respective national laws and policies.
3. Other countries that are not Members of the ESAAMLG may become Co-operating and Supporting Nations. All future Co- operating and Supporting Nations must express their commitment to the support of the ESAAMLG and have undergone a positive mutual evaluation by the FATF or a FATF- style regional body.
 4. A country may apply to the Council of Ministers to become a Co-operating or Supporting Nation, provided that only applications submitted in writing at least three months prior to a meeting of the Council of Ministers will be considered at that meeting. A Country will be considered a Co-operating and Supporting Nation upon approval of its application by three quarters of the Member countries.

ARTICLE IV OBSERVERS

1. Observers are:
 - (a) organisations which actively support or otherwise are interested in the objectives of the ESAAMLG;
 - (b) countries within the region which are considering Membership or Countries which are considering becoming Co-operating and Supporting Nations; or
 - (c) any other country or organisation, after appropriate consultation, invited by the President of the Council of Ministers in consultation with members.
2. Initial observers to the ESAAMLG are the Commonwealth Secretariat, the United Nations Global Programme Against Money Laundering, the Financial Action Task Force (FATF), the World Bank, the International Monetary Fund (IMF), INTERPOL, the World Customs Organisation, the African Development Bank, the Southern African Development Community (SADC) Secretariat, the Common Market for Eastern and Southern Africa (COMESA) Secretariat, the East Africa Community (EAC) Secretariat, East African Development Bank, and the Eastern and Southern African Trade and

Development Bank.

3. An organization or a country may apply to the Council of Ministers to become an Observer, provided that only applications submitted in writing at least three months prior to a meeting of the Council of Ministers will be considered at that meeting. Organisations or countries, will be admitted as Observers upon the approval of their applications by three quarters of the Member countries.

ARTICLE V FUNDING

1. The activities of the ESAAMLG shall be funded by annual subscriptions from Member countries as decided by the Council of Ministers and by contributions from Co-operating and Supporting Nations or any other source approved by the Council of Ministers.
 - 1A. A member country may in addition to the annual subscriptions make a voluntary contribution to ESAAMLG.
 2. Member countries shall bear the cost of their participation in the activities of the ESAAMLG.
 - 2A. A country seeking membership shall bear the costs of any onsite visit to assess the country's anti-money laundering and combating financing of terrorist and proliferation regime.
3. The Council of Ministers may require a member country to meet the costs of any high-level mission to that country mandated by the Council of Ministers in accordance with Article VII(4)(n) of this MoU.

ARTICLE VI STRUCTURE

The ESAAMLG comprises the:

- (a) Council of Ministers (the Council);
- (b) Task Force of Senior Officials (the Task Force);
- (c) Steering Committee; and
- (d) Secretariat.

ARTICLE VII THE COUNCIL OF MINISTERS

1. Subject to Article X, the Council of Ministers shall be the key decision making body of the ESAAMLG and consist of at least one ministerial representative or duly authorised alternate from each Member country.
2. The Council of Ministers shall meet at least once a year.
3. The Council of Ministers shall elect a President and Deputy President among its Member countries for a period of one year.
4. The President and Deputy President to be appointed by the Council of Ministers under Article VII.3 will be from the country taking the next presidency according to a schedule agreed by the Council.
5. The Council of Ministers may, on the recommendation of the Task Force:
 - (a) approve the Annual Report;
 - (b) approve the Financial Reports for the previous financial year;
 - (c) approve a 3 year rolling Strategic Plan setting out ESAAMLG's goals and objectives, which should be developed every year and endorsed by all Members;
 - (d) approve the Work Programme for the following year;
 - (e) approve a 3 year rolling budget framework aligned with the Strategic Plan, each year;
 - (f) establish a Secretariat and appoint the Executive Secretary and where appropriate, the Principal Expert for a 3-year term;
 - (g) where appropriate renew the term of office of the Executive Secretary subject to a performance agreement, but not for more than two terms.
 - (h) appoint an External Auditor, for a period of two years
 - (i) approve Mutual Evaluation Procedures and Follow-up Process, and Mutual Evaluation Reports of Member countries;
 - (j) decide on policy matters including the adoption of any international anti-money laundering, and anti-terrorist and proliferation financing standards;

- (k) approve the admission of new Member countries, Co- operating and Supporting Nations, and Observers;
- (l) take appropriate action with respect to Member countries that do not comply with this Memorandum;
- (m) determine the location of the Secretariat;
- (n) approve rules of procedure, regulations, administrative notes or guidelines as may be necessary for the purposes of this MOU;
- (o) discuss any other business of which written notice has been given to the Secretariat at least three months prior to the meeting of the Council of Ministers; and
- (p) agree on the date and venue of the next meeting of the Council of Ministers.

ARTICLE VIII THE PRESIDENCY

- 1A. The Presidency comprises the President and the Deputy President.
- 1B. There shall be a President of the Council of Ministers who shall be assisted by the Deputy President.
 - 1. The President of the Council of Ministers shall hold office for a term of one year and shall chair meetings of the Council of Ministers.
 - 2. The President of the Council of Ministers or in the President's absence, the Deputy President shall represent the ESAAMLG at meetings of other intergovernmental groups dealing with anti-money laundering and other occasions determined by the Council of Ministers.
 - 3. In the event that the President of the Council of Ministers or the Deputy President is personally unable to perform any official function, the President may delegate certain duties and powers of the President of the Council of Ministers to another Minister of the Member country holding the Presidency.
 - 4. The President of the Council of Ministers or in his absence, the Deputy President may assist the Secretariat of ESAAMLG in the formulation of strategic issues and programmes, the facilitation of ESAAMLG work processes, and by giving

guidance to the Secretariat on any matter relating to ESAAMLG activities.

5. The Presidency of the Council of Ministers shall rotate amongst Member Countries according to a schedule agreed by the Council of Ministers provided that no Member Country shall hold the office of the President or the Deputy President of the Council of Ministers more than once in at least ten year period before all the scheduled members have held the Presidency.
6. The Member country holding the Presidency of the Council of Ministers in any year, shall host the Council of Ministers Meeting in the year that it assumes the office of President of the Council of Ministers.

ARTICLE IX THE TASK FORCE

1. Each Member country shall be represented in the Task Force by such senior officials as may be appropriate provided that each member country shall nominate one senior official as head of delegation.
2. The Task Force shall meet at least twice annually.
3. The Task Force shall be chaired by the Member Country holding the office of the President and shall be assisted by the member country holding the office of the Deputy President.
4. For submission to the Council of Ministers, the Task Force shall:
 - (a) recommend a draft agenda for the next Meeting;
 - (b) consider and adopt the draft Annual Report;
 - (c) consider and adopt the Financial Reports;
 - (d) consider and adopt a 3 year rolling Strategic Plan setting out ESAAMLG's goals and objectives;
 - (e) consider and adopt the draft Work Programme for the following year;
 - (f) review progress in the implementation of the approved Work Programme;
 - (g) consider and adopt a 3 year rolling budget framework aligned with the Strategic Plan;
 - (h) make recommendations for the appointment of an External Auditor;
 - (i) develop, consider and recommend proposals for funding;
 - (j) consider and adopt Procedures on Mutual Evaluation and Follow up Process and Reports on Member countries;

- (k) make recommendations on policy matters, including the adoption of any revised Recommendations;
 - (l) make recommendations on the admission of new Member countries, Co-operating and supporting Nations, and Observers;
 - (m) recommend candidates for the positions of Executive Secretary and Principal Expert, where appropriate; and
 - (n) recommend the approval of rules of procedure regulations, administrative notes or guidelines as may be necessary for the purposes of this MOU.
5. The Task Force may, with the consent of the President of the Council of Ministers establish standing working groups to undertake specific tasks; and ad hoc groups, as appropriate, to deal with specific issues.

ARTICLE IXA THE STEERING COMMITTEE

1. The Steering Committee shall advise the Task Force on policy matters, administration, structure and functioning of the Secretariat.
2. The Steering Committee shall consist of the following seven members who shall be heads of delegation:
 - (a) the Chairperson of the Task Force of Senior Officials, who shall be the chair;
 - (b) the Deputy Chairperson of the Task Force of the Senior Officials;
 - (c) Immediate-past Chairperson of the Task Force of the Senior Officials;
 - (d) an ESAAMLG member who is a FATF member;
 - (e) an ESAAMLG member; and
 - (f) two additional members, one to be nominated by the Heads of Delegation of the Task Force and the second to be nominated by the Chairperson of the Task Force.
3. The Executive Secretary or his or her representative, shall attend the meetings as ex-officio member of the Steering Committee and participate in the deliberations but shall have no voting rights.
4. Where a member in Clause 2(d) is from Southern Africa, a member in Clause 2(e) shall be from Eastern Africa.

5. Where a member in Clause 2(d) is from Eastern Africa, a member in Clause 2(e) shall be from Southern Africa.
6. The Chairperson, the Deputy Chairperson and the Immediate-past Chairperson of the Task Force of the Senior Officials shall form the Troika.
7. Where the ESAAMLG and FATF member country or a country representing a sub- region is in the Troika, that country shall nominate another country to serve in its place.
8. Except for the Troika and the members in Clauses 2(d) and 2(e), a member of the Steering Committee shall hold office for a period of one year.
9. The Steering Committee may establish sub-committees such as the Budget, Finance and Audit Sub-Committee that it may consider necessary for the performance of its functions and may co-opt any other member to such sub-committees.
10. The appointment of members of the sub-committees shall be based on expertise and equitable representation of member countries.
11. Notwithstanding any Article under this MoU, participation in meetings and work of the Budget, Finance and Audit Sub-Committee shall be open to the entire membership.
12. The Steering Committee shall establish its own rules of procedure relating to conduct of its business including appointment of alternate members.

ARTICLE X

PROCEDURES AT MEETINGS AND DECISION MAKING

1. The Council or the Task Force Plenary may make decisions in any of the three following ways: (1) through physical meetings, (2) through virtual or hybrid meetings and (3) by “written process”.
2. The Task Force and Council Plenary meetings are ordinarily held as physical meetings.

3. Under extraordinary circumstances, the President of the Council or the Chairperson of the Task Force, following consultation with members, may call for a virtual or hybrid Council of Ministers or Task Force regular or extraordinary meeting, respectively (including video conference and online meetings) instead of a physical meeting. The decision to hold a regular or extraordinary Plenary meeting in virtual form may also extend to the working group meetings of that Plenary cycle unless expressly decided otherwise.
4. When the need arises for the Plenary of the Council or Task Force to decide on an issue urgently before its next meeting, the President of the Council or the Chairperson of the Task Force on their own or through prior agreement of the Plenary may call for a decision through a “written process” based on their respective mandates under this MoU without convening a physical or virtual or hybrid meeting. The decision taken shall be valid as if it was taken at a meeting of the Council or the Task Force, only if one third (1/3) of all members have assented to it in writing.
5. For the Task Force and Council Plenaries decisions to be valid, a quorum of members should be present (for physical meetings), should have validated their presence (for virtual meetings) or should have expressed themselves (for written process). A quorum for a meeting of either the Council of Ministers or the Task Force will exist when at least one half of the Member countries are present.
6. All Member countries participate in meetings. Co-operating and Supporting Nations and Observers may attend and participate in meetings., unless Member Countries at a meeting of the Council of Ministers or Task Force decide otherwise, when matters concerning the budget of the ESAAMLG are being discussed.
7. Only Member countries present have the right to vote and each Member country has one vote at a meeting of the Council of Ministers.
8. Notwithstanding the provisions of Article X.6, Observers and Supporting Nations may participate in the discussion of mutual evaluation reports and progress/follow up reports..
9. Resolutions of the Council of Ministers made during its meetings shall be adopted by three quarters majority of the Member countries present.
10. The Task Force Plenary makes decisions during its meetings by consensus. Deciding an issue by consensus does not mean achieving unanimous agreement but seeks to have all members of the Plenary consent to the decision.

ARTICLE XI THE SECRETARIAT

1. The Secretariat shall perform technical and administrative functions under the direction of the Executive Secretary.
2. The Secretariat shall submit to the Task Force each year:
 - (a) a draft Annual Report;
 - (b) a draft Financial Reports;
 - (c) a draft 3 year rolling Strategic Plan setting out ESAAMLG's goals and objectives;
 - (d) a draft Work Programme for the following year; and
 - (e) a draft 3 year rolling budget framework aligned with the Strategic Plan.
3. The Secretariat, under supervision of the Chairperson of the Task Force, shall:
 - (a) implement the Work Programme approved by the Council of Ministers;
 - (b) administer the approved budget;
 - (c) co-ordinate and participate in mutual evaluations;
 - (d) co-ordinate and make technical recommendations on the follow-up process of assessed member countries, and consistent with the Procedures of the ESAAMLG Mutual Evaluations and Follow-up Process publish the Follow-up Reports on the ESAAMLG website for information;
 - (e) identify training and technical assistance needs of Member countries and facilitate the provision thereof;
 - (f) act as a liaison between the ESAAMLG and third party countries and organisations involved in countering money laundering and terror and proliferation financing, and related matters;
 - (g) monitor anti-money laundering and anti-terrorist and proliferation financing developments and on authorisation by the Chairperson, participate in activities not included in the Work Programme;
 - (h) receive applications on behalf of the Chairperson or the President;
 - (i) receive notices of intention to withdraw and notify Members accordingly; and
 - (j) discharge any other responsibility assigned by the Task Force or the Council of Ministers.

**ARTICLE XII
NATIONAL COMMITTEES**

Member countries will, in accordance with applicable domestic law, establish Standing Anti-Money Laundering Committees or similar entities, comprising senior representatives of relevant disciplines: Legal and Judicial, Financial and Law Enforcement.

**ARTICLE XIII
RISK ASSESSMENT**

Members agree to carry out Risk Assessments in order to identify and understand their money laundering, terrorist and proliferation financing risks.

**ARTICLE XIV
MUTUAL EVALUATION AND FOLLOW UP**

Members agree to participate in ESAAMLG Programmes of Mutual Evaluations and Reviewing Process conducted in accordance with the ESAAMLG Procedures for Mutual Evaluations and Follow Up Process approved by the Council of Ministers.

**ARTICLE XV
LANGUAGES AND AUTHENTIC TEXT**

The official language of the ESAAMLG will be English.

**ARTICLE XVI
ACCOUNTING PERIOD AND ACCOUNTING POLICIES**

1. The financial year will be from the first day of April to the 31st day of March in the following year.
2. The financial reports of ESAAMLG shall be prepared according to internationally accepted accounting practice.
3. The financial affairs of ESAAMLG shall be administered by the Secretariat in terms of the accounting policies as contained in the Financial Regulations prepared by the Budget, Finance and Audit Committee.

ARTICLE XVII
FINANCIAL REPORTS

1. The Accountant will submit to the Task Force, through the Secretariat, financial statements comprising a balance sheet, income and expenditure, cash flow and source and application of funds, with year on year comparisons, by 31 March each year.
2. The External Auditor will carry out an annual audit of the books and accounts of the ESAAMLG, and prepare and submit a report to the Council of Ministers, through the Secretariat, in the subsequent Council of Ministers' meeting.

ARTICLE XVIII
AMENDMENT OF THIS MEMORANDUM

This Memorandum may be amended by consensus of the member countries at the Council of Ministers' meeting.

ARTICLE XIX
ISSUANCE OF RULES OF PROCEDURES AND GUIDELINES

1. The Council of Ministers may issue rules of procedure, regulations, administrative notes or guidelines as may be necessary for the implementation of this MOU.
2. The rules of procedure, regulations, administrative notes or guidelines issued by the Council of Ministers under Article XIX.1 will be integral part of this MoU.

ARTICLE XX
ENTRY INTO EFFECT

1. This Memorandum will enter into force when seven Member countries have signed and advised the President that their constitutional requirements have been satisfied.
2. For any country which signs subsequently it will take effect on the date on which that country notifies the President that its constitutional requirements have been satisfied.

**ARTICLE XXI
WITHDRAWAL**

A withdrawal by a Member or a Co-operating and supporting Nation or an observer will take effect three months after receipt by the Secretariat of written notice of intention to withdraw.

DONE AT ARUSHA, TANZANIA on the 27th day of August 1999 in fourteen originals all in the English Language. Each State shall retain the one original.

IN THE FAITH WHERE OF the undersigned have placed their signatures at the end of this Memorandum.

THE GOVERNMENT OF THE REPUBLIC OF ANGOLA

THE GOVERNMENT OF THE REPUBLIC OF BOTSWANA

THE GOVERNMENT OF THE KINGDOM OF ESWATINI

THE GOVERNMENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

THE GOVERNMENT OF THE REPUBLIC OF KENYA

THE GOVERNMENT OF THE KINGDOM OF LESOTHO

THE GOVERNMENT OF THE REPUBLIC OF MADAGASCAR

THE GOVERNMENT OF THE REPUBLIC OF MALAWI

THE GOVERNMENT OF THE REPUBLIC OF MAURITIUS

THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE

THE GOVERNMENT OF THE REPUBLIC OF NAMIBIA

THE GOVERNMENT OF THE REPUBLIC OF RWANDA

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

THE GOVERNMENT OF THE REPUBLIC OF SEYCHELLES

FOR THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

THE GOVERNMENT OF THE REPUBLIC OF UGANDA

THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA

THE GOVERNMENT OF THE REPUBLIC OF ZIMBABWE