



**BANK Of ZAMBIA**

OFFICE OF THE DEPUTY GOVERNOR - ADMINISTRATION

3 October, 2014

**TO : CHIEF EXECUTIVE OFFICERS OF BUREAUX DE CHANGE**

**GUIDANCE NOTE No. 3 of 2014 – TRAINING OF STAFF ON ANTI-MONEY LAUNDERING MEASURES**

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**1. Background**

The on-site examination findings of bureaux de change reveal that most bureaux de change have not trained their staff on anti-money laundering measures and practices as per requirement of the Prohibition and Prevention of Money Laundering Act No. 14 of 2001 and the Bank of Zambia (BoZ) Anti-Money Laundering Directives of 2004.

The lack of training of staff on money laundering may lead to failure by staff to identify or make appropriate enquiries on suspicious customer behaviour or potentially suspicious transactions. The lack of training may also result in staff failing to escalate potentially suspicious transactions to the management of the bureau de change for onward reporting to the Anti-Money Laundering Investigations Unit (AMLIU) at the Drug Enforcement Commission.

The training of employees on the prohibition and prevention of money laundering is an essential element of a financial service provider's anti-money laundering framework.

**2.0 Staff Training on Anti-Money Laundering Measures and Practices**

2.1 Pursuant to Directives Nos. 18 and 19 of the BoZ Anti-Money Laundering Directives, a bureau de change is required to ensure that its staff are trained, irrespective of the level of seniority, on what money laundering is and the importance of reporting any suspicious transactions to its Money Laundering Reporting Officer, and shall, with the assistance of the AMLIU, draw up a programme for training of its employees.

2.2 The training programme shall include the following:

- (a) Indicators that may give rise to suspicion and the procedures to be adopted when a business transaction is considered to be suspicious;
- (b) A component to train staff on how to make a report on suspicious activities;
- (c) The identification and prevention of money laundering for employees who have contact with clients and compliance personnel;

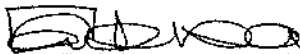
- (d) Instruction, covering all aspects of money laundering procedures, to those with the responsibility for supervising or managing staff; and
  - (e) An in-depth training for the money laundering reporting officer on all legislation relating to money laundering and the bureau de change's internal policies on money laundering.
- 2.3 Further, Directive 19(2) of the BoZ Anti-Money Laundering Directives, requires a bureau de change to hold courses at regular intervals of at least annually for its employees, to remind them of their responsibilities in relation to money laundering and to raise awareness of any changes in the anti-money laundering measures and internal procedures.

### **3.0 Breach of the Directives**

- 3.1 Bureaux de change are reminded that failure to comply with the Directives on staff training or other provisions of the BoZ Anti-Money Laundering Directives constitutes an offence under Section 13(4) of the Prohibition and Prevention of Money Laundering Act No. 14 of 2001.
- 3.2 This Guidance Note is issued with the purpose of apprising bureaux de change on their obligations with regard to anti-money laundering measures in the financial sector.

In case of any query or clarification, kindly direct the same to:

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