

EXECUTIVE SUMMARY

This second volume of a two-volume monograph on money laundering in the SADC region begins with Ray Goba's examination of the capacity of the financial and commercial services sectors in Namibia to detect, prevent or assist in the prosecution of money laundering crimes. He gives an extensive coverage of the situation in Namibia, as experienced through recent cases.

Tanzania does not have anti-money laundering laws. In Chapter 2 of this volume, Eugene Mniwasa examines the measures adopted to address the problem of money laundering and the financing of terrorism in Tanzania.

In the face of formidable challenges, all sectors in Uganda that are charged with detecting activities predicate to money laundering are engaged in efforts to combat money laundering itself, as well. The lack of laws that specifically deal with money laundering continues to be an impediment. At the time of writing, money laundering was not a distinct crime in Uganda. To get around the inadequacy in legislation, most financial and commercial institutions have put internal or sector measures in place to detect it. Most of these institutions, such as the banks, have global linkages and thus benefit from the macro policies of parent institutions. The major multilateral banks all have internal systems developed by their main offices to be used by all their branches globally. These efforts have been complemented by anti-money laundering guidelines adopted by the Bank of Uganda in 2002 for banks and other financial institutions. In Chapter 3 of this volume, Peter Edopu expresses the hope that when Uganda eventually passes an anti-money laundering law, the policies and procedures taking shape under the umbrella of the guidelines will be carried forward.

In the final chapter Bothwell Fundira uses South Africa's Financial Intelligence Centre Act, (38/2000), as a benchmark against which to measure the adequacy of existing and proposed measures against money laundering in Zimbabwe. He examines the capacity of the key institutions in the light of case studies.

The first volume of this monograph covers four other Southern African countries. It begins with Charles Goredema's outline of factors impacting on the capacity of key sectors of the relevant infrastructure to detect the laundering of tainted money and other illicit proceeds. To some extent the overview assesses their strengths and/or weaknesses against the backdrop of real challenges identified from sub-regional case studies.

In Botswana money-laundering control appears to be shared by the police, the Bank of Botswana and the Directorate for Economic Crime and Corruption. Anti-money laundering law is of recent origin in the country. In Chapter 2 of the first volume, Kamogediso Mokongwa reviews its enforcement and comments on the perceived capacity of the relevant institutions.

In his contribution on the control of money laundering in Kenya, George Kegoro observes that this will require concerted and co-ordinated action at two levels. At the first level, measures are required to detect and punish economic crime, from which illicit money is derived. The principal sources of proceeds of crime—which include corruption, drug trafficking and violent crime—were identified in an earlier study. Measures to control offences related to these activities will augment whatever control mechanisms are introduced against money laundering in Kenya. Also examined are the measures required at the second level, to address the problem of money laundering directly, as an independent and logical result of economic crime.

In recent years, Lesotho has come under the international spotlight over a variety of criminal and civil cases arising from the corruption and bribery of a top official by a number of international companies. Some major international banks were used to facilitate the laundering of the proceeds. The revelations brought into question the integrity of these institutions and had a potentially damaging effect on their reputation. Lesotho has now been placed in a position where it has to keep up the momentum to portray a genuine and sustained commitment to fight corruption. This requires a commitment to put in place institutional mechanisms to fight not only corruption, but also money laundering. Nomzi Gwintsa analyses the prevailing legislative and institutional environment in Lesotho in Chapter 4 of the first volume and assesses the country's capacity.

Criminal entrepreneurs are continually looking for new routes for laundering the proceeds of crime. Economies like that of Malawi, with emerging financial centres but inadequate controls, are particularly vulnerable. The need has long been

acknowledged for money laundering in Malawi to be fought by establishing a comprehensive anti-money laundering regime, with legal and complementary regulatory tools. Malawi does not yet have dedicated anti-money laundering laws. At the time of writing, a Bill was under consideration. In anticipation of its adoption, the first volume's final chapter, written by Jai Banda, evaluates the potential of existing infrastructure in Malawi to implement laws against money laundering.