WHEREAS, money laundering and the financing of terrorism as it not only threaten security, but also compromise the stability, transparency, soundness and efficiency of the financial system;

WHEREAS, the effort to combat money laundering and the financing of terrorism is being undertaken internationally and since Ethiopia is part thereof;

WHEREAS, it has become imperative to legislate special law to have an effective implementation of the provisions of the Criminal Code criminalizing money laundering as an offence;

NOW, THEREFORE, in accordance with Article 55 sub article (1) of the Constitution of the Federal Democratic Republic of Ethiopia it is hereby proclaimed as follows:
PART ONE
GENERAL PROVISIONS

1. Short Title
This Proclamation may be cited as the “Prevention and Suppression of Money Laundering and the Financing of Terrorism Proclamation No. 657/2009.”

2. Definitions
In this Proclamation unless the context otherwise requires:

1/ “accountable person” means any of the following:

a) a financial institution as defined in the Banking Business Proclamation No. 592/2008;

b) a money transfer agent or a foreign exchange bureau;

c) a financial leasing company;

d) the Ethiopian Revenues and Customs Authority;

e) a notary office or an organ empowered to authenticate documents;

f) a licensing authority;

g) the Ethiopian Investment Agency;

h) non-governmental organization, religious institution or other charitable organization;

i) an advocate, an auditor or a licensed accountant;

j) a person engaged in real estate business;

k) a dealer in precious metals and gems;
1/ a broker, dealer or investment advisor;

2/ “Center” means the Financial Intelligence Center to be established pursuant to Article 21 (1) of this Proclamation;

3/ “cash” means the currency of Ethiopian or of another country that is designated as legal tender or customarily used as a medium of exchange in the country of issue;

4/ “competent authority” means the Center, the police, prosecutor or any other relevant regulatory or supervisory authority;

5/ “confiscation” means the permanent deprivation of ownership of property by order of a court;

6/ “record” or “document” means any information that includes:

   a) anything on which there is a writing;

   b) anything on which there is a mark, figure, symbol or perforation having meaning for persons qualified to interpret it;

   c) anything from which a sound, an image or a writing can be produced, with or without the aid of anything else;

   d) a map, plan, drawing, photograph or similar thing;

   e) an electronic document;

   f) any material on which date are recorded or marked and which is capable of being read or understood by a person, a computer or other device;
7/ “freezing” or “seizure” means temporarily prohibiting the transfer, conversion, disposition or movement of property or temporarily assuming custody or control of property on the basis of an order issued by a court;

8/ “gift” means any transfer of property obtained through crime, with intent to make it seemingly legal, to another person freely or for a consideration the value of which is significantly less than the value of the property;

9/ “material” means documentary material of any kind and includes information stored in a computer, disc or cassette or on microfilm or preserved by any mechanical or electronic device;

10/ “money laundering” means an offence defined under Article 684 of the Criminal Code;

11/ “person” means any natural or legal person;

12/ “proceeds of crime” means any economic advantage derived, directly or indirectly, from the commission of a crime, and includes property later successively converted, made to increase its value, transformed or intermingled, as well as income, capital or other economic gains derived from such property;

13/ “property” means any asset whether movable or immovable, or tangible or intangible, including currency, monetary instruments, and legal documents evidencing title to or interest in such assets;

14/ “suspicious transaction” means a transaction which is inconsistent with a customer’s known legitimate business or personal activities or with the normal business for that type of account or business relationship, or a complex, strange and unusual transaction or complex or unusual pattern of transaction;
PART TWO
INFORMATION ON CUSTOMERS

3. Identification of customers

1/ Any accountable person shall have the power and responsibility to identify customers and to take cautionary measures.

2/ The details of identification of customers and cautionary actions to be taken shall be governed by directives issued by:

a) the National Bank of Ethiopia as regards financial institutions; and

b) the Center as regards other accountable persons.

3/ The directives to be issued under sub-article (2) of this Article shall include:

a) customers identification and due diligence;

b) foreign and local transfers;

c) account monitoring;

d) recording and reporting of cash transactions;

e) suspicious transaction reports;

f) record keeping;

g) physical cross border transfer of currency or monetary instrument;
4. **Duty to give Information on Customers**

1/ Any accountable person shall furnish, when requested by the competent authorities, information on customers required for investigation or prosecution of crime involving money laundering or financing of terrorism or for taking regulatory measures.

2/ The competent authorities may share information obtained pursuant to sub-article (1) of this Article with other local and foreign appropriate authorities when the information is related to an act of money laundering or the financing of terrorism.

3/ The competent authorities shall treat as confidential the information they have obtained pursuant to this Article, except insofar as disclosure of the information is necessary for the intended use.

5. **Admissibility of Evidences**

Any document or a certified copy of the document or a certified printout of any electronic record, relating to information kept pursuant to this Proclamation, shall be admissible as evidence in court proceedings.

6. **Obligations of Confidentiality Not an Impediment**

No obligation of confidentiality imposed by other laws shall affect any obligation under this Proclamation to report or furnish information.
Immunity from Liability

No accountable person, its employees, officers, directors, and agents shall be criminally, civilly or administratively liable for breach of any restriction on disclosure of information imposed by agreement or by any legislative, regulatory or administrative provision, where a report is made or information is furnished in good faith pursuant to this Proclamation, regardless of the result of the communication.

Continuing the Transaction

1/ An accountable person that is a party to a transaction and who is required to make a report under Article 3 of this Proclamation may continue with and carry out the transaction in respect to which the report is made as long as the accountable person complies with the requirements of this Proclamation.

2/ Notwithstanding sub-article (1) of this Article, the accountable person shall take such measures as are necessary to ensure that neither it not any service offered by it is used by a person to commit or facilitate the crime of money laundering or financing of terrorism.

PART THREE
FREEZING, SEIZURE AND CONFISCATION OF ASSETS

General

The provisions of the Revised Anti-Corruption Special Procedure and Rules of Evidence Proclamation No. 434/2005 relating to restraining order against property acquired by commission of corruption offense, and receivership and confiscation of such property shall, mutatis mutandis, be applicable to freezing, seizure and confiscation of assets in connection with combating money laundering or the financing of terrorism.
## PART FOUR
### INTERNATIONAL COOPERATION

### 12. General Provision

A court or a competent authority in Ethiopia shall cooperate with courts or other competent authorities of another country in taking appropriate measures to provide assistance in matters concerning money laundering, terrorist financing and other organized crimes, including the exchange of information, joint investigations and court proceedings such as provisional measures, confiscation and extradition, in accordance with this Proclamation and bilateral or multilateral treaties, agreements or arrangements to which Ethiopia is a party and within the limits of the country’s legal system.

### 13. Judgment as Evidence

A final judicial order or judgment that provides for the confiscation of property, connected to money laundering or the financing of terrorism, issued by a court or other competent authority of another country shall be recognized by Ethiopian court as evidence.
PART FIVE
PENAL PROVISIONS

14. Money Laundering

Any person who commits money laundering offence shall be criminally liable under Article 684 of the Criminal Code.

15. Unexplained Property

1/ Without prejudice to Article 419 of the Criminal Code, any person, who is in control of pecuniary resources or property disproportionate to his present or past lawful income or obtained from other lawful means shall, unless he gives a satisfactory explanation to the court as to how such pecuniary resources or property come under his control be punished, without prejudice to confiscation of the property or pecuniary resources or restitution to the rightful owner, as it deems appropriate, with imprisonment from three to five years and fine from Birr 5,000 to Birr 10,000.

2/ Where the court, during proceeding under sub-article (1) of this Article, is satisfied that there is reason to believe that any person owing to his closeness to the accused or other circumstances, was holding pecuniary resource or property in trust or otherwise on behalf of the accused or acquired, as a gift, such resources or property shall, in the absence of evidence to the contrary, be presumed to have been under the control of the accused.

16. Financing of Terrorism

Whosoever finances terrorism is punishable pursuant to Article 5 of the Anti-Terrorism Proclamation No. 652/2009
17. Other Offences

Unless a higher penalty is provided for in another law:

1/ whosoever:

   a) notifies any person, other than a court, competent authority or other person authorized by law, that information has been requested or furnished or reported or submitted to the Center;

   b) directly or indirectly alerts, or brings to the attention of another person other than a competent authority, court or other person authorized by law that information has been requested or furnished pursuant to this Proclamation or that an investigation is being or may be conducted;

   c) discloses confidential information held by or obtained from the Center otherwise in accordance with the directives of the Center; or

   d) without authority to do so, accesses or causes any other person to access an operation on any computer system that belongs to, or is under the control of, the Center, or any application or data held in such a computer system;

       is punishable with imprisonment from three to five years and fine from Birr 5,000 to Birr 10,000.

2/ whosoever:

   a) falsifies, conceals, destroys or otherwise disposes of or causes or permit the falsification, concealment, destruction or disposal of any document or material which is or is likely to be relevant to an investigation into money laundering or terrorist financing or is subject to any order made in accordance with the provisions of this Proclamation;
b) intentionally destroys or in any other way tampers with information kept by the Center for the purposes of this Proclamation; or

c) induces or threatens a person who is or can be a witness for an act of money laundering or financing of terrorism or uses violence against the witness or a person who has close relationship with the witness to prevent the witness from testifying;

is punishable with rigorous imprisonment from five to ten years and fine from Birr 10,000 to Birr 50,000.

3/ any accountable person who:

a) intentionally fails, within the prescribed period, to report to the Center the prescribed information in respect of a suspicious or unusual transaction or series of transactions in accordance with Article 3 of this Proclamation;

b) uses information kept at the Center for unauthorized purpose; or

c) knowingly allows it or its services to be used to commit or facilitate money laundering or the financing of terrorism in contravention of Article 8(2) of this Proclamation;

is punishable with imprisonment from three to five years and fine from Birr 5,000 to Birr 10,000.

4/ whosoever intentionally contravenes a freezing order by disposing of or otherwise dealing with property that is subject to the freezing order is punishable with imprisonment from three to five years and fine amounting to the estimated value of the property;

5/ whosoever contravenes any other provisions of this Proclamation shall be punished in accordance with the provisions of the Criminal Code.
18. **Penalty Imposed on Legal Person**

1/ A legal person who has committed an offence mentioned in this Proclamation shall be punished with a fine the amount of which shall be determined by converting the penalty provided for the crime into fine following the principles embodied in Article 90 of the Criminal Code.

2/ The court may order the dissolution of any organization convicted of a crime of money laundering or financing of terrorism.

19. **Inapplicability of Statue of Limitation for Money Laundering and Financing of Terrorism Cases**

Criminal liability of a person who commits a crime of money laundering or financing of terrorism shall not be barred by statue of limitations.

20. **Protection of Witnesses**

Where a court hearing a case of money laundering or financing of terrorism, on its own motion or on an application made by the public prosecutor or by the witness, is satisfied that the life of such witness is in danger, it may take the necessary measures to enable the withholding of the name and identity of the witness. The measures it takes may, in particular, include:

1/ holding of the proceedings at a place to be decided by the court;

2/ avoiding of the mention of the names and addresses of the witnesses in its orders, judgments and in the records of the case;

3/ issuing of any directions for securing that the identities and addresses of the witnesses are not disclosed; and

4/ ordering that all or any of the proceedings pending before the court shall not be published or disseminated in any manner.
PART SIX
MISCELLANEOUS PROVISIONS

21. Financial Intelligence Center

1/ The Financial Intelligence Center shall be established by regulations to be issued by the Council of Ministers.

2/ The Center shall have the powers and duties to:

a) collect, receive, store, survey, analyze and disseminate information pursuant to this Proclamation;

b) investigate cases of money laundering, financing of terrorism and other offences provided for in this Proclamation and pass the case to competent authorities, where there is sufficient ground;

c) ensure compliance by accountable persons with the requirements of this Proclamation;

d) enhance public awareness and understanding of matters related to money laundering and terrorist financing;

e) provide guidance and direction as needed to other governmental and non-governmental institutions with anti-money laundering and counter terrorist financing related responsibilities;

f) establish appropriate information management systems to ensure the protection of sensitive and confidential information disclosed to it under this Proclamation;
g) maintain comprehensive statistics on its operations, including the number of reports received pursuant to this Proclamation, the number of referrals made to law enforcement bodies, the number of criminal investigations and prosecutions based on those referrals, and the number of international requests for assistance;

h) refer promptly to the appropriate law enforcement organ where, based on the Center’s analysis and assessment, there exists reasonable ground to suspect that the report or information it has received is relevant to an investigation or prosecution of offense not covered under this Proclamation;

i) enter into memoranda of understanding or other legal agreements with government agencies as well as financial intelligence units in other countries to facilitate information sharing or for requiring technical assistance related to anti-money laundering and counter terrorist financing efforts;

j) provide or receive information to financial intelligence units in other countries or other international bodies based on treaty or other legal authority;

k) either independently or collaboratively with other supervisory authorities, conduct inspections of accountable persons to ensure compliance with this Proclamation;

l) issue directives on administrative measures to be taken against accountable persons, who fail to comply with this Proclamation and regulations and directives to be issued pursuant to this Proclamation; and

m) perform such other functions related to its functions.
22. Amendments to the List of Accountable Persons

1/ The Center may amend the list of accountable persons stipulated in Article 2(1) of this Proclamation.

2/ The Center shall publish the amendments under sub-article (1) of this Article in a widely circulating newspapers in the country as legal notice.

23. Confidentiality

The employees of, seconded personnel to, and any other persons who obtain through legitimate and legal means information in the possession of the Center are prohibited from disclosing the information, except as provided under this Proclamation.

24. Immunity

The employees or officers or seconded personnel of the Center performing legitimate functions to implement this Proclamation or regulations or directives issued hereunder shall be immune from any criminal, civil or administrative liability.

25. Power to Issue Regulations and Directives

1/ The Council of Ministers may issue regulations necessary to implement this Proclamation.

2/ The Center may issue directives necessary to implement this Proclamation and regulations issued pursuant sub-article (1) of this Article.

26. Applicability of other Laws

Relevant provisions in the Criminal Code and other laws shall be applicable with respect to crimes stipulated in this Proclamation so far as they are not inconsistent with the provisions of this Proclamation.
27. **Effective Date**

This Proclamation shall enter into force up on the date of publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this 16th day of December, 2009

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA