

FIA/ED/314/08/24

August 12, 2024

To all Accountable Persons as Specified Under the Second Schedule of the Anti-Money Laundering Act, 2013 (as amended)

ISSUANCE OF GUIDELINES ON THE TIMELINES FOR FILING SUSPICIOUS TRANSACTIONS REPORTS TO THE FINANCIAL INTELLIGENCE AUTHORITY

As you may be aware, Section 9 (2) of the Anti-Money Laundering Act (AMLA), 2017 and Regulation 39 (2) of the AML Regulations, 2015 require accountable persons to file suspicious transaction/activity reports (STRs/SARs) with the Financial Intelligence Authority within 2 days from the date the suspicion was formed.

We have noted that whereas the AMLA stipulates that STRs/SARs should be filed with the FIA within 2 days from the date the suspicion was formed, there is no clarity on the time accountable persons can take to form the suspicion. This has resulted in significant delays by some accountable persons to file STRs/SARs with the FIA.

The FIA has therefore found it prudent to provide guidance to accountable persons to streamline the timelines for filing STRs/SARs to ensure consistence in compliance. This is in line with Section 20(d) of the Anti-Money Laundering Act, 2013 which mandates FIA to give guidance to accountable persons, competent authorities, and other persons regarding compliance with the provision of the AMLA.

The purpose of this circular therefore, is to communicate the issuance of guidelines on the timelines for filing suspicious transactions/activity reports. The Guidelines, which are hereby attached, stipulate that accountable persons have up to ten (10) working days from the date the transaction is flagged, to form suspicion. This is intended to allow for internal investigations to be conducted before a suspicion or reasonable grounds for suspicion are established.

All Accountable Persons as specified under the second schedule of the Anti-Money Laundering Act, 2017 are therefore required to adhere to these Guidelines to ensure full compliance with Section 9 (2) of the Anti-Money Laundering Act, 2017 and Regulation 39 (2) of the AML Regulations, 2015.



For any further information, please send an email to compliance@fia.go.ug.



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Copy: All Supervisory Bodies of Accountable Persons



**GUIDELINES FOR SUSPICIOUS TRANSACTION REPORTING
TIMELINES**

UNDER THE ANTI-MONEY LAUNDERING ACT, 2013 (AS AMENDED)

AUGUST 2024

1 Introduction

1.1 Purpose

Timely reporting of suspicious transactions/activity is a very critical element of the efforts to combat money laundering and terrorist financing. Section 9 (2) of the Anti-Money Laundering (Amendment) Act, 2017 requires accountable persons to file suspicious transaction/activity reports with the Financial Intelligence Authority without delay but not later than two working days from the date the suspicion was formed. However, there is no clarity on the time accountable persons can take to form the suspicion.

These Guidelines therefore aim to provide clarity to all Accountable Persons as specified under the Second Schedule to the AMLA, to streamline their Suspicious Transaction/Activity Reporting timelines as provided for under Section 9 (2) of the Anti-Money Laundering (Amendment) Act, 2017. They are intended to ensure prompt identification and reporting of suspicious transactions/activity related to money laundering, terrorist financing and other predicate offences.

The Guidelines are not intended to be exhaustive and do not constitute legal advice from the Financial Intelligence Authority (FIA). Nothing in these Guidelines should be construed as relieving an Accountable Person from any of their obligations under the Anti-Money Laundering Act (AMLA), 2013 (as amended).

1.2 Applicability

Unless expressly stated, this Guidance applies to all Accountable Persons as specified under the second schedule of the Anti-Money Laundering Act, 2013 (as amended).

1.3 Legal Basis

These Guidelines are issued by the Financial Intelligence Authority (FIA) pursuant to Section 20(d) of the Anti-Money Laundering Act, 2013 which mandates FIA to give guidance to accountable persons, competent authorities, and other persons regarding compliance with the provision of the AMLA; Section 9 (2) of the Anti-Money Laundering (Amendment) Act, 2017 which provides the general timelines for reporting STRs; and Section 21(A) of the Anti-Money Laundering (Amendment) Act, 2017 that vests the power to enforce AML/CFT/CPF compliance of Accountable Persons with the Supervisory Bodies.

2 Timelines for Filing Suspicious Transactions/Activity Reports

Section 9 (2) of the Anti-Money Laundering (Amendment) Act, 2017 requires an accountable person to file a suspicious transactions/activity report without delay, but not later than two working days from the date the suspicion was formed. However, there is no indication of the time an accountable person can take to form the suspicion. Cognizant of this gap, and its implications for the timely reporting of

suspicious transactions/activity; the Financial Intelligence Authority **with immediate effect** guides as follows:

- 2.1 All accountable persons should have transaction monitoring systems (automated or manual) to identify potentially suspicious transactions or activities and raise alerts.
- 2.2 All accountable persons should institute ML/TF risk management internal controls which ensure that generated alerts are opened within **three (3) working** days after the alert is generated.
- 2.3 If the alert requires further investigation, the accountable person should conduct and complete the investigation, within ten **(10) working days**, from the date the alert was generated, and decide whether the transactions or activities are suspicious.
- 2.4 If after the investigation the transactions/activity are deemed suspicious, the accountable person must file a suspicious transaction/activity report with the Financial Intelligence Authority **without delay**, but not later than **two working days** from the date the suspicion was formed.
- 2.5 The exception to the timelines above is in respect of Terrorism Financing and Proliferation Financing which must be prioritized and reported to the Financial Intelligence Authority **without delay**.
- 2.6 If, after filing a suspicious transaction/activity report with the Authority, an Accountable Person discovers additional facts and circumstances to either support or refute the Accountable Person's initial suspicion, the Accountable Person should inform the Authority as soon as possible but not later than **two (2) working days** from the time of discovery of additional information by filing another STR/SAR with specific reference to the initial one.