

FIGHTING MONEY LAUNDERING IS MORE URGENT THAN EVER IN UGANDA.

BY:
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Most countries such as Uganda are not using the Financial Action Task Force's (FATF) standards effectively, they have the laws and regulations in place however the laws are not enforced. Environmental crime, terrorism, illegal wildlife trafficking and financial fraud are curbed if Anti-Money Laundering laws are enforced. Currently the fight is becoming hard as there are new ways in which funding terrorism and money laundering is done through virtual assets and crypto currencies.

Uganda needs digital transformation and new technologies by the private and public sector to help create reforms to curb Money Laundering in these modern times. There is also need to enable data sharing between financial institutions and promote Private Public Partnership's as a key to fighting Money Laundering.

Digital transformation is not only about digital banking but also about how artificial intelligence, data analysis can be used to increase the efficiency and effectiveness of Anti Money Laundering measures.

Uganda's law enforcement is also currently not financially equipped and skilled to curb Anti Money Laundering. There is need to work on capacity building and training of key professionals and law enforcement officials to effectively curb Money Laundering.

In addition to the above, compliance by firms such as casinos is still lacking although banks have been doing better through KYC and other anti-money laundering safeguards. There is need for companies (mostly financial institutions) to understand the risks they face relating to Money Laundering and set up strategies and guidelines to mitigate those risks. They need to adopt a risk best approach as opposed to zero tolerance approach to fighting the Money Laundering. If the risk is higher measures taken should be rigorous and as a country the risk is extremely high and rigorous measures are required by all financial institutions and fintech companies.

The gate keepers such as bankers, lawyers and accountants also need to be equipped to support the fight against Money Laundering in Uganda. The FIA whose mandate is to fight Money Laundering and combating Terrorism Financing in Uganda needs to create solutions for minimizing fraud through

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creating faster processes, modernizing Anti Money Laundering processes and capacity building of gate keepers to effectively fight Money Laundering.

ML and fraud are still a significant problem in Uganda. The AML legislation is key in fighting money laundering and the biggest challenge is still many people dealing in large quantities in cash which derails the fight against ML. To avoid being grey listed the law needs to be enforced. If Money Laundering is not curbed, Uganda will continue being grey listed by FAFT which will have grave consequences on the economy that is already in a critical state.