

# United Republic of Tanzania



## Financial Intelligence Unit

### ANNUAL REPORT 2014/2015

**CONTACTS:**

Commissioner,  
Financial Intelligence Unit,  
1 Madaraka Street  
P. O. Box 5145,  
11468 Dar es Salaam  
**TANZANIA**

## TABLE OF CONTENTS

Statement by the Honourable Minister for Finance and Planning .....	1
1. Overview of the Financial Intelligence Unit.....	8
a. Background .....	8
b. Management and Organisation Structure .....	9
c. Powers and Functions of the FIU .....	10
2. Performance.....	11
a. Reports from Reporting Persons .....	11
b. Dissemination to Law Enforcement Agencies .....	12
c. Requests for information to and from abroad.....	13
d. Supervision of Reporting Persons for AML/CFT Compliance.....	15
e. Education and Awareness Campaigns .....	17
3. Enabling Functions .....	19
a. Information and Communication Technology.....	19
b. Legal Support .....	20
4. Activities at International Stage .....	21
a. ESAAMLG and FATF Activities .....	21
b. EGMONT Group of Financial Intelligence Units .....	22
5. Challenges and the Way Forward .....	23
6. Audited Financial Statement Report.....	26
a. Organisation Structure .....	58
b. Reporting Persons.....	59
c. Regulators .....	61
d. Law Enforcement Agencies.....	63
e. FIU Contacts .....	63



## Acronyms and Abbreviations

AML	- Anti-Money Laundering
AMLA	- Anti-Money Laundering Act, 2006
AML/CFT	- Anti-Money Laundering and Combating the Financing of Terrorism
AML/CTF	- Anti-Money Laundering and Counter Terrorist Financing
AMLPOCA	- Anti-Money Laundering and Proceeds of Crime Act, 2009
AUSTRAC	- Australian Transaction Report and Analysis Centre
BOT	- Bank of Tanzania
BRELA	- Business Registration and Licensing Authority
CAG	- Controller and Auditor General
CBTCR	- Cross Border Transportation of Currency Report
CFT	- Combating the Financing of Terrorism
CMSA	- Capital Markets and Securities Authority
CTF	- Counter Terrorist Financing
CTR	- Currency Transaction Report
DFID	- Department for International Development
DNFBP	- Designated Non-Financial Businesses and Professions

DCC	- Drugs Control Commission
DPP	- Director of Public Prosecution
EFTR	- Electronic Funds Transfer Report
ESAAMLG	- Eastern and Southern Africa Anti-Money Laundering Group
ESA –IO	- Eastern and South African - Indian Ocean
EWURA	- Energy and Water Utilities Regulatory Authority
FATF	- Financial Action Task Force
FinCEN	- Financial Crimes Enforcement Network
FIU	- Financial Intelligence Unit
FT	- Financing of Terrorism
GBT	- Gaming Board of Tanzania
ICRG	- International Co-operation Review Group
ICT	- Information and Communication Technology
IFTI	- International Funds Transfer Instructions
IMF	- International Monetary Fund
KYC	- Know Your Customer
LEA	- Law Enforcement Agency
MER	- Mutual Evaluation Report



ML	- Money Laundering
MOU	- Memoranda of Understanding
MVTS	- Money or Value Transfer Services
NCTC	- National Counter Terrorism Centre
NGO	- Non Governmental Organisation
NRA	- National Risk Assessment
PCCB	- Prevention and Combating of Corruption Bureau
RGZ	- Revolutionary Government of Zanzibar
RITA	- Registration, Insolvency and Trusteeship Agency
SSRA	- Social Security Regulatory Authority
STR	- Suspicious Transaction Report
TCRA	- Tanzania Communication Regulatory Authority
TF	- Terrorist Financing
TIC	- Tanzania Investment Centre
TIRA	- Tanzania Insurance Regulatory Authority
TISS	- Tanzania Intelligence Security Services
TRA	- Tanzania Revenue Authority
UNODC	- United Nations Office on Drugs and Crime
UNSCR	- United Nations Security Council Resolution

URT	- United Republic of Tanzania
ZAECA	- Zanzibar Anti-corruption and Economic Crime Authority
ZIPA	- Zanzibar Investment Promotion Authority
ZLS	- Zanzibar Law Society
ZRB	- Zanzibar Revenue Board



## **STATEMENT BY THE HONOURABLE MINISTER FOR FINANCE AND PLANNING**

The Financial Intelligence Unit (FIU) plays an important role in ensuring that the country achieves its economic and social development goals as expressed in the National Development plans.

The National Vision 2025 which guides economic and social development efforts lays out long-term national social and economic development goals. It envisages that by the year 2025, Tanzania will have graduated from a least developed country to a middle income country with a competitive economy capable of producing sustainable growth and shared benefits, a high quality livelihood, a well educated and learning society, peace, stability and unity, as well as good governance.

The National Vision 2025 further provides that the attainment of National Development goals requires good governance, a stable political environment, a stable financial system and a rule based trading system, among other things. Tanzania acknowledges that money laundering, terrorist financing, corruption and other serious crimes remain serious impediments to the attainment of national development objectives.

A stable, secure financial sector supported by a robust framework to protect financial institutions from money laundering and terrorism financing, promotes investment and confidence, helping to attract capital from the country and abroad. A financial system's reputation and integrity can be irrevocably harmed through involvement in laundering money or financing terrorism.



Tanzania's anti-money laundering and combating financing of terrorism (AML/CFT) framework is part of a national system to promote socio-economic development and reinforce the integrity of the financial system. The FIU was established to combat money laundering and terrorist financing and in so doing has a primary role to protect the integrity of financial system. The FIU is central to government's efforts to fight crime and protection of the integrity of the financial system. It receives suspicious transaction reports and other reports from reporting persons, analyses all that information, and disseminates result of such analysis (intelligence) to law enforcement agencies for investigation and possible prosecution, if there are reasonable grounds to suspect money laundering, terrorist financing or any other underlying crimes. The FIU forms part of Tanzania's Anti-Money Laundering and Combating Financing of Terrorism (AML/CTF) regime.

Tanzania is making steady progress in strengthening her AML/CFT regime. The FIU has reached out to a considerable number of reporting persons to create awareness and enforce AML/CFT compliance, and the work of the FIU has supported a wide range of law enforcement agencies in detection of financial crimes, prevention of terror financing, as well as investigations and prosecution of crimes.

I wish to convey my sincere gratitude and appreciation to the management and employees of the FIU for the hard work, commitment and dedication in the war against money laundering and terrorist financing. Much more work still lies ahead; I challenge them to continue working hard and wish them every success in ensuring Tanzania gets rid of



money laundering, terrorist financing and all the underlying crimes. Tanzania is fully committed in ensuring that our AML/CFT regime remains robust.



Dr. Philip I. Mpango (MP)

**MINISTER FOR FINANCE AND PLANNING**

## **STATEMENT OF THE COMMISSIONER**

I am very honoured to issue this annual report for the Financial Intelligence Unit for the Financial Year 2014/2015 which highlights key developments in fighting money laundering and the financing of terrorism in Tanzania.

Management and staff of the FIU wish to express sincere gratitude and appreciations to the Government of the United Republic of Tanzania (URT) and the Revolutionary Government of Zanzibar (RGOZ), for their high level commitment and political will in combating money laundering and the financing of terrorism. In particular, we wish to extend our appreciations to the Ministry of Finance and Planning (URT), the Ministry of Finance and Planning (RGOZ) for the cooperation and support they continue to render to the FIU, in ensuring that it delivers on its mandate. This has gone a long way to facilitate smooth operations of the FIU. Further to this, we wish to express sincere gratitude to Development Partners (including DFID, UNODC, FINCEN, FIC, World Bank) and the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG) for their support in our efforts to have a robust AML/CFT regime. We extend appreciations to reporting persons, law enforcement agencies, regulators and other stakeholders for extending cooperation throughout the year. The FIU enjoys good working relationship with all AML/CFT stakeholders within the country and abroad.

Key performance indicators for the FIU in the financial year 2014/2015 include analysis of 142 suspicious transaction reports (STRs), 46 disseminations of financial intelligence packages to Law Enforcement Agencies (LEAs) for investigation and possible prosecution, and



processing requests from foreign FIUs which rose to by 50 percent from previous year.

Tanzania AML/CFT framework is part of a global system and the FIU maintains a strong focus on strengthening its international collaboration. Towards the beginning of the financial year, the FIU joined the Egmont Group of FIUs, a recognized global network of FIUs providing a forum for FIUs around the world to enhance support to their respective governments in the fight against money laundering, financing of terrorism and other financial crimes. This support includes: Expanding and systematizing international cooperation in the reciprocal exchange of financial intelligence information; Increasing the effectiveness of FIUs by offering training and personnel exchanges to improve the expertise and capabilities of personnel employed by FIUs; and fostering better and secure communication among FIUs through the application of technology, presently via the Egmont Secure Web (ESW).

FIU has played a remarkable role in striking off Tanzania from the list of countries identified by the Financial Action Task Force (FATF) as jurisdictions with weak measures to combat money laundering and terrorist financing (AML/CFT). The FIU played a successful coordinating role in addressing strategic deficiencies identified during the mutual evaluation of the AML/CFT regime of Tanzania and managed to implement the necessary reforms to address the AML/CFT weaknesses identified. The removal of Tanzania from the list of jurisdictions with strategic deficiencies in their frameworks helped not only the improvement of the regime in the fight against money laundering and terrorist financing it also enhanced global compliance with the standards,



reduced the ML/FT risks to the international financial system, and promoted international co-operation.

The FIU was actively involved in representing Tanzania in various international events. In September 2014, one staff was part of the Tanzania delegation to the 2014 Alliance for Financial Inclusion (AFI) Global Policy Forum in Trinidad and Tobago and another staff was also part of the Tanzania delegation to the Meeting of Experts for Review of the East African Strategy on Peace and Security which was held in Entebbe, Uganda. Similarly, two (2) officials participated in ESA -IO meeting in Victoria, Seychelles. As a member of Egmont group, FIU attended Egmont Group of Financial Intelligence Units meeting for Heads of FIUs in January, 2015. Egmont Group of Financial Intelligence Units met in Berlin, Germany to talk about the cross-border activities of criminal organizations, the use of new technologies in commission of crimes and the need for concerted action by the international community to fight crime.

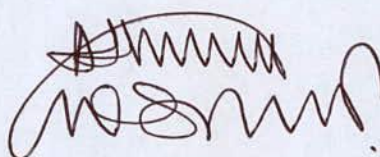
For purpose of collecting and sharing information with foreign FIUs in order to strengthen international cooperation in the fight against ML/TF, during the year the FIU concluded MoU with counterpart FIUs of Kenya, Angola, Zambia and Uganda. Further to this, as active member of Egmont group, FIU continued to have access to the Egmont Secured Web (ESW) for exchange of information among the member's countries.



In strengthening domestic cooperation, FIU organized workshops and training to reporting persons for purposes of creating awareness and enhancing AML/CFT compliance and improving reporting regime. The workshops and training helped to improve the flow and quality of STRs from reporting persons.

In the coming years, the FIU intends to exert more efforts to ensure the increase in the flow of STRs from reporting persons to the FIU through enhanced supervision of reporting persons for AML/CTF compliance. Supervision of Reporting Persons and analysis of STRs are among the key and core functions of the FIU.

I am optimistic that our efforts to have a robust Tanzania AML/CFT regime will continue to bear fruits and Tanzania will not be a weak link in global AML/CFT chain.



Onesmo H. Makombe  
**COMMISSIONER**

## **1. Overview of the Financial Intelligence Unit**

### **a. Background**

Tanzania FIU was established under section 4 of the Anti- Money Laundering Act, 2006 (AMLA), as an Extra Ministerial Department under the Ministry of Finance. The FIU became operational in September 2007. The FIU is an operationally independent Government entity with its own budget and Vote.

In general terms, the FIU is tasked with leading the war against Money Laundering and Terrorist Financing (ML/TF) in the United Republic of Tanzania. The FIU is expected to accomplish this task through administration of the Anti- Money Laundering Act, 2006 (AMLA) for Tanzania Mainland, and the Anti-Money Laundering and Proceeds of Crime Act (AMLPOCA) for Tanzania Zanzibar. This general task is reflected in the FIU mission which is "To lead the war against money laundering and the financing of terrorism, in order to safeguard the Tanzania financial system from illicit activities and to support the war against crime in general".

In more definite terms, the primary function of the FIU is to receive Suspicious Transactions Reports (STRs) relating to suspected money laundering or terrorist financing activities and other reports from reporting persons, to analyse those reports and disseminate intelligence to Law Enforcement Agencies (LEAs) for investigation and possible prosecution of the offenders. This primary task shows that Tanzania FIU is an administrative type. Other functions of the FIU include supervision of reporting entities for



AML/CFT compliance, to create AML/CFT awareness to all AML/CFT stakeholders including reporting entities, LEAs, Regulators and the public in general.

## **b. Management and Organisation Structure**

The FIU is headed by a Commissioner, who is appointed by the President of the United Republic of Tanzania, as provided for under section 5 of AMLA. The Commissioner is the Chief Executive Officer and the Accounting Officer, responsible for the general administration of the FIU.

The Organization Structure of the FIU was approved by the President of the United Republic of Tanzania on January 13<sup>th</sup>, 2009 (Appendix b). The structure provides for eight units as follows:

<b>i.</b>	<b>Monitoring</b>	<b>Headed by Assistant Commissioner</b>
<b>ii.</b>	Inspection	Headed by Assistant Commissioner
<b>iii.</b>	Management Information Systems	Headed by Assistant Commissioner
<b>iv.</b>	Administration and Human Resources Management	Headed by Principal Administrative/HR Officer
<b>v.</b>	Finance and Accounts	Headed by Principal Accountant
<b>vi.</b>	Internal Audit	Headed by Principal Internal Auditor
<b>vii.</b>	Procurement Management	Headed by Principal Supplies Officer
<b>viii.</b>	Legal Services	Headed by Principal Legal Officer



### **c. Powers and Functions of the FIU**

Roles, functions and powers of the FIU are provided for under Section 6 of AMLA. They include:

- i. Receiving and analysing Suspicious Transaction Reports (STR), Electronic Funds Transfer Reports (EFTR), Cross Border Transportation of Currency Reports (CBTCR), Currency Transaction Reports (CTR) and other reports,
- ii. Disseminating intelligence to law enforcement agencies for investigation and possible prosecution, if after analysis, there are grounds to suspect money laundering, terrorist financing or any other criminal activities,
- iii. Supervising reporting persons for AML/CFT compliance,
- iv. Compiling AML/CFT statistics and reports,
- v. Issuing guidelines to reporting persons,
- vi. Creating AML/CFT awareness and providing AML/CFT training to reporting persons, the judiciary, law enforcement agencies and other stakeholders,
- vii. Exchanging information with overseas FIUs and comparable bodies, and
- viii. Liaising with relevant investment and business registration and licensing authorities on investors.

The FIU works closely with reporting persons, regulators, law enforcement agencies and other stakeholders.



## 2. Performance

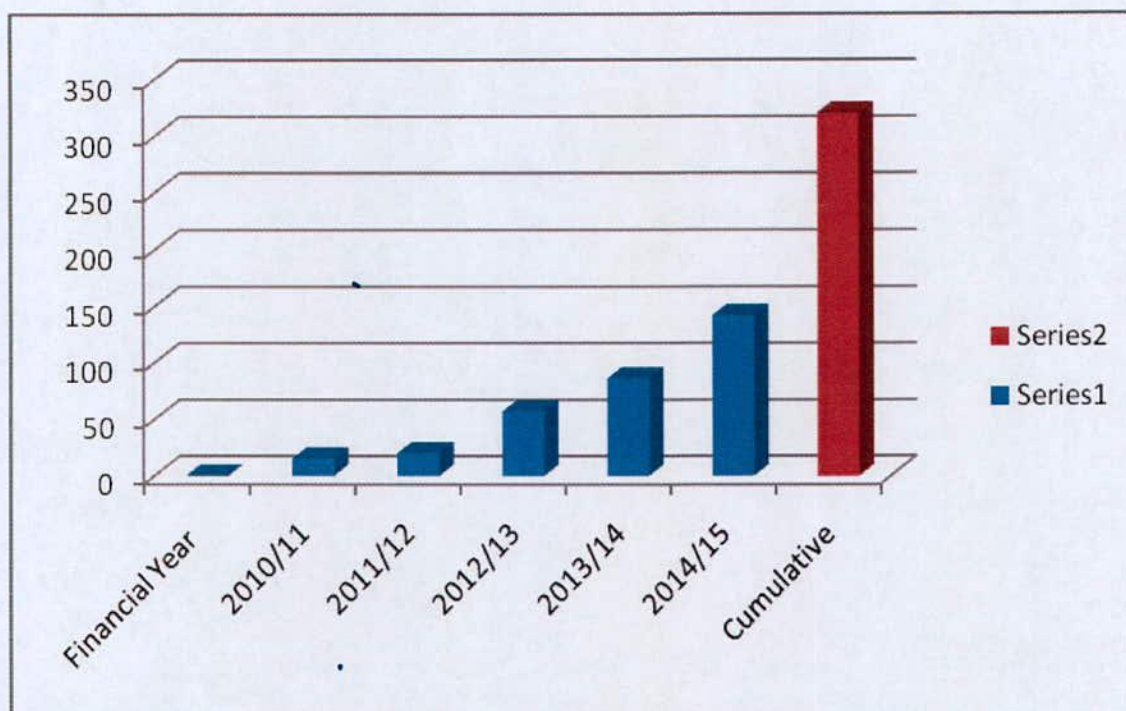
### a. Reports from Reporting Persons

Reporting persons have obligations under Tanzania AML/CFT laws to report suspicious transactions to FIU. The FIU is obliged to analyze these STRs and disseminate intelligence to LEAs for investigation and later on prosecution where possible.

From financial year 2010/2011 to 2014/2015, FIU received 320 suspicious transaction reports mainly from banking sector as shown in **Table I** and **Figure I** below. In year 2014/2015, number of STRs received increased significantly compared to previous years. The increase, to a greater extent, emanates from increase in level of AML/CFT awareness and detecting and reporting capacity among reporting persons.

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	Cumulative
Number of STR Received	15	20	57	86	142	320

**Table I: Suspicious Transactions Reports Received**



**Fig I: Suspicious Transactions Reports Received**

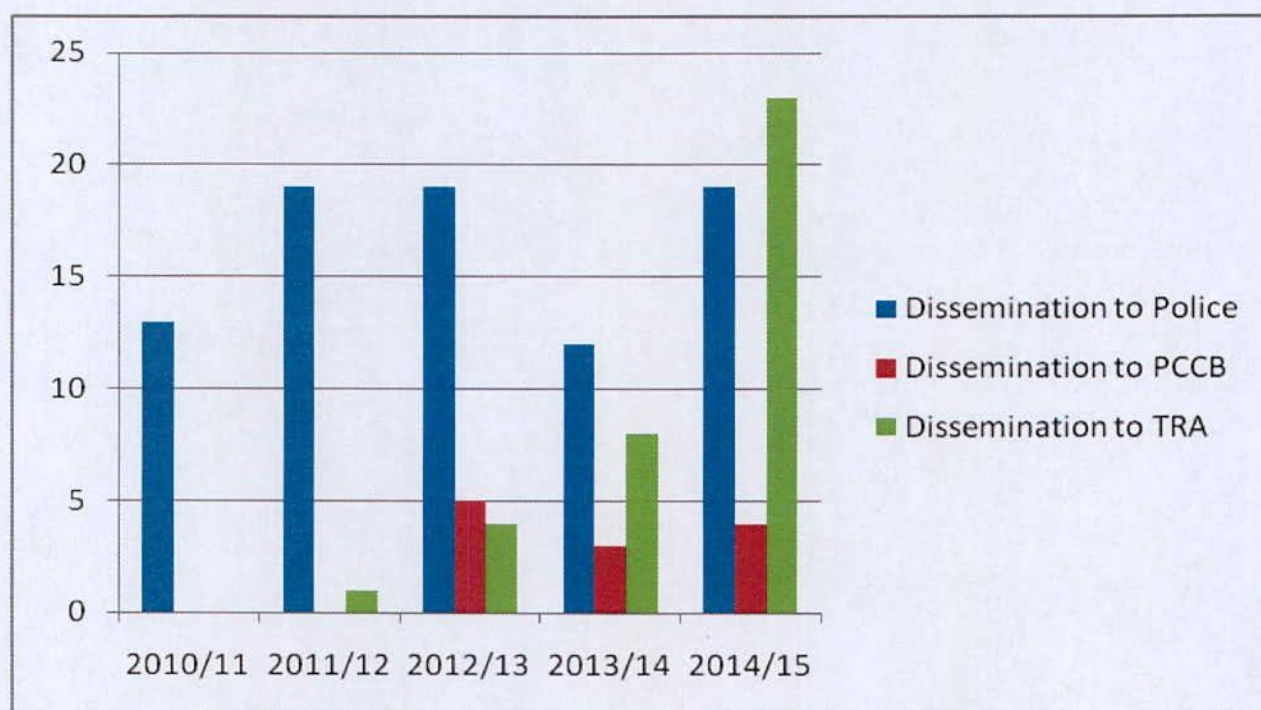
**b. Dissemination to Law Enforcement Agencies**

The FIU analyzed STRs received, and where there was sufficient indicator of proceeds and/or instrument of crime, disseminated financial intelligence to LEAs. From the financial year 2010/11 to 2014/15, one hundred and thirty (130) intelligence reports were disseminated to LEAs as shown in **Table II** and **Fig II** below.



Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	Cumulative
Dissemination to Police	13	19	19	11	19	82
Dissemination to PCCB	0	0	5	3	4	12
Dissemination to TRA	0	1	4	8	23	36
Total	13	20	28	23	46	130

**Table II: Number of Intelligence Reports Disseminated**



**Fig. II: Number of Intelligence Reports Disseminated**

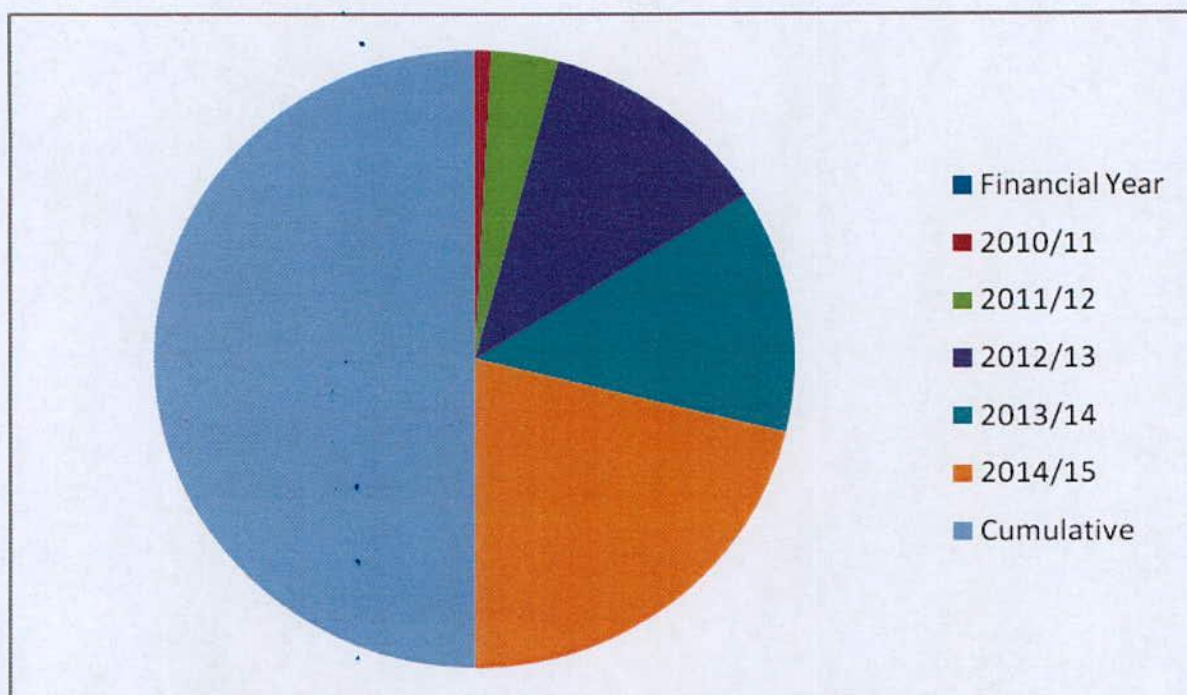
### c. Requests for information to and from abroad

The FIU interacts with foreign FIUs and other comparable bodies by sharing information and exchanging intelligence relating to money laundering and terrorist financing. **Table III** and **Figure III** below show request for information that Tanzania FIU made to foreign FIUs, as well as requests for information that foreign FIUs made to Tanzania FIU. In the year 2014/15 Tanzania FIU requests for information from foreign FIUs increased by 66.7% compared to year 2013/14. To a greater extent this is due to strengthened cooperation with other FIUs and similar bodies especially after joining the Egmont Group of FIUs in June 2014.

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	Cumulative
Requests to other FIUs	1	4	14	15	25	59
Requests from other FIUs	1	2	3	2	5	13

**Table III: Number of requests for information to and from foreign FIUs**





**Fig. III: Number of requests for information to and from foreign FIUs**

#### **d. Supervision of Reporting Persons for AML/CFT Compliance**

The FIU and regulators are empowered by AMLA and AMLPOCA to supervise reporting persons for AML/CFT compliance. Supervision may be conducted onsite or offsite. In carrying out this mandate, the FIU may embark on supervision of reporting persons on its own, or in collaboration with the regulator of the relevant sector, or it may rely on regulator's supervision work. AMLA and AMLPOCA identify regulators as shown in *Appendix d*.

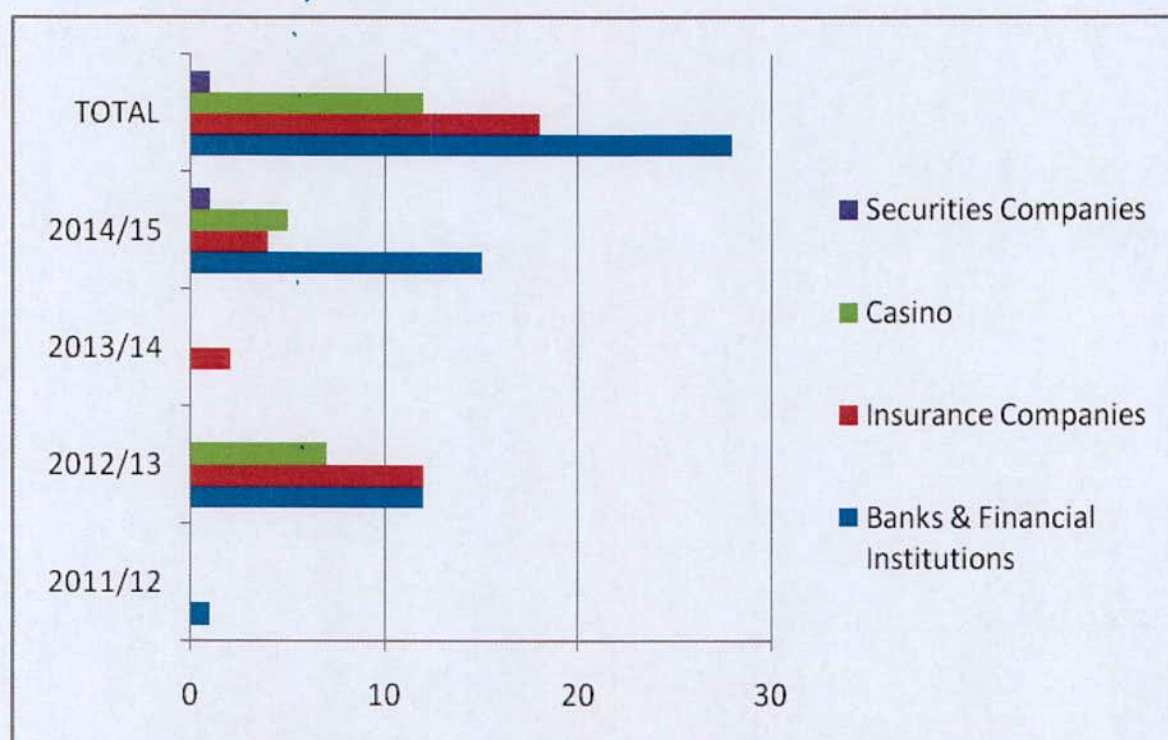
The objective of the inspection was to ensure reporting persons have put in place specific procedures and mechanisms for the prevention of money laundering and terrorist financing activities. Based on inspection results communication was made to the inspected entities on specific

areas of weaknesses and recommendations were made for improvements.

Table IV and Figure IV show number of inspections conducted by type of entity in the last four years;

S/N	TYPE OF REPORTING PERSONS	2011/12	2012/13	2013/14	2014/15	TOTAL
1.	Banks & Financial Institutions	1	12	-	15	28
2.	Insurance Companies	-	12	2	4	18
3.	Casino		7		5	12
4.	Securities Companies	0	-	-	1	1
	<b>TOTAL</b>	<b>1</b>	<b>31</b>	<b>2</b>	<b>25</b>	<b>59</b>

**Table IV: Type of reporting person inspected.**



**Fig. IV: Type of reporting person inspected.**



FIU inspected a total of 59 reporting persons from 2011/12 to 2014/15. Banking and Financial institutions inspected were 28, Insurance Companies were 18, Casinos were 12 and one (1) Securities Company. The FIU and regulators are mandated to ensure that reporting persons comply with AML/CFT laws and regulations. The FIU in collaboration with regulators has issued guidelines to various sectors for guidance on AML/CFT matters in order to enforce effective AML/CFT compliance. These include;

- i Guidelines for Verification of Customer Identities,
- ii Anti-Money Laundering Guidelines for Banking Institutions,
- iii Anti-Money Laundering Guidelines for Accountants and Auditors,
- iv Anti-Money Laundering Guidelines for Bank of Tanzania,
- v Anti-Money Laundering and Counter Terrorist Financing Guidelines to Insurers,
- vi Anti-Money Laundering Guidelines to CMSA Licensees,
- vii Anti-Money Laundering Guidelines to Collective Investment Schemes.

#### **e. Education and Awareness Campaigns**

The FIU works in collaboration with regulators and other stakeholders to organize and conduct education and public awareness campaigns with a view to raising AML/CFT awareness among stakeholders and reporting persons. During the year 2014/2015, AML/CFT education and awareness raising campaigns conducted included the following:



- i Two days workshop for MVTs and NGO was conducted from May, 2015, 51 participants attended the workshop, out of which, 42 participants were from different MVTs providers and 9 participants were from NGO's. The workshop was organized for the aim of creating awareness for the purpose of enhancing AML/CFT compliance and reporting regime to the MVTs and NGO's.
- ii Consultative meeting for real estate stakeholders was conducted in May, 2015 as follow up to the initial workshop for the real estate sector conducted in May, 2014. In this workshop 31 real estate stakeholders participated. The aim was to establish whether the Government has taken further steps to ensure the sector is regulated as discussed earlier in the first workshop, including; the enactment of the Estate Agency Bill 2015 and conducting the study for establishing regulatory authority.
- iii NRA awareness workshop for the National Anti-Money Laundering Committee and NRA working Group was conducted in preparations for NRA exercise. The objective of the exercise was to ensure our country complies with FATF Recommendation 1 which requires all countries to identify, assess, and understand the ML/TF risks within their jurisdiction and be able to effectively mitigate those risks. The risk assessment exercise results are subsequently used as a basis for the application of risk-based approach and for the efficient allocation of AML/CFT resources.



### **3. Enabling Functions**

#### **a. Information and Communication Technology**

FIUs worldwide are inherently Information Technology (IT) intensive in the way they gather, store and process information. The huge amount of data and information that FIUs gather makes it virtually impossible to successfully handle and process it manually. Tanzania FIU being no exception, it is gearing towards handling information electronically, and it has invested adequately in Information and Communication Technology (ICT) in terms of personnel and computer systems. The FIU has:

- i) Qualified ICT experts,
- ii) A mission critical system called goAML,
- iii) An accounting system,
- iv) An email server,
- v) Storage Server ,
- vi) A web server (<http://www.fiu.go.tz>),
- vii) An Intranet,
- viii) Security Systems including Intruder Alarms, Surveillance Cameras and Biometric Access Control,
- ix) Two computer networks: One network for standard office work and it is connected to the Internet, and the second network for mission critical work. This second network is completely detached from the Internet and any other computer network.

Security of information in the FIU is a primary concern in all FIU activities. For protection of information held in computer systems and storage media, the following have been done:

- i) The FIU has an ICT Security Policy and Business Continuity Plan to guide activities of all computer users in the FIU,
- ii) There is adequate physical security surrounding FIU premises,
- iii) Computer networks are protected with firewalls, intrusion detection devices,
- iv) There is restricted physical access to the FIU server room,
- v) There is Centralised Antivirus Software to prevent FIU Computer Systems from being attacked,
- vi) There are surveillance cameras to record 24 x 7 all activities in key areas of the office,
- vii) Access to key areas of office premises (Server room and rooms hosting sensitive and confidential information) is granted by through an electronic fingerprint recognition system,
- viii) All windows have permanently fixed iron grills. No one can gain access to office premises through windows or the roof.

#### **b. Legal Support**

In the financial year 2014/2015, the Legal Services Unit in assisting the FIU to carry out its mandate and enable it to pursue its objectives within the ambits of the law accomplished the following undertakings:

- (i) The FIU continued to support the secretariat of the National Multi-disciplinary Committee on Anti-Money Laundering,



- (ii) Cooperation with other FIUs was strengthened. MOUs with the FIUs of Kenya, Angola, Zambia and Uganda were signed.
- (iii) Legal advice and guidance was furnished to all legal matters forwarded to FIU from reporting persons.
- (iv) In-house legal advice was provided on legal issues which arose in the implementation of the organisation's functions of the FIU.
- (v) Draft document for introduction of procedures and processes for implementation of cross-border declaration of currency was prepared.

#### **4. Activities at International Stage**

##### **a. ESAAMLG and FATF Activities.**

Tanzania's AML/CFT regime underwent Mutual Evaluation by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 2009. ESAAMLG is a Financial Action Task Force (FATF) Styled Regional Body (FSRB) for Eastern and Southern African countries. Since the Mutual Evaluation, the FIU plays a pivotal role in the implementation of the ESAAMLG Post Mutual Evaluation Implementation Plan, as well as the FATF International Cooperation Review Group (ICRG) action plan, which was developed to effectively and systematically implement the Mutual Evaluation Report recommendations.

In July 2014 the ESAAMLG Secretariat held the National Risk Assessment Training Workshop for member countries in Pretoria, South Africa. It was attended by 94 people (including two staff from FIU). In addition to the training, the Workshop provided an opportunity for the countries which



have undertaken National Risk Assessments to share their experiences with other member countries.

In a bid to enhance cooperation amongst Financial Intelligence Units (FIUs) within ESAAMLG, member countries agreed to form an FIU Forum during the Task Force of Senior Officials meeting held in Zanzibar in April 2011. Tanzania FIU representatives attended the 8<sup>th</sup> FIU Forum held on 25<sup>th</sup> of March 2015 which was also attended by representatives from other member countries, with the exception of Comoros and Rwanda. Madagascar attended for the first time as an observer member. The Forum discussed among other things, challenges encountered by FIUs within the region. In order to structure the FIU Forum's meetings, it was agreed that in the future meetings, it would be appropriate also to share typologies, and best practices among ESAAMLG member countries. It was deliberated on the possibility of having presentation on the experience in civil asset forfeiture and submission of quality STRs in the next FIU forum.

#### **b. EGMONT Group of Financial Intelligence Units**

During the period under review, FIU attended Egmont Working Group meeting for Heads of FIUs in January, 2015 in Berlin, Germany and discussed, among other things, cross-border activities of criminal organizations, development of ever more complex economic crimes and the criminal use of new technologies. Furthermore, FIU attended the Egmont Group Plenary in Bridgetown, Barbados June, 2015 and discussed, among other things, challenges faced by FIUs in combating money laundering, associated predicate offences and terrorist financing; especially in the areas of international cooperation, information sharing



and the improved development of financial intelligence. Also, the Plenary had a chance of panel discussion with financial industry experts involved in combating terrorist financing.

## **5. Challenges and the Way Forward**

In spearheading the fight against ML/TF, there are a number of challenges. These include:

- i. Money laundering and terrorist financing are fairly new concepts not only in Tanzania but in most countries; and these crimes evolve rapidly with global and technological changes. This makes the war against the two vices complex and challenging. This means that the FIU has a huge task of raising AML/CFT awareness among stakeholders and the public in general. The evolving nature of ML/TF also calls for constant review of our laws, regulations and guidelines. It also requires all stakeholders to strive to keep up-to date with developments in this area.
- ii. Tanzania is largely a cash based economy. This means that most financial transactions are carried out in cash. This poses a big challenge in the fight against money laundering and terrorist financing. Cash-based economies are more prone to money laundering and terrorist financing due to lack of audit trail.
- iii. Information and communication technology penetration in Tanzania is still low. This means that most of the information in private businesses and the Government is kept on paper. This poses huge challenges in accessing, processing and transporting information. Records on paper take much longer to process and



are more difficult to handle when compared to information kept in electronic form. The FIU encounters huge barriers during analysis, especially when trying to access information held in other government offices and private businesses.

- iv. The FIU has not been able to recruit staff commensurate with its establishment needs. AML/CFT is a very challenging discipline which requires at least adequate staff to begin with.
- v. AML/CFT related training is scarcely available worldwide. This poses unique challenges to FIU to train its staff to the required standards. Due to its nature, training is expensive and attaching staff to more advanced FIUs has not been easy. Efforts have been taken to seek assistance in this regard from international bodies such as the ESAAMLG, the Egmont Group of FIUs, World Bank, IMF, UNODC and development partners.
- vi. FIU offices are located within the premises of the Ministry of Finance and Planning. The office space available can hardly accommodate 20 people. Office space is not sufficient to accommodate existing staff and related equipment required to discharge the mandate of the FIU effectively and efficiently. It is not possible to increase staff and maintain security with the current staffing level. To address this challenge, the FIU has initiated discussions with relevant authorities for proper office accommodation.



- vii. The Financial Action Task Force (FATF) revised the Recommendations. Subsequently, in February 2012 the FATF published new 40 Recommendations. These Recommendations come with new duties and responsibilities for jurisdictions and stakeholders including the FIU. One of the most important challenges for various stakeholders is to understand the recommendations. There is therefore need for FIU staff to receive training and awareness from experts on the revised 40 Recommendations, so as to enable the FIU revise its short and long term plans to cater for the new duties and responsibilities.
- viii. The Anti-money laundering laws of Tanzania (AMLA and AMLPOCA) identify various categories of reporting persons. Not all these categories of reporting persons have laws and apex bodies or Regulators to oversee their operations. This poses a challenge to the FIU when it comes to supervising reporting persons for AML/CFT compliance. There is therefore need to sensitise more stakeholders to enact laws to covers these areas and for relevant regulators to be established.
- ix. Inadequate financial resources to implement the planned activities so as to achieve the predetermined objectives.

## 6. Audited Financial Statement Report

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF FINANCIAL INTELLIGENCE UNIT (VOTE 13)  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

The Controller and Auditor General,  
National Audit Office of Tanzania,  
Samora Machel Avenue,  
P.O. Box 9080,  
Tel: 255 (022) 2115157/8  
Fax: 255 (022) 2117527  
E-mail [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)  
11101 DAR ES SALAAM

March, 2016

AR/CG/VT.13/2014/2015



Office of the Controller and Auditor General,  
United Republic of Tanzania,

(Established under Article 143 of the Constitution of the URT)

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) together with Sect. 10 (1) of the Public Audit Act No. 11 of 2008.

**Vision**

To be a centre of excellence in public sector auditing.

**Mission**

To provide efficient audit services in order to enhance accountability and value for money in the collection and use of public resources.

**Core Values**

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial organization, offering services to our clients in an objective and unbiased manner;
- ✓ **Excellence:** We are professionals providing the highest quality audit services based on best practices;
- ✓ **Integrity:** We observe and maintain the highest standards of ethical behaviour and the rule of law;
- ✓ **People focus:** We focus on our stakeholders' needs by building a culture of good customer care and having competent and motivated work force;
- ✓ **Innovation:** We are a creative organization that constantly promotes a culture of developing and accepting new ideas from inside and outside the organization and
- ✓ **Best resource utilisation:** We are an organisation that values and uses public resources entrusted to it in an efficient, economic and effective manner.

**We do this by:**

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
  - Helping to improve the quality of public services by supporting innovation on the use of public resources;
  - Providing technical advice to our clients on operational gaps in their operating systems;
  - Systematically involve our clients in the audit process and audit cycles; and
  - Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.
- © This audit report is intended to be used by Government Authorities. However, upon receipt of the report by the Speaker and once tabled in Parliament, the report becomes a matter of public record and its distribution may not be limited.



## Definitions of Terms and Abbreviations

### (i) Definition of Terms

Financial Statements mean a complete set which comprises of the followings:

- (a) Statement of Financial Position;
- (b) Statement of Financial Performance;
- (c) Statement of Changes in Net Assets/Equity;
- (d) Cash Flow Statement;
- (e) Statement of Comparison of Budget and Actual Amounts; and
- (f) Accounting Policies and Notes to the Financial Statements.

### (ii) Abbreviations

ESAAMLG	Eastern and Southern Africa Anti - Money Laundering Group
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
MDAs	Ministries, Departments and Agencies
PAA	Public Audit Act No. 11 of 2008
PAC	Public Accounts Committee
PAR	Public Audit Regulations, 2009
PFA	Public Finance Act No.6 of 2001 (Revised 2004)
PFR	Public Finance Regulations, 2005
PPA	Public Procurement Act No. 21 of 2004
PPR	Public Procurement Regulations of 2005
Reg.	Regulations
SACCOs	Savings and Credit Cooperatives Organizations
Sect.	Section



## **1.0 BACKGROUND AND GENERAL INFORMATION**

### **1.1 Introduction**

I have audited the Financial Statements of the Financial Intelligence Unit (vote 13) for the year ended 30<sup>th</sup> June, 2015. Audit findings and recommendations arising from examination of the accounting records, appraisal of Financial Intelligence Unit (FIU) activities as well as evaluation of the internal control system which requires management attention and action are set out in a Management Letter issued separately to the Accounting Officer.

### **1.2 Brief History of the Establishment of Financial Intelligence Unit (FIU)**

Financial Intelligence Unit was established by the President of the United Republic of Tanzania on 2007 as per section 4 of the Anti-Money Laundering Act Cap .423 of 2006.

Tanzania enacted the Anti-Money Laundering Act, (AML) Cap 423 in 2006. The AML Act criminalizes money laundering in a manner that is largely consistent with the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention) and the 2000 United Nations Convention against Trans-national Organised Crime (Palermo Convention). The Act provides for the establishment of the Financial Intelligence Unit. The Financial Intelligence Unit was established in July 2007 as an Extra Ministerial Department under the Ministry of Finance.

Tanzania is a member of Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), which seeks to intensify efforts to implement the revised Forty Recommendations and Nine Special Recommendations (40+9) of the Financial Action Task Force (FATF).

### **1.3 Operational Objectives of the FIU**

The operational objectives of the Financial Intelligence Unit are as follows:

- (a) To help create a financial system devoid of money laundering and terrorist financing activities.
- (b) To have an improved human resource and administration system.
- (c) To have improved cooperation and communication with stake holders at home and abroad.
- (d) Resource management and service delivery improved.

### **1.4 Financing of the FIU**

During the financial year 2014/2015, the Financial Intelligence Unit had a total of TZS.1,579,292,159.18 from exchequer issues from Treasury and other receipts as follows:



Source of Funds	Amount (TZS) 2014/15	%	Amount (TZS) 2013/14	%
Recurrent Grants	1,462,513,104.00	93	1,458,964,253	79
Development Grants	116,779,055.18	7	394,066,380	21
Total Funds available	1,579,292,159.18	100	1,853,030,633	100

The Financial Intelligence Unit had approved budgets of TZS.1,900,000,000 and TZS.195,000,000 for recurrent and development votes respectively.

#### 1.5 Management Structure

The Financial Intelligence Unit (FIU) is headed by Commissioner who is assisted by two Assistant Commissioners. The Commissioner is vested with the overall responsibility of management of the day to day activities and is the Accounting Officer of the FIU.

#### 1.6 Audit Mandate

By virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005) and Sect.10 of the Public Audit Act No 11 of 2008, the Controller and Auditor General is the statutory auditor of all Government revenues and expenditures including the revenues and expenditures of the Financial Intelligence Unit.

#### 1.7 Audit Objectives

The main objective of conducting the audit is to enable the Controller and Auditor General to express an independent audit opinion on the Financial Statements of Financial Intelligence Unit for the year ended 30<sup>th</sup> June, 2015 and establish whether they were prepared in all material respects, in accordance with the applicable financial reporting framework.

#### 1.8 Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following steps:

- Planning the audit to obtain an adequate understanding of the Financial Intelligence Unit's activities and operations,
- Holding an entrance meeting with the audited to discuss the audit objectives, timing and the expected deliverables,
- Reviewing and analysing major risk areas, carrying out an assessment of the related risks including assessment of the audit risk in order to arrive at an appropriate audit opinion,



- Evaluating the internal control system in place, including testing whether it is in compliance with laid down Rules and Regulations, Policies and Procedures,
- Ascertaining whether the controls are designed such that they adequately protect the FIU assets against theft or fraud, foster accountability and operational efficiency and whether management has persistently been using them,
- Reviewing and appraising the FIU IT control environment,
- Carrying out substantive tests of the transactions and account balances reported by the FIU in order to obtain reasonable assurance regarding the accuracy of those transactions and disclosures included in the financial statements,
- Reviewing the FIU Medium Term Expenditure Framework (MTEF), establishing and obtaining reasons for all the significant variances,
- Holding interviews and discussions with key staff and other stakeholders in the implementation of various activities of the FIU.
- Conducting site visits to verify physical implementation of planned activities as well as assessing the progress made in an effort to establish the existence of value for money in the projects undertaken by the FIU.
- Closely following up on the implementation of the previous year's audit findings and recommendations and instructions/directives issued by the Public Accounts Committee (PAC) and to ensure that proper actions have been taken in respect of all audit matters raised,
- Verifying whether the Tender Board/Procurement Management Unit effectively performs their prescribed duties and whether goods and services procured by the FIU were acquired through laid down procurement procedures and in accordance with the Public Procurement Act No. 7 of 2011 and its Regulations of 2013,
- Reviewing the FIU organisation structure, determining gaps(if any) in the overall governance structure,
- Determining whether the FIU has properly addressed key social problem areas such as HIV/AIDS, gender balance, environmental issues etc, and
- Holding an exit meeting with the auditee to discuss the results of the audit.



### 1.9 Audit Scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the FIU.

The audit was conducted on a sample basis; therefore the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me.

As an auditor, I am not required to specifically search for fraud and errors, therefore, my audit cannot be relied upon to disclose all such matters. However my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatements in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the FIU.



## **2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS**

**To:** The Commissioner and  
Accounting Officer of Vote 13  
1 Madaraka Street,  
P. O. Box. 5145,  
11468 DAR ES SALAAM.

**RE:** REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF FINANCIAL INTELLIGENCE UNIT (VOTE 13)  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

### **Introduction**

I have audited the Financial Statements of the Financial Intelligence Unit (Vote 13) which comprises of the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Accounting Policies, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts and Notes to the Financial Statements for the year ended 30<sup>th</sup> June, 2015 as shown in Annexure I of this report.

### **Management Responsibility for the financial statements**

The preparation of the Financial Statements is the responsibility of the management of the Financial Intelligence Unit (FIU) as per the Statement of Management responsibility on the Financial Statements enclosed in this report as Annexure II.

Sect. 25(4) of the Public Finance Act No. 6 of 2001 (revised 2004), places responsibility on the Accounting Officer to prepare Financial Statements for each financial year which presents true and fair view of the Financial Position, Financial Performance and Cash Flows for the year then ended. It also, requires management, to ensure that the reporting entity keeps proper accounting records, which will disclose with reasonable accuracy its Financial Position of the reporting entity and its responsibility in safeguarding the assets of the reporting entity.

### **Responsibilities of the Controller and Auditor General**

My responsibility as an auditor is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatements.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or errors. In making those risk assessments, I considered the internal control relevant to the FIU's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FIU's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Sect 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Unqualified opinion**


In my opinion, the Financial Statements present fairly, in all material respects, the Financial Position of the Financial Intelligence Unit as at 30<sup>th</sup> June 2015, and its Financial Performance, and its Cash Flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) under Accrual basis of accounting.



## Report on Other Legal and Regulatory Requirements

### Compliance with Procurement Legislation

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions I have reviewed as part of this audit. I state that the Financial Intelligence Unit has generally complied with the requirements of the PPA No.7 of 2011 and its underlying Regulations of 2013.

  
Athumani Selemani Mbutuka  
Ag. CONTROLLER AND AUDITOR GENERAL

National Audit Office  
Dar es Salaam.



March, 2016

Copy: The Chief Secretary,  
State House,  
P.O. Box 9120,  
1 Barack Obama Road  
11400 DAR ES SALAAM.

Permanent Secretary and Paymaster General,  
Ministry of Finance,  
P.O. Box 9111,  
1 Madaraka Street  
11468 DAR ES SALAAM.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**STATEMENT OF MANAGEMENT RESPONSIBILITIES**

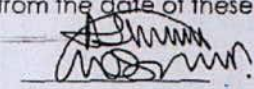
The Management team of the FIU is responsible for preparation of the annual Financial Statements, which give a true and fair view of the entity's state of affairs and operations. The statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) on Accrual Basis and in conformity with provisions of Section 25(2) and (4) of the Public Finance Act No. 6 of 2001 (as amended in 2004). Management responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory authority, and properly record the use of all public financial resources accordingly.

To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statements for the year ended 30<sup>th</sup> June, 2015.

Procurement of goods, works, consultancy and non consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act no. 9 of 2011 and its Regulations of 2013.

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act No. 6 of 2001 (as amended in 2004) and its Regulations; International Public Sector Accounting Standards (IPSAS) Accruals basis; and Guidelines issued from time to time by the Paymaster General and Accountant General.

In our opinion, nothing has come to the attention of the management that the financial statements do not present fairly all material respect of the operations of the entity, and that the entity will not remain a going concern for the next twelve months from the date of these statements.

  
**ONESMO H. MAKOMBE**  
ACCOUNTING OFFICER

29/9/2015  
Date



THE UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT (VOTE 013)

STATEMENT OF FINANCIAL POSITION  
AS AT 30<sup>th</sup> JUNE, 2015

	NOTE	2015	2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	49	221,622,087.78	538,168,065.15
Inventories	52	9,868,400.00	0.00
Prepayments	53	6,818,808.22	1,497,880.00
<b>Total Current Assets</b>		<b>238,309,296.00</b>	<b>539,665,945.15</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	59	927,973,863.00	528,837,219.00
Intangible Assets	61	104,030,000.00	104,030,000.00
<b>Total Non-Current Assets</b>		<b>1,032,003,663.00</b>	<b>632,867,219.00</b>
<b>TOTAL ASSETS</b>		<b>1,270,312,959.00</b>	<b>1,172,533,164.15</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	64	4,911,772.78	121,780,433.64
Recurrent Deferred Income	71	16,687,208.22	0.00
Deposits	72	221,622,087.78	538,168,065.15
<b>Total Current Liabilities</b>		<b>243,221,068.78</b>	<b>659,948,498.79</b>
<b>Non-Current Liabilities</b>			
Development Deferred Income	83	0.00	0.00
<b>Total Non-Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL LIABILITIES</b>		<b>243,221,068.78</b>	<b>659,948,498.79</b>
<b>Net Assets</b>		<b>1,027,091,890.22</b>	<b>512,584,665.36</b>
<b>NET ASSETS/EQUITY</b>			
Capital contributed by:			
Taxpayers Funds	90	1,033,501,543.00	634,365,099.00
Accumulated surpluses/(deficits)		(6,409,652.78)	(121,780,433.64)
<b>TOTAL NET ASSETS/EQUITY</b>		<b>1,027,091,890.22</b>	<b>512,584,665.36</b>

  
Accounting Officer

29/9/2015  
Date

THE UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT (VOTE 013)  
STATEMENT OF CHANGES IN NET ASSET/EQUITY  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

	Tax payer's fund	Accumulated Surplus/(Deficit)	Total
Opening balance	634,365,099.00	(121,780,433.64)	512,584,665.36
Capital Fund Received	81,309,348.31	-	81,309,348.31
Adjustment of Taxpayers fund	317,827,095.69	0.00	317,827,095.69
Revaluation surplus/(Deficit)	0.00	0.00	0.00
Suplus/(Deficit) during the year		115,370,780.86	115,370,780.86
Closing Balance	1,033,501,543.00	(6,409,652.78)	1,027,091,890.22

  
Accountant General

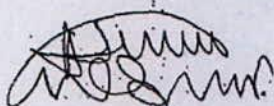
29/9/2015  
Date



UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT (VOTE 013)

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

	2015	2014
	TZS	TZS
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS</b>		
Exchequer Issues	1,579,292,159.18	1,853,030,633.00
Other Receipts	622,287,322.48	1,905,428,348.97
<b>TOTAL RECEIPTS</b>	<b>2,201,579,481.66</b>	<b>3,758,458,981.97</b>
<b>PAYMENTS</b>		
Wages, Salaries and Employee Benefits	751,706,668.50	791,571,196.00
Supplies and Consumable Goods	686,088,567.09	774,135,882.47
Other Payments	938,833,299.85	1,718,772,925.73
Routine Maintenance and Repair	26,718,024.00	14,330,922.00
Other Expenses	2,712,096.10	0.00
<b>TOTAL PAYMENTS</b>	<b>2,406,056,655.54</b>	<b>3,298,810,926.20</b>
<b>Net Cash Flow From Operating Activities</b>	<b>(204,477,173.88)</b>	<b>459,648,055.77</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Construction of Non-Current Assets	81,309,348.31	6,135,000.00
<b>Net Cash Flow From Investing Activities</b>	<b>81,309,348.31</b>	<b>6,135,000.00</b>
<b>Net Increase/(decrease) in cash</b>	<b>(285,786,522.19)</b>	<b>465,783,055.77</b>
Cash to be Surrendered to Holding Account	30,759,455.18	266,293,080.41
Cash to be Surrendered to PMG	0.00	564,552.12
Cash at the beginning of the Year	538,168,065.15	381,512,641.91
<b>Cash at the end of the Period</b>	<b>221,622,087.78</b>	<b>538,168,065.15</b>



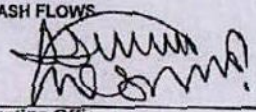
Accounting Officer

Date

29/9/2015

THE UNITED REPUBLIC OF TANZANIA  
 FINANCIAL INTELLIGENCE UNIT (VOTE013)  
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT  
 FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015  
 Budget approved on the Cash Basis (Classification of Payments by Nature)

	Actual Amount (A) TZS	Final Budget (B) TZS	Original Budget TZS	Difference (B-A) TZS
<b>CASH INFLOWS</b>				
Exchequer Issues	1,579,292,159.18	2,095,000,000.00	2,095,000,000.00	515,707,840.82
<b>TOTAL RECEIPTS</b>	<b>1,579,292,159.18</b>	<b>2,095,000,000.00</b>	<b>2,095,000,000.00</b>	<b>515,707,840.82</b>
<b>CASH OUTFLOWS</b>				
Operations				
Wages, Salaries and Employee Benefits	751,706,668.50	776,601,100.00	661,671,100.00	24,894,431.50
Supplies and Consumable Goods	686,085,567.09	1,148,284,180.00	1,175,014,180.00	462,197,612.91
Routine Maintenance and Repair	26,718,024.00	30,537,900.00	25,537,900.00	3,819,876.00
Other Expenses	2,712,096.10	6,000,000.00	6,500,000.00	3,287,903.90
Capital Expenditures				
Purchase/Construction of Non-Current Assets	81,309,348.31	133,576,820.00	226,276,820.00	52,267,471.91
<b>TOTAL PAYMENTS</b>	<b>1,548,532,704.00</b>	<b>2,095,000,000.00</b>	<b>2,095,000,000.00</b>	<b>546,467,296.00</b>
<b>NET CASH FLOWS</b>	<b>30,759,455.18</b>	<b>0.00</b>	<b>0.00</b>	<b>(30,759,455.18)</b>

  
 Accounting Officer

Date

29/9/2015



UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

**PRINCIPAL PLACE OF BUSINESS**

FINANCIAL INTELLIGENCE UNIT  
1 Madaraka Street  
P. O. Box 5145  
11468 Dar Es Salaam, Tanzania  
Tel +255222129457  
Fax +255222129471

**BANKERS**

Bank of Tanzania (BOT)  
2 Mirambo Street  
P.O.BOX 2939  
11884 Dar Es Salaam, Tanzania

**LAWYERS**

Attorney General Chambers  
Mkwepu Street  
P. O. Box 9050  
11484 Dar Es Salaam, Tanzania

**EXTERNAL AUDITORS**

The Controller and Auditor General  
The National Audit Office  
P.O.Box 9080  
Dar Es Salaam, Tanzania

UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2015

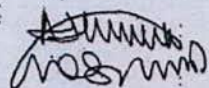
NOTES TO FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION

The entity's financial Statements have been prepared in accordance with Public Finance Act of 2001 (amended 2004), and comply with the requirements of IPSAS. The financial statements are presented in Tanzania Shillings (TZS).

3. AUTHORIZATION DATE

The Financial Statements were authorized for issue on 30<sup>th</sup> June 2015 by:



Onesmo Hamis Makombe  
Accounting Officer

4. REPORTING ENTITY

Financial Intelligence Unit

5. COMMERCIAL PUBLIC SECTOR ENTITIES

These include both trading and statutory enterprises which are either fully Government owned or Government has a stake. These entities operate commercially and do not rely on continuing Government funding to be a going concern.

Commercial Public Sector Entities are excluded from the consolidated Accounts. Such entities contribute dividends to the Government and such earnings are recognized as revenue.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted, which are consistent through years, are shown below:

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of the Government are measured using the currency of the primary economic environment in which the Government operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS), which is the Government's functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

**Cash and cash equivalents**

Cash equivalents include investments that are short term (less than three months from date of acquisition), readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value. Generally they exclude equity investments.

Cash and bank balances in the statement of financial position comprise of cash at banks and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Employment benefits**

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognised on accrual basis.

The Government operates defined benefit plans. Different plans and contribution rates for employer and employees are detailed below:

No.	Name of the Fund	Employer Contribution	Employee Contribution
1	National Social Security Fund	10%	10%
2	Parastatal Pension Fund	15%	5%
3	GEPF	15%	5%
4	PSPF	15%	5%
5	LAPF	15%	5%

Additionally, the Government operates an insured (health's benefit) plan where both the employer and employee contribute 3% of gross salary.

**Revenue from exchange transactions**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Government and the revenue can be reliably measured. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The following specific recognition criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- a) the Government has transferred to the buyer the significant risks and rewards of ownership of the goods;



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

- b) the Government retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Property, plant and equipment**

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria. Since the Government has adopted the transition provisions of IPSAS 17 *Property Plant and Equipment* depreciation will not be charged in the current year.

The carrying values of cash – generating property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognised.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

When each major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied.

**Intangible assets**

Intangible assets (consisting of computer software) acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is charged against surplus/deficit in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The expected useful life is approximately 5 years.

The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of financial performance. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus/deficit when the asset is derecognised.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Impairment of non-financial assets**

The Government assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Government makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that is largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of financial performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of financial performance. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Inventories**

Inventories are stated at the lower of cost and net realizable value plus costs incurred in bringing each product to its present location and condition. The cost of inventories is determined on first in, first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

---

Related parties under FIU include Commissioner, Assistant Commissioner's and Principal Officers. Some of the FIU transactions and arrangements of the transactions in the financial statements involve the remuneration of the key management personnel.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

***The Government as lessor***

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Government's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Government's net investment outstanding in respect of the leases.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

***The Government as lessee***

Assets held under finance leases are recognised as assets of the Government at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to statement of financial performance, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Government's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Events after reporting date**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- Those that is indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

**7. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Government's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgments**

In the process of applying the Government's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

*Determination of the useful lives of property, plant and equipment*

Management uses reasonable judgment in determining the useful lives and hence depreciation rates of the items of property, plant and equipment.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

***Impairment of non-financial assets***

The Government assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

**8. TRANSITIONAL PROVISIONS**

The FIU will recognize Property Plant and Equipment fully in five years time.

**9. FUTURE CHANGES IN ACCOUNTING POLICIES**

Future changes in accounting policies will involve standards issued but not yet effective. The following standards are not yet effective:

IPSAS 34 – Separate Financial Statements

IPSAS 35 – Consolidated Financial Statements

IPSAS 36 – Investments in Associates and Joint Ventures

IPSAS 37 – Joint Arrangements

IPSAS 38 – Disclosure of Interests in Other Entities.



UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015

NOTES TO FINANCIAL STATEMENTS (continued)

10. EXCHANGE RATES

Foreign currency transactions are transacted into Tanzania shillings using the exchange rates prevailing at the date of transactions.

Currency	30 <sup>th</sup> June, 2015	30 <sup>th</sup> June, 2014
United States Dollar (USD)	2,030.4000	1,657.8800
British Pound (STG)	3,196.6818	2,823.3696
Euro (EUR)	2,265.1142	2,259.1931

11. RISKS MANAGEMENT

The Government is subject to a number of financial and operational risks, hazards and strategic risks and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation.

All types of risks associated with the Government activities are managed through the Policy Analysis Department of the Ministry of Finance.

a) Interest rate risk

Interest rate risk refers to the risk of loss due to adverse movement in interest rates. In general interest rate risk is managed strategically by issuing a mix of fixed and floating rate debt.

b) Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. A range of instruments are currently being used to minimize the Government's exposure to foreign exchange risk which include currency.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**c) Liquidity risk**

Liquidity risk refers to the unfavorable events due to the lack of sufficient funds to meet all their obligations as they fall due. The FIU manages these risks by performing activities having funds.

**d) Credit risk**

Credit risk refers to the risk of a failure due to the non-performance by counterparties to discharge an obligation. This type of risks is managed by making sure every party discharges its obligations.

**e) Contractual Obligation Risks**

This kind of risk occurs when the service provider fail to deliver goods or service on time at the agreed price.

**f) Environmental Risks**

The FIU is subjected to this type of risk in the issues relating to energy facility. Risk is managed by having a stand by Generator.

**g) Legal /Statutory risk.**

This is the risk associated with failure to comply with the legal requirements. Legal requirements are complied to minimize the risk.

**h) Information Risk**

Information risk involved with the risk of managing information, data protection and freedom to access information. The use of password in the system, accessing levels categorization and confidential registry minimizes the risk.



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**12. ORIGINAL AND FINAL APPROVED BUDGET AND COMPOSITION OF ACTUAL AND BUDGET AMOUNTS**

Original budget is the initial expenditure authority derived from laws, appropriation bills, government ordinances, and other decisions related to the anticipated revenue or receipts for the budgetary period.

Final budget is the original budget adjusted for all reserves, carry over amounts, transfers, allocations, supplemental appropriations, and other authorized legislative, or similar authority, changes applicable to the budget period.

For the year 2014/2015, the approved budget is developed on the cash basis and financial statement was prepared on Accrual Basis and changes between the original and final budget are a consequence of reallocations within the budget. Also the difference between the budget and actual amount for the year under review was caused by insufficient release of fund from the Ministry of Finance - Budget Department.



THE UNITED REPUBLIC OF TANZANIA  
FINANCIAL INTELLIGENCE UNIT (VOTE 013)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

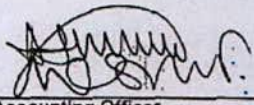
	2015	2014
	Actual Receipts/Expenditure	Actual Receipts/Expenditure
	TZS	TZS
<b>Note 18 - Wages, Salaries and Employee Benefits</b>		
	0.00	0.00
Accrued Wages, Salaries and Employee Benefit	0.00	2,560,000.00
Acting Allowance	52,494,259.00	44,788,196.00
Court Attire Allowance	500,000.00	500,000.00
Electricity	2,460,000.00	2,335,000.00
Extra-Duty	4,872,409.50	0.00
Food and Refreshment	0.00	22,538,000.00
Furniture	4,500,000.00	0.00
Honoraria	228,190,000.00	298,680,000.00
Housing Allowance	7,200,000.00	7,200,000.00
Leave Travel	6,650,000.00	2,800,000.00
Moving Expenses	0.00	660,000.00
Outfit Allowance	3,000,000.00	0.00
Sitting Allowance	6,900,000.00	3,500,000.00
Special Allowance	434,780,000.00	401,000,000.00
Staff Claims	0.00	0.00
Subsistence Allowance	0.00	5,285,000.00
Telephone	2,160,000.00	2,285,000.00
<b>Total</b>	<b>751,706,668.50</b>	<b>794,131,196.00</b>
<b>Note 20 - Supplies and Consumable Goods</b>		
Accrued Supplies and Consumable Goods	0.00	119,220,433.64
Air Travel Tickets	169,888,386.62	106,362,635.00
Books, Reference and Periodicals	0.00	0.00
Computer Software	5,000,000.00	0.00
Computer Supplies and Accessories	0.00	0.00
Conference Facilities	46,678,600.00	45,814,539.59
Courier Services	3,480,588.00	6,000,000.00
Diesel	16,089,490.90	9,264,000.00
Food and Refreshments	15,607,000.00	0.00
Gifts and Prizes	2,000,000.00	0.00
Ground Transport (Bus, Train, Water)	9,500,000.00	0.00
Ground travel (bus, railway tax), etc)	29,808,000.00	26,590,000.00
Internet and Email connections	0.00	0.00
Lodging/Accommodation	0.00	11,194,000.00
Newspapers and Magazines	9,898,400.00	5,135,447.88
Office Consumables	3,232,560.00	18,331,300.00
Outsourcing Costs	5,832,080.00	3,385,000.00
Per Diem - Domestic	39,490,000.00	71,385,000.00
Per Diem - Foreign	55,328,106.00	156,264,522.00
Posts and Telegraphs	88,500.00	120,000.00
Printing and Photocopy paper	3,650,000.00	1,000,000.00
Printing and Photocopying Costs	1,013,482.35	10,256,047.58
Publicity	7,694,000.00	0.00



	2015	2014
	Actual Receipts/Expenditure	Actual Receipts/Expenditure
	TZS	TZS
Remuneration of Instructors	6,400,000.00	1,600,000.00
Software License Fees	11,000,000.00	0.00
Subscription Fees	22,079,970.42	4,580,180.42
Supplies of Goods and Services	0.00	(6,097,397.96)
Technical Service Fees	37,467,353.67	0.00
Tuition Fees	15,222,377.09	103,872,210.00
Uniforms	0.00	0.00
Upkeep Allowances	42,858,407.82	191,100,000.00
Visa Application Fees	1,595,580.00	1,901,000.00
<b>Total</b>	<b>560,682,882.67</b>	<b>887,258,918.16</b>
<b>Note 36 - Exchequer Revenue</b>		
Development	86,019,600.00	127,773,299.59
Recurrent	1,376,082,624.91	1,452,284,700.88
<b>Total</b>	<b>1,462,102,224.91</b>	<b>1,580,038,000.47</b>
<b>Note 40 - Routine Maintenance and Repair</b>		
Air conditioners	2,000,000.00	0.00
Electrical and Other Cabling Materials	1,000,000.00	0.00
Fire Protection Equipment	700,000.00	0.00
Motor Vehicles and Water Craft	12,499,345.00	9,570,000.00
Outsource maintenance contract services	0.00	2,860,922.00
Photocopiers	385,222.00	0.00
Plumbing Supplies and Fixtures	3,595,557.00	0.00
Spare Parts	3,537,900.00	1,900,000.00
Tyres and Batteries	3,000,000.00	0.00
<b>Total</b>	<b>26,718,024.00</b>	<b>14,330,922.00</b>
<b>Note 41 - Other Expenses</b>		
	0.00	0.00
Accrued Other Expenses	4,911,772.78	0.00
Consultancy Fees	0.00	0.00
Security Services	2,712,096.10	0.00
<b>Total</b>	<b>7,623,868.88</b>	<b>0.00</b>
<b>Note 49 - Cash and Cash Equivalents</b>		
Ep.9.CPS Misc.Deposit	221,622,087.78	538,168,065.15
FIU Development Expenditure Account	0.00	0.00
<b>Total</b>	<b>221,622,087.78</b>	<b>538,168,065.15</b>
<b>Note 52 - Inventories</b>		
Consumables	9,868,400.00	0.00
Stationaries	0.00	0.00
<b>Total</b>	<b>9,868,400.00</b>	<b>0.00</b>
<b>Note 53 - Prepayments</b>		
Prepayment	6,818,808.22	1,497,880.00
<b>Total</b>	<b>6,818,808.22</b>	<b>1,497,880.00</b>
<b>Note 59 - Property, Plant and Equipment</b>		
Computers and Photocopiers	6,135,000.00	6,135,000.00



	2015	2014
	Actual Receipts/Expenditure	Actual Receipts/Expenditure
	TZS	TZS
Computer's Equipment	190,373,445.00	190,373,445.00
Four Wheel Drive Vehicles	0.00	0.00
Furniture and Fittings	6,087,600.00	0.00
Motor Vehicles	541,055,444.00	148,008,600.00
Office Residential Furniture, Fitting and Equipment	170,409,774.00	170,409,774.00
Public Buildings	0.00	0.00
Servers	13,912,400.00	13,912,400.00
<b>Total</b>	<b>927,973,663.00</b>	<b>528,837,219.00</b>
<b>Note 61 - Intangible Assets</b>		
Computer Software	104,030,000.00	104,030,000.00
<b>Total</b>	<b>104,030,000.00</b>	<b>104,030,000.00</b>
<b>Note 64 - Payables</b>		
Staff Claims	0.00	2,560,000.00
Supplies of Goods and Services	4,911,772.78	119,220,433.64
<b>Total</b>	<b>4,911,772.78</b>	<b>121,780,433.64</b>
<b>Note 71 - Recurrent Deferred Income</b>		
Recurrent Deferred Income	16,687,208.22	0.00
<b>Total</b>	<b>16,687,208.22</b>	<b>0.00</b>
<b>Note 72 - Deposits</b>		
Ep.9.CPS Misc. Deposit	221,622,087.78	538,168,065.15
<b>Total</b>	<b>221,622,087.78</b>	<b>538,168,065.15</b>
<b>Note 83 - Development Deferred Income</b>		
Development Deferred Income	0.00	0.00
Year End Bal Trans From Ministry- Holding	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Note 90 - Taxpayers Funds</b>		
Tax Payers Fund Adjustment	322,900,403.91	(247,620.00)
Computers and Photocopiers	6,135,000.00	6,135,000.00
Four Wheel Drive Vehicles	69,900,820.09	0.00
Furniture and Fittings	6,087,600.00	0.00
Opening Tax Payers Fund	614,565,319.00	614,565,319.00
Public Buildings	0.00	0.00
Servers	13,912,400.00	13,912,400.00
Stationaries	0.00	0.00
<b>Total</b>	<b>1,033,501,543.00</b>	<b>634,365,099.00</b>

  
 Accounting Officer

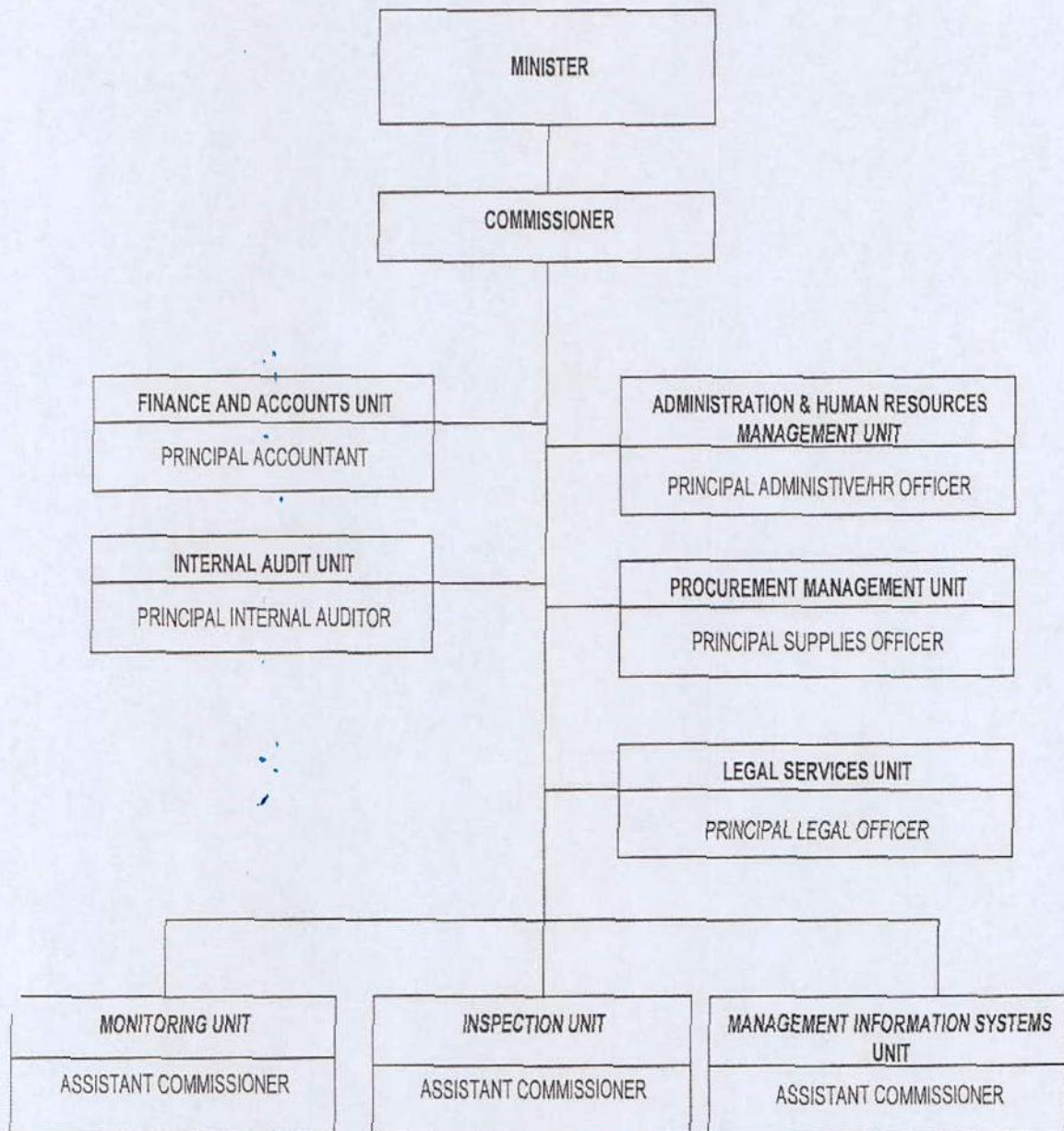
29/9/2015  
 Date



## a. Organisation Structure

### APPROVED ORGANISATION STRUCTURE OF FINANCIAL INTELLIGENCE UNIT

(Approved by the President on 13<sup>th</sup> January, 2009)





## **b. Reporting Persons**

AMLA and AMLPOCA identify reporting persons to include the following:

- i. Accountants
- ii. Attorneys, notaries and other independent legal professionals
- iii. Auctioneers
- iv. Banks and financial institutions
- v. Cash dealers
- vi. Customs officers
- vii. Dealers in precious stones or metals
- viii. Dealers in works of art
- ix. Financial leasing entities
- x. Housing finance companies
- xi. Microfinance institutions and companies
- xii. Pension funds managers
- xiii. Real estate agents
- xiv. Regulators
- xv. Securities markets intermediaries



AML/CFT laws legislation empower Ministers responsible for Finance to designate any other entity as reporting person, by notice published in the Gazette.

### **c. Regulators**

AMLA and AMLPOCA identify regulators to include the following:

- i. Bank of Tanzania (BOT)
- ii. Business Registration and Licensing Authority (BRELA)
- iii. Capital Markets and Securities Authority (CMSA)
- iv. Energy and Water Utilities Regulatory Authority (EWURA)
- v. Gaming Board of Tanzania (GBT)
- vi. Registration, Insolvency and Trusteeship Agency (RITA)
- vii. Registrar General's Office
- viii. Registrar of Cooperatives
- ix. Registrar of Non Governmental Organizations
- x. Registrar of Political Parties
- xi. Registrar of Titles
- xii. Social Security Regulatory Authority (SSRA)
- xiii. Tanzania Insurance Regulatory Authority (TIRA)
- xiv. Tanzania Communication Regulatory Authority (TCRA)
- xv. Tanzania Investment Centre (TIC)
- xvi. Zanzibar Investment Promotion Authority (ZIPA)
- xvii. Zanzibar Law Society (ZLS)



AML/CFT laws empower Ministers responsible for Finance to designate any other regulatory authority or agency or Government Department as regulator, by notice published in the Gazette.

#### **d. Law Enforcement Agencies**

Law enforcement agencies include;

- i. Immigration Services
- ii. Prevention and Combating of Corruption Bureau (PCCB)
- iii. Tanzania Police Force
- iv. Tanzania Revenue Authority (TRA)
- v. Zanzibar Revenue Board (ZRB)
- vi. Zanzibar Anti-corruption and Economic Crimes Authority (ZAECA)
- vii. Any person authorized to perform investigative or monitoring duties under AMLPOCA
- viii. Other Investigative Agencies dealing with AML/CFT

#### **e. FIU Contacts**

##### **Postal Address:**

Commissioner  
Financial Intelligence Unit  
P. O. Box 5145  
11468 Dar es salaam  
Tanzania

**Telephone:** +255 22 2129457

**Fax:** +255 22 2129471

**Website:** <http://www.fiu.go.tz>

**E-mail:** info@fiu.go.tz