



AHSI/ISS SEMINAR

Title: Raising Awareness on Money laundering in the Eastern Africa Region.
Place: Laico Regency, Nairobi
Date: 16th October, 2008
Speakers: Charles Goredema (Programme Head, Organised Crime and Money Laundering Programme, OCML, Cape Town) and Michael Wanyika, Forensic Dept., KPMG)

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The half day seminar, organized by the Africa Human Security Initiative (AHSI) of ISS, drew participants from civil society, the legal fraternity, government security agents (CID), insurance firms and the banking sector.

In his introduction, Charles Goredema expressed the growing concern over ML in the Eastern Africa Region and the need to have law provisions to combat the problem since it rips off the economic gains of the regional countries. His presentation highlighted the concerns of ML, incidences, prevention, detecting and punishing, and strategies of handling ML in the future. He also discussed the connection between ML and terrorism acts. One point that Charles made clear was the intersection of security, governance and development.

The second presentation was made by Michael Wanyika from the forensic department of KPMG. KPMG is an international organisation offering audit and risk advisory, tax and financial advisory services and has been in the forefront in addressing ML issues. Michael used Kenya as a case study and dwelt on how it has handled the ML phenomenon. He took us through the available legislations that has provided for ML and its penalties in Kenya. More emphasis was on the proposed Crime and Money Laundering (Prevention) Bill, 2008 adopted by the CBK. Among others, the Bill highlights the Monitoring and Reporting of suspected ML actions, obligations of verifying bank customers' identity, establishing and maintaining customer records and internal reporting procedures. In pursuit of developing a comprehensive Anti-Money Laundering (AML), it was good to learn that the National Taskforce on AML and combating Terrorism was gazetted in 2003.

From discussions held after the presentations, the following was noted.

- In Kenya there is no specific ML Act but most provisions are in the Economic and Corruption Act. It is important that all players should cooperate in combating Money Laundering.
- AML regimes in Eastern Africa countries should be streamlined so as to set a base for getting information from international banks and agencies. This is because international banks cannot help without international AML.
- AML can only be adopted with political will and the civil society should take the lead to motivate the parliament(since parliament cannot motivate itself)
- There has been no domestication of AML conventions on Transboundary Organized Crime (UN Convention)
- Prevention of ML can be better achieved when the banks are linked together and with other institutions as well.
- ML definition as the “proceeds of crime” makes it non-monetary since ML can be heightened by deliberate or negligent provision of resources to the criminals especially those who commit terrorism, for example provision of food, clothing, training and medicine.
- There is contravening of laws and contradictions that make evidences of ML hard to detect.
- It is important to note that ML addresses crimes already committed and legislation addresses proceeds of the specific crimes.